

**FUND OBJECTIVE**

To achieve medium to long term capital appreciation through investments primarily in Malaysian bonds

**FUND DETAILS**

Launch Date	20 October 2008
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	29.83 million units (31 October 2014)
Fund Size	RM 34.73 million (31 October 2014)
Unit NAV	RM 1.1642 (31 October 2014)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	12 month FD

Risk Profile	Suitable for investors:
	<ul style="list-style-type: none"> <li>Have a medium to long term investment horizon</li> <li>Want a diversified portfolio of fixed interest securities</li> <li>Are looking for a less volatile investment but can accept lower returns</li> </ul>
	<ul style="list-style-type: none"> <li>Management Fee: 1.000% p.a.</li> <li>Switching Fee: 3 free fund switches per policy year</li> </ul>
	Fees

**ASSET ALLOCATION**

Bonds/ Debentures	80% - 98%	Cash	Up to 20%
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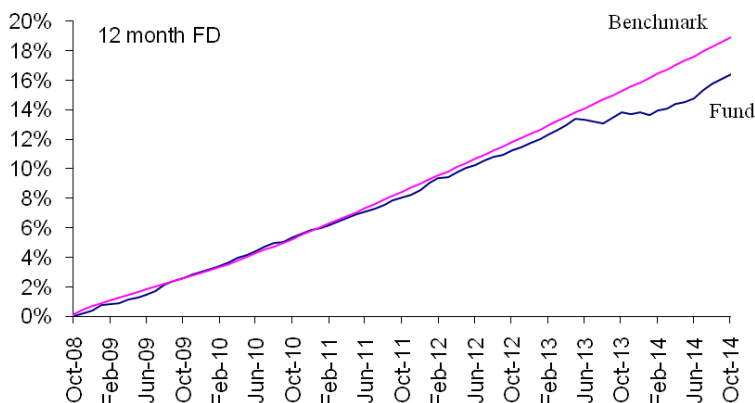
**WHERE THE FUND INVESTS**

Corporate Bond	87.54%
Government Bond	5.79%
Short Term Paper	-
Cash	6.67%
Total	100.00%

**TOP 10 HOLDINGS**

Hong Leong Bank Berhad	4.35% 05/05/2021	5.89%
HSBC Bank Malaysia Berhad	4.35% Due 28/6/2017 JD28	5.89%
Teknologi Tenaga Perlis	4.51% 31/01/2020	5.88%
Tanjung Bin Energy Issuer Berhad	4.87% 15/03/2019	5.87%
Projek Lebuhraya Usahasama Berhad	4.40% 12/01/2022	5.85%
Tanjung Bin Power Sendirian Berhad	4.66% 14/08/2020	5.84%
First Resources Limited	4.30% 08/12/2017	5.84%
Am Islamic Bank Berhad	4.40% 30/09/2021	5.81%
Golden Assets Intl Fin Ltd	4.75% 03/08/2018	5.80%
PTPTN	4.19% 27/08/2021	5.70%

**PERFORMANCE RECORD**



**NAV TO NAV**

%	MTD	YTD	1-Year	3-Year	Since Inception
<b>Fund*</b>	0.28	2.28	2.28	7.74	16.42
<b>Benchmark</b>	0.27	2.65	3.17	9.65	18.91

\*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's performance for the month of October was 0.28%, outperforming its benchmark's performance by 0.01%.

The Malaysian Government Securities ("MGS") benefitted from global risk aversion in October with the curve bull-flattening reflecting the moves seen in safe-haven assets such as the US Treasuries and German Government Bonds. Trading volume for corporate bonds dropped slightly during the month to RM10.4 billion traded as its holiday shortened month. Most of the trades were centred around government guaranteed ("GGs") and AA rated corporate bonds.

After the rally seen in October, we opine that the market is not pricing another hike at BNM's last meeting for the year in November. In our opinion, the current level of the overnight policy rate ("OPR") remains supportive of growth, despite potential rising inflation due to subsidy rationalization and implementation of Goods and Services Tax ("GST") in 2015. The language in the recent Monetary Policy Statement seems to be "less" hawkish as BNM maintained reference to destabilising financial imbalances and added "further adjustment to the degree of monetary may be taken". BNM will need to further monitor the economic data before continuing its monetary policy.

We continue to concentrate mainly on corporate bonds. We aim to be fully invested but remain cautious as increased supply of corporate bonds may push yields higher. We also prefer higher coupon bonds to cushion the impact of increasing yields.

**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.