

# Principal China Direct Opportunities Fund (formerly known as CIMB-Principal China Direct Opportunities Fund)-Class MYR

31 August 2020

## 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.

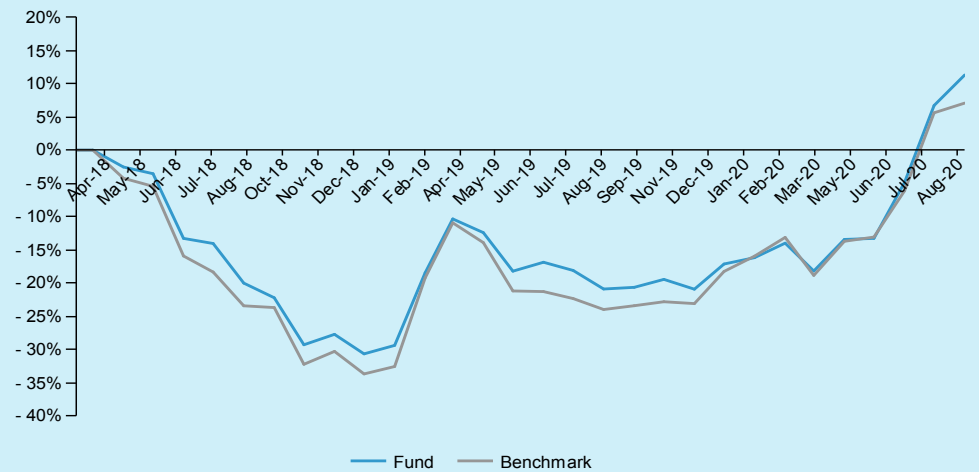
Currency: MYR ISIN Code: MYU1000GW008

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 249.87 million
NAV per unit (As at 31 August 2020)	MYR 1.0991
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	34.35	2.83	28.37	29.45	40.76	N/A	N/A	11.31
Benchmark	31.00	1.38	23.19	23.28	40.90	N/A	N/A	7.07

## Calendar Year Returns (%)

	2019	2018	2017	2016	2015	2014
Fund	19.52	N/A	N/A	N/A	N/A	N/A
Benchmark	23.30	N/A	N/A	N/A	N/A	N/A

Note: March 2018 to August 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.

Source : Lipper

## Top 10 Holdings

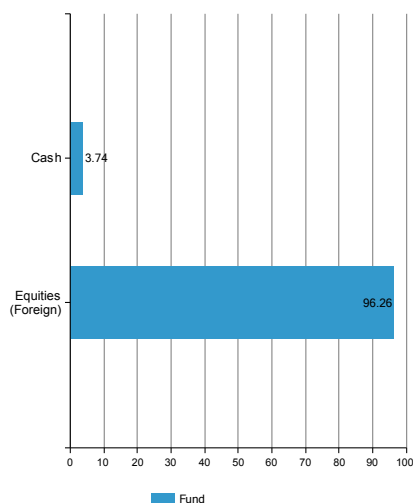
	Country	% of net assets
China Railway Tielong Containe	China	1.58
Hunan Valin Steel Co Ltd	China	1.26
Cinda Real Estate Co Ltd	China	1.25
Ningbo Tech-Bank Co Ltd	China	1.20
Venustech Group Inc	China	1.19
Jiangsu Yuyue Medical Equipmen	China	1.18
Shanghai Jinqiao Export Proces	China	1.08
Guangdong Tapai Group Co Ltd	China	1.01
Jointo Energy Investment Co Lt	China	0.99
Shenzhen Tagen Group Co Ltd	China	0.98

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.

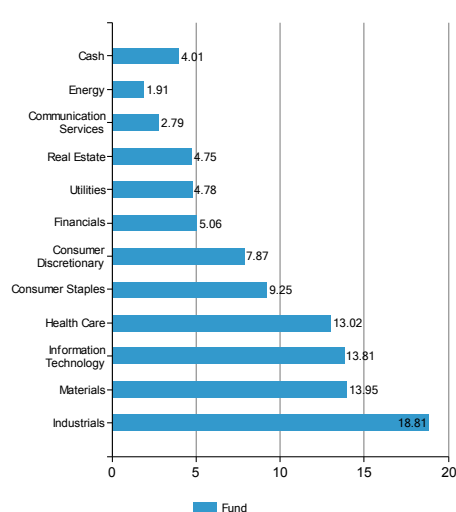
## Fund Risk Statistics

Beta	0.00
Information Ratio	0.00
Sharpe Ratio	0.00
3 years monthly data	

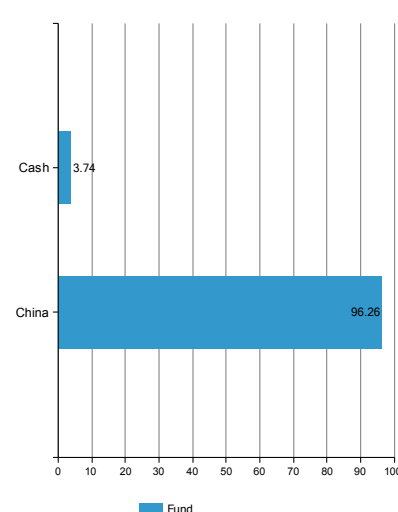
Asset Allocation (%)



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 rose by 2.83% in August 2020, outperforming the Benchmark by 1.45%. Year to Date, the Fund rose 34.35% and outperformed the Benchmark by 3.35%.

In August, the overall A-share market rose slightly, with the CSI 300, CSI 500 and CSI 1000 all rising more than 1%. CSI 300 went up by 2.58%, CSI 500 went up by 1.35%, while CSI 1000 went up by 1.15%. 19 out of all 28 sectors posted gains, of which the top three sectors were Food and Beverage, National Defense and Transportation, which increased by 12.04%, 6.96% and 5.31% respectively.

Economic fundamentals are about to enter a period of secondary acceleration. Overall, the trend of improvement in industrial profits will continue, but the contribution of investment income will fall significantly and the gradual improvement in demand and output will be the main direction of future changes in profit structure. The slope of improvement in industrial profits will gradually slow down. However, the main industries that support continuous improvement in profits remain unchanged. The marginal upward contribution comes from the midstream manufacturing and raw material processing industries, while downstream consumer goods manufacturing has gradually shifted from a drag to a positive contribution.

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 recommend that you read and understand the contents of Prospectus Issue No. 2 for Principal China Direct Opportunities Fund (formerly known as CIMB-Principal China Direct Opportunities Fund) dated 16 January 2020, 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 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.