

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	1.2186 units (31 July 2014)
Fund Size	RM 1.2145 million (31 July 2014)
Unit NAV	RM 0.9966 (31 July 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"> ▪ Have a medium to long term investment horizon ▪ Target capital appreciation ▪ Do not require regular income ▪ Comfortable with higher volatility ▪ Willing to take higher risk for potential higher gains
Fees	▪ Management Fee: 1.500% p.a.
Taxation	▪ 8% of annual investment income

ASSET ALLOCATION

Equity	Minimum 70% - 98%	Cash	Minimum 2%
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WHERE THE FUND INVESTS

Trading/Services	19.67%	Telecommunications	2.80%
Consumer	15.37%	Plantations	2.70%
Financials	14.40%	Construction	1.70%
Finance	12.94%	Oils & Gas	1.14%
Industrials	10.93%	Basic Materials	0.95%
Technology	5.09%	Properties	0.73%
IPC	3.73%	Cash	7.85%

TOP 10 HOLDINGS

Public Bank Bhd - Local	4.21%
Tenaga Nasional Bhd	3.54%
Digi.com Bhd	2.99%
Malayan Banking Bhd	2.96%
Amorepacific Corp (Foreign)	2.31%
Axiata Group Bhd	2.25%
Concepcion Ind. Corporation (Foreign)	2.12%
Samsung Electronics Co Ltd (Foreign)	1.91%
Sinotrans Limited - H (Foreign)	1.85%
Shinhan Financial Grp Co. Ltd (Foreign)	1.56%

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 July 2014:

%	1 month	3 months	YTD	1-Year	3-Year	Since Inception
Fund**	1.10	5.69	6.15	15.50	29.37	130.76
Benchmark	1.30	3.61	3.20	9.37	17.43	135.42

** Calculations 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 1.10% for the month underperforming its benchmark by 20 basis points ("bp"). The outperformance of Philippines and Korea was offset by underperformance by China and Korea. In Malaysia, The outperformance of the Oil & Gas sector was overwhelmed by the underperformance of the Healthcare and Consumer Sector. At the stock level, the underweight in IHH Healthcare and BAT contributed to the slight underperformance. On YTD basis, the Fund is up 6.15%, outperforming its benchmark by 2.95%.

As we enter the 2nd Half of 2014, the International Monetary Fund ("IMF") has been lowering global gross domestic product ("GDP") forecasts. It has led to some concern over a slower 2nd Half. But the US Manufacturing and Services Indicators are way above the breakeven level of 50 while Eurozone indicators, although above 50, are showing weakness. On balance, 1st Half GDP growth looks set to carry through into the 2nd Half but with some moderation. In Malaysia, JP Morgan expects 2H14 GDP growth to be sustained by further expansion in domestic demand as the investment cycle kicks into higher gear.

Bursa Malaysia is currently at 2014 and 2015 price earnings ratio ("PER") of 16.5x and 15.0x respectively. Earnings per share growth for both years have been downgraded to 3.4% and 9.8%. Compared to the 5-year average forward PER of 14.6x, the market is still a tad overvalued. We maintain our yearend target of 1920 based on a higher PER of 15.5x (previously 15.0x) on 2015 earnings.

We continue to maintain our equity allocation at 90-95%. We are reducing the price earnings ratio of the portfolio by concentrating weightings in the lower PER stocks in each sector and adding small caps while keeping to limits of the core strategy. We continue to overweight Oil & Gas, Utilities and Telecommunications.

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.