

# CIMB-Principal China Direct Opportunities Fund-Class MYR

31 December 2019

## Fund Objective

The Fund seeks opportunities through investments primarily in China A-Shares with the aim to provide capital appreciation. The Fund is established with a multi-class structure and is allowed to establish new Class(es) from time to time.

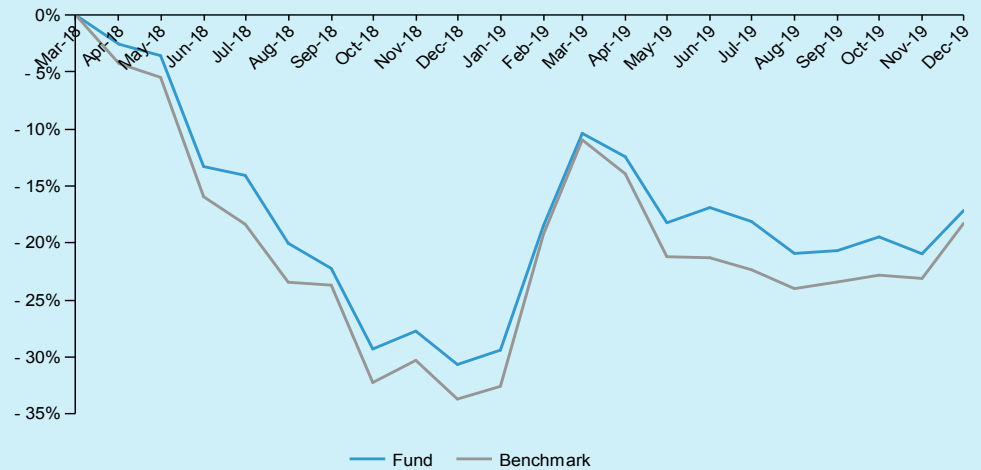
Currency: MYR ISIN Code: MYU1000GW008

Bloomberg Ticker: CPCDMYR MK

## Fund Information

Domicile	Malaysia
Base Currency	RMB
Fund Inception	8 March 2018
Benchmark	CSI500 Index
Application Fee	Up to 5.50% of the NAV per unit
Management Fee	Up to 1.80% per annum of the NAV of the Class
Trustee Fee	Up to 0.06% per annum of the NAV of the Fund
Fund Size (MYR)	MYR 398.34 million
NAV per unit (As at 31 December 2019)	MYR 0.8289
Distribution Frequency	Ad-hoc basis
Trustee	HSBC (Malaysia) Trustee Berhad

## 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	19.52	4.81	4.44	-0.31	19.52	N/A	N/A	-17.15
Benchmark	23.30	6.32	6.74	3.85	23.30	N/A	N/A	-18.27

## Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013
Fund	N/A	N/A	N/A	N/A	N/A	N/A
Benchmark	N/A	N/A	N/A	N/A	N/A	N/A

Note: March 2018 to December 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.

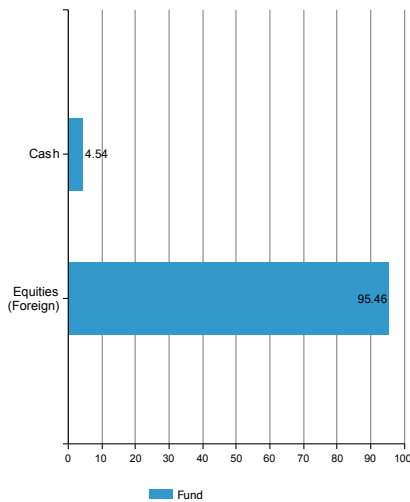
Source : Lipper

## Top 10 Holdings

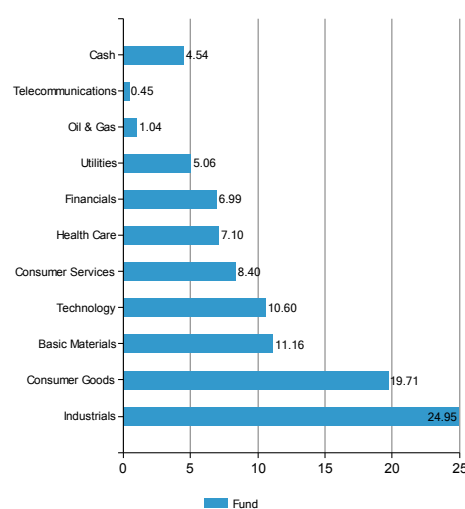
	Country	% of net assets
SHENZHEN OVERSEAS CHINESE TOWN HOLDINGS CO A SHS ORD CNY1	China	1.39
JIANGSU CHANGSHU RURAL COMMERCIAL BANK LTD ORD CNY1	China	1.17
JINDUICHENG MOLYBDENUM CO -A ORD CNY1	China	1.16
FUJIAN SUNNER DEVELOPMENT-A ORD CNY1	China	1.16
SHANDONG LINGLONG TYRE CO LTD	China	1.13
ZHONGSHAN PUBLIC UTILITIES-A SHRS ORD CNY1	China	1.12
SHENZHEN ENERGY GROUP CO L-A ORD CNY1	China	1.11
SIEYUAN ELECTRIC CO LTD-A SHRS ORD CNY1	China	1.06
WENS FOODSTUFF GROUP CO LTD ORD CNY1	China	0.99
JOIN. IN (HOLDING) CO LTD -A SHRS ORD CNY1	China	0.99

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.

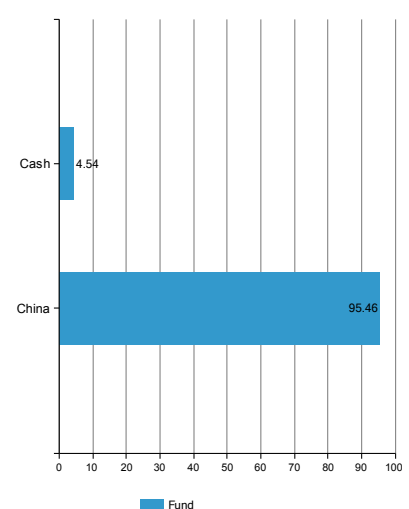
## Asset Allocation (%)



## 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 rose by 4.81% in December, underperforming the Benchmark by 1.51%. Year to Date, the Fund underperformed the Benchmark by 3.78%. The biggest sectors in our portfolio are industrials, consumer goods and basic materials. Compared to last month, the level of our industry deviation (the difference between our portfolio and our benchmark) was similar. By limiting the industry deviation, we limit our potential risk on the different exposure of industries with our benchmark.

This month, the market showed strong upward momentum. Our portfolio could not beat our benchmark CSI500 in this month. In December, CSI300, CSI500 and CSI1000 had picked up by the rate of 7.00%, 7.61% and 8.59%. All sectors have raised, with leading sector of Nonferrous Metals and Architectural Material, with the increase rate of 15.25% and 14.38%. The economic indicators are expected to continue to recover, and the prices of industrial products remain strong. In November and December 2019, the official manufacturing PMI continued to exceed market expectations. PPI also shows signs of rallies off the bottom.

We mainly utilize our multi-factor model to value the stocks and construct our portfolio. The goal of this model is to explore stocks with potential alpha so as to exceed the market. We will analyze stocks from fundamental, emotional and technical aspects and score them comprehensively. We tend to diversify our investment and hold relatively large numbers of stocks to reduce portfolio unsystematic risk. The top 10 stocks only make up around 12% of the equity portfolio. We pick these stocks mostly for two reasons. One is that they satisfy our investment scheme, the other is that they have good potential alpha. We will keep monitoring market movements and actively seek stocks with expected alpha to beat our benchmark.

We recommend that you read and understand the contents of Prospectus Issue No. 1 for the CIMB-Principal China Direct Opportunities Fund is dated 8 March 2018, which have been deposited with Securities Commission Malaysia before investing and that you keep the said Information Memorandum for your record. Any issue of units to which the Information Memorandum relates will only be made upon receipt of the completed application form referred to in and accompanying the Information Memorandum, subject to the terms and conditions therein. The principal risks are returns not guaranteed, general market environment risk, manager's risk, inflation risk and loan financing risk. The specific risks of the Target Fund are stock specific risk, country risk, credit and default risk, liquidity risk, currency risk and RQFII regime risk. You can obtain a copy of the 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. 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. 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. All performance figures have been extracted from Lipper. Where a unit split/distribution is declared, investors 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 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](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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