

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	2.5268 units (31 October 2014)
Fund Size	RM 2.5239 million (31 October 2014)
Unit NAV	RM 0.9988 (31 October 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	<ul style="list-style-type: none"> ▪ Management Fee: 1.500% p.a.
Taxation	<ul style="list-style-type: none"> ▪ 8% of annual investment income

ASSET ALLOCATION

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

Trading/Services	19.09%	IPC	3.37%
Financials	14.75%	Construction	2.51%
Consumer	14.43%	Plantations	2.15%
Finance	14.41%	Properties	1.36%
Industrials	9.48%	Oils & Gas	0.97%
Technology	5.81%	Basic Materials	0.92%
Telecommunications	3.51%	Cash	7.24%

TOP 10 HOLDINGS

Tenaga Nasional Bhd	4.63%
Public Bank Bhd - Local	3.78%
Malayan Banking Bhd	3.60%
Digi.com Bhd	2.51%
Sinotrans Limited – H (Foreign)	2.29%
TaiwanSemiconductor Manuf (Foreign)	2.07%
Concepcion Ind. Corporation (Foreign)	2.04%
CIMB Group Hldgs Bhd	1.89%
Axiata Group Bhd	1.80%
China Life Insurance Co. Ltd (Foreign)	1.54%

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 October 2014:

%	1 month	3 months	YTD	1-Year	3-Year	Since Inception
Fund**	0.91	-0.36	5.77	10.71	43.34	129.94
Benchmark	1.14	-1.05	2.13	4.76	25.18	132.96

** 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 0.91% for the month but underperformed the benchmark by 0.23% due to the underperformance of Malaysia and China. In Malaysia, the underweight in KLK and overweight in Sapurakencana and UMW Oil & Gas detracted from performance. On YTD basis, the Fund is up 5.77%, outperforming the benchmark by 3.64%.

In this era of quantitative easing ("QE"), stock prices are being driven more by the fall in the risk premium rather than valuations and earnings growth. After the announcement of the Japanese QE, the Volatility Index ("VIX") Index has fallen back to 14.3. In Malaysia, the situation is further amplified by the dominating presence of government funds. The market has recovered most of the losses to end the month at 1855. This is not withstanding that the PER is now at back at an elevated 16.5 times compared to a more reasonable 15.0 times at the low. Earnings per share ("EPS") growth for 2014 and 2015 are at 0.0% and 9.0% respectively. We maintain our December 2014 and 2015 target of 1920 and 2050 respectively - both based on 15.5 times target PER.

In the region, we still find it compelling to focus on growth stocks and avoid the cyclical names. We like selected Telecoms, Industrial and Consumer stocks – which are enjoying growth visibility in data growth, e-commerce, infrastructure provision and new products /services rollout. We are cautious on Basic Materials and Oil & Gas sectors, which are suffering from structural supply-demand imbalance.

In Malaysia, weightings in Oil & Gas have been cut due to higher risk of deferment of projects by Petronas while Construction sector weightings were increased after the Budget. We are buying 2014 laggards as we position the portfolio for 2015. We took the opportunity to add to our some of our small cap positions as the market corrected while clearing out of those we deemed to be less attractive.

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.