CIMB-Principal Asia Pacific Dynamic Income Fund - Class MYR

**FUND OBJECTIVE**

Aims to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long term.

**FUND PERFORMANCE in MYR**

<table>
<thead>
<tr>
<th>Year</th>
<th>Fund</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>19.67%</td>
<td>5.94%</td>
</tr>
<tr>
<td>2017</td>
<td>11.63%</td>
<td>3.92%</td>
</tr>
<tr>
<td>2018</td>
<td>15.81%</td>
<td>4.03%</td>
</tr>
<tr>
<td>2019</td>
<td>14.36%</td>
<td>4.03%</td>
</tr>
<tr>
<td>2020</td>
<td>16.30%</td>
<td>4.03%</td>
</tr>
<tr>
<td>2021</td>
<td>19.67%</td>
<td>5.94%</td>
</tr>
</tbody>
</table>

**INVESTMENT VOLATILITY**

Based on the fund’s portfolio returns as at 15 September 2017, the Volatility Factor (VF) for this fund is 10.79 and is classified as "High" (source: Lipper). “High” includes funds with VF that are above 8.225 but not more than 10.735. 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.

**CIMB-PRINCIPAL AWARDS AND ACCOLADES**

(As of 30 September 2017)

CIMB 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.cimb-principal.com.my

Note: 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.

*Based on the fund’s portfolio returns as at 15 September 2017, the Volatility Factor (VF) for this fund is 10.79 and is classified as "High" (source: Lipper). "High" includes funds with VF that are above 8.225 but not more than 10.735. 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 CIMB-Principal Asia Pacific Dynamic Income Fund Prospectus issue No. M3 dated 31 May 2017, which has been duly registered with the Securities Commission Malaysia, before investing and that you keep the said Fund Prospectus for your record. Any issue of units to which the Fund Prospectus relates to will only be made upon receipt of the completed application form referred to in and accompanying the Fund Prospectus, subject to the terms and conditions therein. Investments in the Fund are exposed to country risk, credit (default) and counterpart risk, currency risk, interest rate risk, liquidity risk, risk associated with temporary defensive positions, risk of investing in emerging markets and stock specific risk. You can obtain a copy of the Fund Prospectus from the head office of 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 Fund. We suggest that you consider these 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.
In September, the Fund decreased by 1.73%, bringing year-to-date returns to 19.67%.

Asia Pac ex Japan Equities eased 0.52% in US$ terms in Sep 2017. Tech and consumer discretionary outperformed while materials and telecom underperformed. Topical issues: can iPhone X sales exceed expectations?, what if the US$ strengthen significantly?, can tensions in the Korean peninsula improve? Maintain BUY on Asian equities: A pause in outperformance is likely in the short term given how well markets have done (+29% ytd) and sensitivity to the US$. Equity fund flows have become more mixed recently with outflows from Korea, Taiwan and India while China continues to see inflows. Looking ahead to 2018, Asian equities will be driven by earnings growth of ~12%, higher ROE, reasonable valuations at 13x FY2018 PE and a predictable tightening path by major central banks. We see tighter monetary and easier fiscal policy. The global economy is in synchronized expansion and central banks appear increasingly comfortable to look through low inflation and continue raising rates, or at least not ease them. Earnings revisions in Asia have picked up slightly recently and may continue to due operating leverage and better pricing power (supply side reform, stable/rising commodity prices). Other ideas: beneficiaries of fiscal stimulus in India, selective financials and industrials in ASEAN, oligopolistic tech component names and internet platform companies with a large number of customers. The Dynamic Income Fund are ~95% invested with a portfolio Beta of ~1. We are focused on China given stable politics and stronger than expected economy. In sector terms, we are focused on Internet/tech in China & Singapore, financials in India.

**RISK STATISTICS**

- Beta: -0.83
- Information Ratio: 0.59
- Sharpe Ratio: 0.97

3 years monthly data