

## FUND OBJECTIVE

To provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

## FUND DETAILS

|                      |   |
|----------------------|---|
| Launch Date          | 20 May 2014   |
| Domicile             | Malaysia  |
| Currency             | Ringgit Malaysia  |
| Launch Price         | RM1.0000  |
| Units in Circulation | 0.0000 units (31 May 2014)  |
| Fund Size            | RM 0.00 million (31 May 2014)   |
| Unit NAV             | RM 1.0000 (31 May 2014)   |
| Dealing              | Daily (as per Bursa Malaysia trading day)   |
| Fund Manager         | CIMB-Principal Asset Management Bhd   |
| Benchmark            | 50% FBM100 Index + 50% MSCI AC Asia ex-Japan Index  |
| Risk Profile         | Suitable for investors: <ul style="list-style-type: none"> <li>▪ Have a medium to long term investment horizon</li> <li>▪ Target capital appreciation</li> <li>▪ Do not require regular income</li> <li>▪ Comfortable with higher volatility</li> <li>▪ Willing to take higher risk for potential higher gains</li> </ul> |
| Fees                 | <ul style="list-style-type: none"> <li>▪ Management Fee: 1.500% p.a.</li> </ul>   |
| Taxation             | <ul style="list-style-type: none"> <li>▪ 8% of annual investment income</li> </ul>  |

## ASSET ALLOCATION

|        |                   |      |            |
|--------|-------------------|------|------------|
| Equity | Minimum 70% - 98% | Cash | Minimum 2% |
|--------|-------------------|------|------------|

## WHERE THE FUND INVESTS

|                  |        |                    |         |
|------------------|--------|--------------------|---------|
| Trading/Services | 19.58% | Plantations        | 2.84%   |
| Consumer         | 14.93% | Telecommunications | 2.74%   |
| Finance          | 13.62% | Construction       | 1.67%   |
| Financials       | 13.35% | Oils & Gas         | 1.15%   |
| Industrials      | 12.39% | Utilities          | 0.52%   |
| Technology       | 4.82%  | Cash               | 9.13%   |
| IPC              | 3.26%  | Total              | 100.00% |

## TOP 10 HOLDINGS

|                                      |       |
|--------------------------------------|-------|
| Tenaga Nasional Bhd                  | 4.02% |
| Public Bank Bhd - Local              | 3.59% |
| Malayan Banking Bhd                  | 3.53% |
| Digi.com Bhd                         | 2.70% |
| Samsung Electronics Co Ltd (Foreign) | 2.27% |
| Telekom Malaysia Bhd                 | 2.21% |
| Amorepacific Corp (Foreign)          | 2.10% |
| Daewoo International Corp (Foreign)  | 2.04% |
| Petronas Gas Bhd                     | 2.03% |
| Sime Darby Bhd                       | 2.00% |

## PERFORMANCE RECORD

This fund feeds into CIMB Principal Equity Income Fund ("target fund") with the objective to provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

Table below shows the historical actual investment returns of the target fund versus its benchmark as at 31 May 2014:

Performance Table as at 31 May 2014

|               | 1 Month | 3 Month | YTD  | 1-Year | 3-Year | Since Inception |
|---------------|---------|---------|------|--------|--------|-----------------|
| Fund** (%)    | 1.87    | 3.41    | 2.31 | 11.19  | 23.20  | 122.40          |
| Benchmark (%) | 1.02    | 2.54    | 0.62 | 6.28   | 12.67  | 129.53          |

\*\*Calculation of past performance is based on NAV-to-NAV

Notice: Past performance of the fund is not an indication of its future performance which may differ. The fund performance is not guaranteed.

## FUND MANAGER'S COMMENTS

The Fund was up 1.87% for the month while the benchmark was up 1.02% which implies an outperformance of 0.85%. India, Philippines and Malaysia outperformed. In Malaysia, underweight in Felda Global Ventures and Maxis, and overweight in Pos Malaysia and Time.com were positive. YTD, the Fund is up 2.31% outperforming the benchmark by 1.69%.

Our view of a stronger global economy in the second half of 2014 still holds. The main driver of this upswing is the US economy. Growth in Europe has also been gaining traction and in Japan, the stimulus is slowly leading to a sustained growth in domestic demand. Against this backdrop, we are looking for a cyclical upswing in Asian (including Malaysia) growth in the second half of 2014. Malaysia now trades at 16.2x and 14.7x in the year 2014 and 2015 earnings respectively. Earnings continue to be downgraded with earnings per share ("EPS") growth at only 4.2% for 2014. As such, the market looks expensive based on 2014 earnings. Nevertheless, EPS growth for 2015 is projected at 10.1% and valuation is fair. Hence, there could be upside to the market once we move into the second half of 2014.

In the region, we are focusing our research efforts on finding growth in information technology, consumer and industrial space – looking for companies that are well-positioned for industry change, consolidation and disruption. We are over-weighted on defensive growth, interest-rate sensitive, telecoms / utilities and consumer staples. We continue to avoid cyclical stocks like energy, materials and consumer discretionary stocks. In Malaysia, given the stretched valuations for 2014, we are positioning the portfolio for outperformance in late 2014/2015 by buying into 2015 earnings growth. We continue to overweight the most undervalued stocks within each sector based on dividend yield and earnings growth.

### Disclaimer:

The benchmark performance is not a guide to future performances which may differ. The performance of the fund is not guaranteed. The value of the fund will fluctuate and may fall below the amount of premiums paid and the fund value depends on the actual performance on the underlying investment.