

# CIMB-Principal Malaysia Equity Fund -Class SGD

31 October 2019

## Fund Objective

To achieve maximum capital appreciation over the long-term through all types of investments.

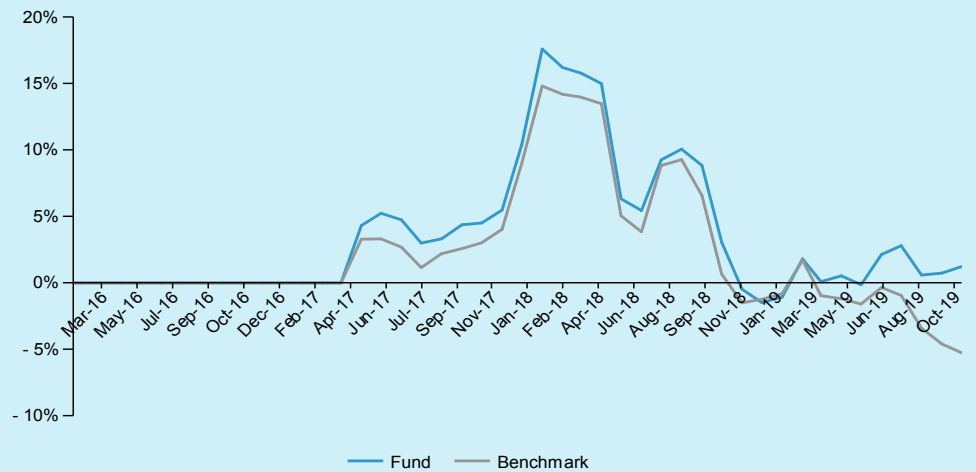
Currency: SGD ISIN Code: MYU1001F1007

Bloomberg Ticker: CIMMYES MK

## Fund Information

Domicile	Malaysia
Base Currency	Ringgit Malaysia
Fund Inception	18 February 2016
Benchmark	FTSE Bursa Malaysia Top 100 Index for performance comparison
Application Fee	Currently up to 5%
Management Fee	Up to 1.5% p.a.
Trustee Fee	Up to 0.05% p.a.
Fund Size (SGD)	SGD 1.70 million
NAV per unit (As at 31 October 2019)	SGD 0.9340

## Fund Performance



Past performance does not guarantee future results. Asset allocation and diversification do not ensure a profit or protect against a loss.

## Cumulative Performance (%)

	YTD	1 Month	3 Months	6 Months	1-Year	3-Year	5-Year	Since Inception
Fund	2.75	0.49	-1.53	0.70	-1.78	1.23	N/A	1.23
Benchmark/Target Return	-4.08	-0.69	-4.36	-4.12	-5.89	-5.03	N/A	-5.26

## Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013
Fund	-10.78	10.42	N/A	N/A	N/A	N/A
Benchmark	-9.39	15.60	N/A	N/A	N/A	N/A

## Most Recent Fund Distributions

	2019 Oct	2018 Oct
Gross (Sen/Unit)	7.44	0.33
Annualised Yield (%)	7.43	0.32

Note: February 2016 to October 2019.

Performance data represents the combined income & capital return as a result of holding units in the fund for the specified length of time, based on bid to bid prices. Earnings are assumed to be reinvested.

Annualised yield is calculated as the most recent monthly dividend distribution multiplied by the Fund's dividend frequency and divided by the latest NAV.

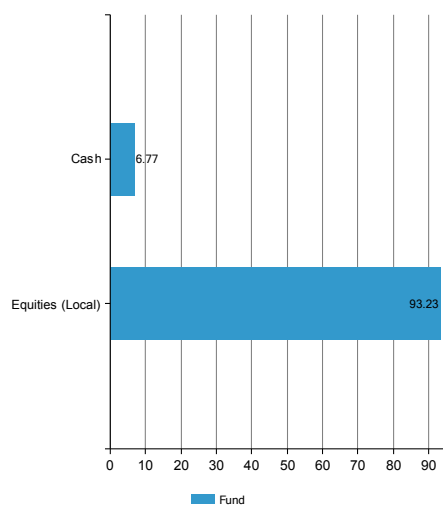
Source : Lipper

## Top 10 Holdings

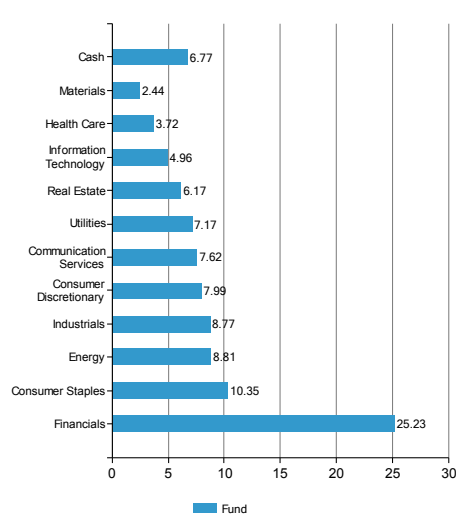
	Country	% of net assets
Malayan Banking Bhd	Malaysia	8.10
CIMB Group Hldgs Bhd	Malaysia	7.40
Tenaga Nasional Bhd	Malaysia	5.49
Hong Leong Bank Bhd	Malaysia	3.84
Yinson Hldgs Bhd	Malaysia	3.60
Axiata Group Bhd	Malaysia	3.07
IOI Corp Bhd	Malaysia	3.02
Public Bank Bhd	Malaysia	2.89
DRB-Hicom Bhd	Malaysia	2.86
IHH Healthcare Bhd	Malaysia	2.59

The holdings listed do not constitute a recommendation to purchase or sell a particular security. Cash and/or derivative positions that are not part of the core investment strategy will not be reflected in the top holdings list.

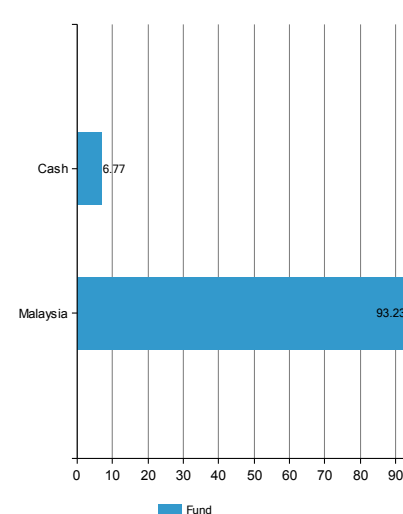
## Asset Allocation (%)



## Sector Allocation (%)



## Regional Allocation (%)



Source: Factset. Fund holdings and allocations shown are unaudited and may not be representative of current or future investments. Percentages may not add up to 100% due to rounding and/or inclusion or exclusion of cash will not be reflected in the top holdings list.

## Fund Manager's Report

The Fund gained by 0.49% in October 2019, outperforming the benchmark by 1.18%. Stocks selection in Consumer Goods, Industrials, Oil & Gas, Financial and Technology contributed positively. Year-to-date (YTD), the fund has outperformed the Benchmark by 6.83%.

The FBM KLCI gained 0.9% in October to 1,598, inline with regional markets' performance as risk appetite returned on the back of easing US-China trade war concern, and Federal Reserve's further monetary easing. We view Budget 2020 positively as the government focuses on reinventing Malaysia in the digital space over the medium term by attracting foreign and domestic investments. Various tax incentives have been proposed to attract these investments which are expected to create high-paying jobs, especially those in the manufacturing and technology sectors. In view of the need to spur the domestic economy amid external challenges, the federal government has also lowered its fiscal deficit target to 3.2% vs 3.0% earlier. This raises the prospect for resumption of infrastructure spending by the government with the resumption of mega projects under review such as East Coast Rail Link (ECRL) and Pan Borneo Highway. Another positive is the absence of another special dividend from Petronas which is a boost to its capex plan in 2020, a clear re-rating catalyst for the domestic oil & gas service providers. Based on our latest estimates, KLCI earnings growth will rebound by 3.7% in 2020 vs a 6.7% contraction in 2019. Despite an unexciting growth prospect, we believe much of the earnings downside risk has been factored in. In fact, we believe there may even be potential earnings upside risk from the financial and plantation sectors.

While we are maintaining a NEUTRAL stance on Malaysia, we are turning constructively more positive going into 2020. In view of that, we will be taking a tactical 5% more exposure into high growth mid-small caps companies going into 1Q2020, whilst at the same time maintaining the core long term strategy in investing into high dividend yields particularly in REITS, banks, consumer and utilities. We also like to accumulate selective growth stocks on weakness within the construction, oil and gas, and technology sectors. We will remain cautious on highly regulated sectors such as aviation and pharmaceutical but are more positive of the utilities (energy and water) sector given the clearly articulated reform agenda which are generally beneficial to the incumbents.

The Manager of the CIMB-Principal Malaysia Equity Fund is Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad). The Manager has appointed Principal Asset Management (S) Pte. Ltd. (formerly known as CIMB-Principal Asset Management (S) Pte. Ltd.) (Company Registration No. 200607208K) as its Singapore Representative and agent for service of process in Singapore. Copies of the prospectus are available from the Singapore Representative at 50 Raffles Place, #22-03A Singapore Land Tower, Singapore 048623 or at [www.principal.com.sg](http://www.principal.com.sg). Investors should read the prospectus before deciding to purchase any units in the Fund ("Units"). The listing of the Units does not guarantee a liquid market for the Units. The value of the Units and the income derived from them, if any, may fall as well as rise. Past performances of the Fund, the Manager are not necessarily indicative of their future performance. The information contained herein is for your general information only and does not have any regard to your specific investment objectives, financial situation and any of your particular needs. You may wish to seek advice from a financial adviser before making a commitment to purchase Units. If you choose not to seek advice from a financial adviser, you should consider whether the Fund is suitable for you.

Although the information contained herein has been taken from sources that are believed to be accurate, no warranty or representation is made as to its correctness, completeness or accuracy. The Manager accepts no liability whatsoever for any direct, indirect or consequential loss arising from any use or reliance of the information herein.

**Carefully consider a fund's objective, risks, charges and expenses.**

**Visit [www.principal.com.my](http://www.principal.com.my) for a prospectus containing this and other information. Please read it carefully before investing.**

Principal Asset Management Berhad

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