

# CIMB-Principal China Direct Opportunities Fund-Class USD

31 May 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.

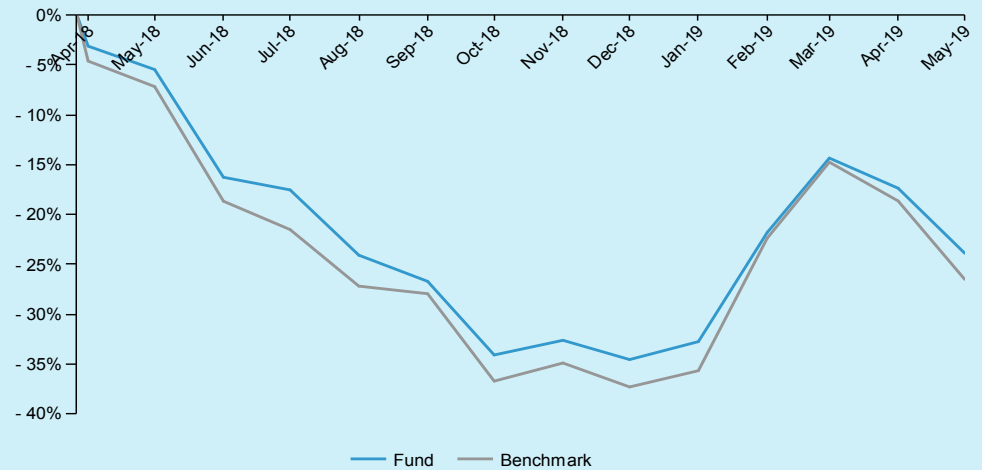
Currency: USD ISIN Code: MYU1002GF009

Bloomberg Ticker: CPCDUSD 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
Switching Fee	USD35
Fund Size (USD)	USD 16.47 million
NAV per unit (As at 31 May 2019)	USD 0.7661
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	16.32	-7.89	-2.63	12.99	-19.49	N/A	N/A	-23.88
Benchmark/Target Return	17.21	-9.68	-5.32	12.90	-20.85	N/A	N/A	-26.51

## 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 May 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.

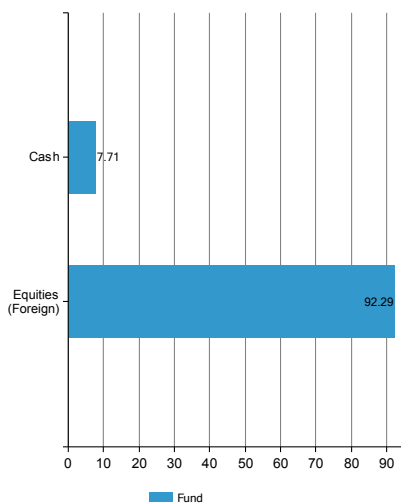
Source : Lipper

## Top 10 Holdings

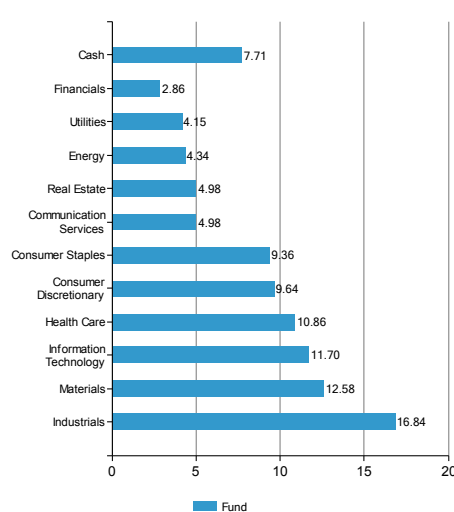
	Country	% of net assets
Huolinhe Opencut Coal Industry	China	1.59
Inner Mongolia MengDian HuaNen	China	1.45
Jilin Aodong Pharmaceutical Gr	China	1.40
Wuhu Token Science Co Ltd	China	1.40
Foshan Haitian Flavouring & Fo	China	1.33
Shanghai M&G Stationery Inc	China	1.27
Wasu Media Holding Co Ltd	China	1.20
Guangdong HEC Technology Holdi	China	1.18
Jinduicheng Molybdenum Co Ltd	China	1.09
Joeone Co Ltd	China	1.05

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.

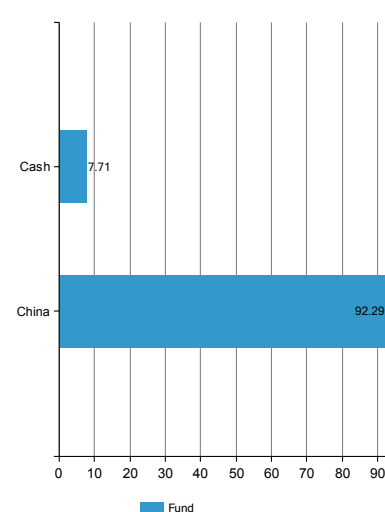
## Asset Allocation (%)



## 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 (USD) declined by 7.89% in May, outperforming the Benchmark by 1.79%. Year to Date, the Fund underperformed the Benchmark by 0.89%.

In May, China's stock market has generally experienced a decline. The performance of CSI300, CSI500 and CSI1000 were 7.24%, 7.24%, 7.45 and 6.12% respectively. Only one sector out of all 28 sectors (SW industries) has risen in May, which is Nonferrous Metals Industry with an increase of 2.26%. Automobile Industry witnessed the largest decrease rate of 10.48%. Since the second quarter, underperformed PMI and industrial enterprise profit data have disturbed market sentiment. Facts such as unexpected trade war progress and underperformed overseas stock market have negatively affect investors' risk preference. However, some of the broad based indices are expected to fluctuate upward throughout the year. Under the policy of destocking, large industrial enterprises is continuously seeking to reduce their unsold inventory. However, according to decomposition analysis of PMI, we find that raw material stock is currently growing at a decreased rate, while finished goods inventory shows a steeper upward trend. This indicates that recent economy is facing a downturn pressure.

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. 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 a little smaller. By limiting the industry we limit our potential risk on the different exposure of industries with 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

10th Floor, Bangunan CIMB, Jalan Semantan Damansara Heights, 50490 Kuala Lumpur.

Tel: (603) 2084 8888 Fax: (603) 2084 8899 Website: [www.principal.com.my](http://www.principal.com.my)