

CIMB-Principal Bond Fund

31 March 2020

Available under the EPF Members Investment Scheme.



Fund Objective

To provide regular income as well as to achieve medium to long-term capital appreciation through investments primarily in Malaysian bonds.

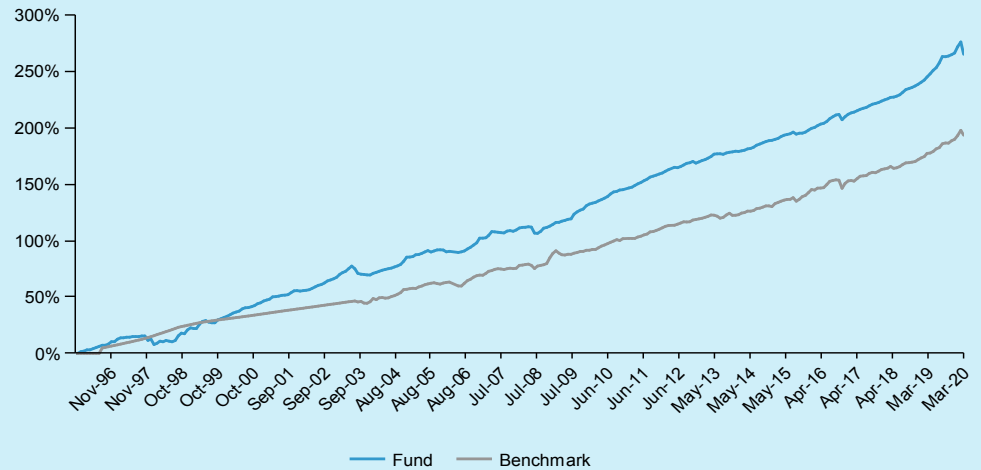
Currency: MYR ISIN Code: MYU1000AJ008

Bloomberg Ticker: CIMBMBF MK

Fund Information

Location	Malaysia
Domicile	Malaysia
Fund Currency	Ringgit Malaysia
Fund Size (MYR)	MYR 555.40 million
Fund Unit	491.99 million units
Fund Launch	15 November 1995
Benchmark	Quant shop MGS Bond Index (Medium Sub-Index)
Dealing	Daily (as per Bursa Malaysia trading day)
Application Fee	2.00% of the NAV per unit
Management Fee	1.00% p.a. of the NAV
Trustee Fee	0.05% p.a. of the NAV
Unit NAV (MYR)	MYR 1.1288

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	-0.30	-2.90	-0.30	0.61	5.83	16.35	25.00	265.39
Benchmark	1.28	-1.47	1.28	2.40	5.80	16.11	24.92	193.55

Calendar Year Returns (%)

	2019	2018	2017	2016	2015	2014
Fund	8.20	4.60	4.48	3.98	3.12	3.45
Benchmark	6.62	3.29	4.95	3.38	5.38	3.44

Most Recent Fund Distributions

	2020 Jan	2019 Apr	2019 Jan	2018 Jan	2017 Jan	2016 Jan
Gross (Sen/Unit)	2.05	2.80	2.55	5.60	5.88	6.65
Annualised Yield (%)	1.77	2.50	2.28	4.98	5.18	5.74

Note: November 1995 to March 2020.

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

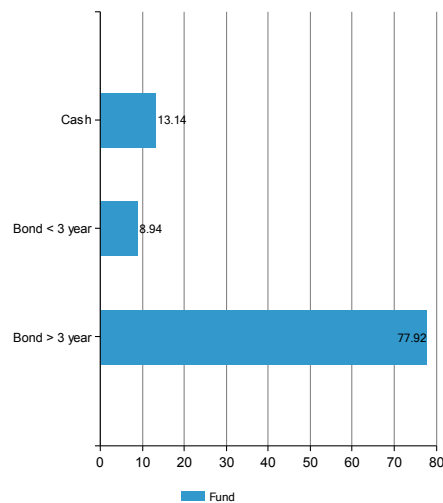
	Country	% of net assets
Edra Energy Sdn Bhd	Malaysia	5.60
Mah Sing Group Bhd	Malaysia	4.83
DRB-Hicom Bhd	Malaysia	4.51
YTL Power International Bhd	Malaysia	4.49
Ara Bintang Bhd	Malaysia	3.99
Southern Power Generation	Malaysia	3.88
Quantum Solar Park	Malaysia	3.76
GII Murabahah	Malaysia	2.98
Sarawak Energy Bhd	Malaysia	2.86
Perbadanan Kemajuan N.Selangor	Malaysia	2.77

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.

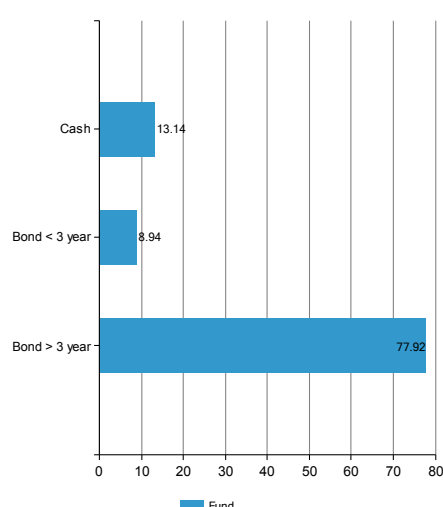
Fund Risk Statistics

Beta	0.97
Information Ratio	0.01
Sharpe Ratio	0.40
3 years monthly data	

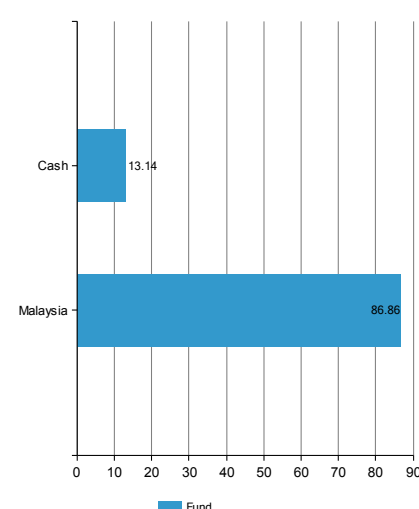
Asset Allocation (%)



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's performance for March-20 was -2.90%, underperforming benchmark by 143bps. YTD the Fund delivered -0.30% return against the Benchmark at 1.28%. Underperformance was due to Benchmark government bond outperforming the Fund's corporate bonds.

During the month, the overall MGS yield curve bearish steepened as risk-off sentiment continue to weigh on MYR assets. The 10- and 15-year MGS had the highest adjustment with yields up by circa 56bps, compared to last month. Despite with 50bps OPR cut YTD, the long-end yield curve have adjusted higher compared to beginning of the year. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS yields closed at 2.74% (+14bps), 3.03% (+37bps), 3.21% (+47bps), 3.41% (+57bps), 3.64% (+56bps), 3.71% (+48bps) and 4.07% (+41bps) respectively at the end of March-2020.

The world of Central Banking was filled with emergency simulative actions as panic engulfed the global economy. Domestically, Prime Minister also unveiled a budget stimulus package amounting to RM250bn (equivalent to 17% GDP) to sustain private consumption and confidence, among other things. Direct injection from the Federal Government amounted to RM25bn or 1.7% of GDP. Policymakers projected for the stimulus package to add 1.5% to GDP. The MoF highlighted that 2020 budget deficit would be capped at 4% of GDP by reallocation of budget within Ministries and higher dividends from GLCs. On monetary side, BNM also made a few announcements in March, among them the 25bps OPR cut to 2.50% citing weakening global economic conditions, 1% SRR cut to free up RM30bn banking liquidity and the 6-month loan moratorium to SMEs and consumer loans (excluding credit card balances). On the bright side, S&P has just reaffirmed the sovereign rating of Malaysia at A-/Stable. While the agency acknowledged that the fiscal deficit target may derail in the short-term, they are still comfortable with the government medium term commitment to fiscal consolidation.

For MYR fixed income strategy, we expect at least another 25bps of OPR cut in May-2020 and government yield curve up to 5-year has a chance to trade lower. Absence of flows into Emerging Market, long-end bond yields will continue to face liquidity issue. We are not looking to pick-up long duration bond at this juncture. Credit selection remains key for portfolio returns and we will prefer issuers with stronger and more resilient credit metrics in this economic condition.

*Based on the fund's portfolio returns as at 15 March 2020, the Volatility Factor (VF) for this fund is 1.280 and is classified as "Very Low" (source: Lipper). "Very Low" includes funds with VF that are below 1.755. The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

We recommend that you read and understand the contents of the Master Prospectus Issue No. 21 dated 30 June 2017, which has been duly registered with the Securities Commission Malaysia, before investing and that you keep the said Master Prospectus for your records. Any issue of units to which the Master Prospectus relates will only be made upon receipt of the completed application form referred to in and accompanying the Master Prospectus, subject to the terms and conditions therein. Investments in the Fund are exposed to company specific risk, credit and default risk, interest rate risk, risk associated with investment in derivatives, risk associated with investment in structured products and risks associated with investment in warrants. You can obtain a copy of the Master Prospectus from the head office of Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad) or from any of our approved distributors. Product Highlight Sheet ("PHS") is available and that investors have the right to request for a PHS; and the PHS and any other product disclosure document should be read and understood before making any investment decision. There are fees and charges involved in investing in the funds. We suggest that you consider these fees and charges carefully prior to making an investment. Unit prices and income distributions, if any, may fall or rise. Past performance is not reflective of future performance and income distributions are not guaranteed. You are also advised to read and understand the contents of the Financing for Investment in Unit Trust Risk Disclosure Statement/Unit Trust Loan Financing Risk Disclosure Statement before deciding to borrow to purchase units. Where a unit split/distribution is declared, you are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, the value of your investment in Malaysian ringgit will remain unchanged after the distribution of the additional units.

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

Visit 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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