

# CIMB-Principal Bond Fund

Available under the EPF Members Investment Scheme.

## INVESTMENT VOLATILITY<sup>A</sup>



## FUND INFORMATION

**Location** Kuala Lumpur, Malaysia  
**Domicile** Malaysia  
**Fund Currency** Ringgit Malaysia  
**Fund Size (RM)** RM458.22 million  
**Fund Size (USD)** USD154.46 million  
**Fund Size (SGD)** SGD185.96 million  
**Fund Unit** 384.46 million units

**Fund Launch** 15 November 1995  
**Fund Inception (RM)** 15 November 1995  
**Fund Inception (USD)** April 2007  
**Fund Inception (SGD)** April 2007

**Benchmark** Quantshop MGS Bond Index (medium sub-index)  
**Dealing** Daily (as per Bursa Malaysia trading day)  
**Application Fee** Up to 2.00%  
**Management Fee** 1.00% p.a.  
**Trustee Fee** 0.05% p.a.

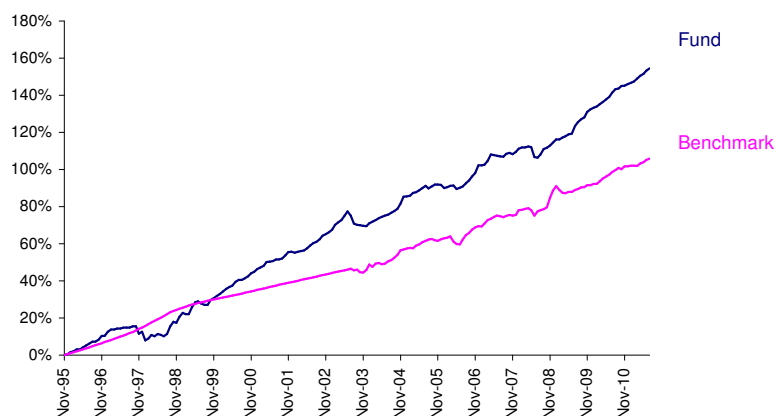
**Unit NAV (RM)** RM1.1918  
**Unit NAV (USD)** USD0.4018  
**Unit NAV (SGD)** SGD0.4837

Currency	ISIN Code	Bloomberg Ticker
RM	MYU1000AJ008	CIMBMBF MK
USD	MYU1002AJ004	CIMBMBF MK
SGD	MYU1001AJ006	CIMBMBF MK

## FUND OBJECTIVE

The objective of the Fund is to provide regular income as well as to achieve medium to long term capital appreciation through investments primarily in Malaysian bonds.

## FUND PERFORMANCE in RM\*



## Cumulative Performance (%)

	YTD	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>Fund</b>	3.44	0.52	1.63	3.12	5.43	23.28	33.32	154.52
<b>Benchmark</b>	2.02	0.32	1.28	1.88	3.65	15.99	26.90	105.82

## Calendar Year Performance (%)

	2010	2009	2008	2007	2006	2005	2004
<b>Fund</b>	5.84	8.43	2.35	3.59	5.47	3.43	9.35
<b>Benchmark</b>	5.34	1.51	7.52	3.14	4.32	3.55	7.59

## Most Recent Fund Distributions

	2010	2009	2008	2007	2006	2005	2004
	Dec	Dec	Dec	Dec	Jan	Jan	Jan
<b>Gross (Sen/Unit)</b>	3.76	4.60	5.55	3.00	4.30	4.90	4.48

\*November 1995 to July 2011, 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: Management Co.

## CIMB-Principal Asset Management Berhad

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<sup>A</sup>Based on the fund's portfolio returns as at 15 July 2011, the Volatility Factor (VF) for this fund is 1.34 and is classified as "Very Low" (source: Lipper). "Very Low" includes funds with VF that are below 3.775. 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. 15 dated 30 June 2011 which has been duly registered with the Securities Commission, before investing and that you keep the said Master Prospectus for your record. 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 credit/default risk, interest rate risk, counterparty risk and company specific risk. You can obtain a copy of the Master Prospectus from the head office of CIMB-Principal Asset Management Berhad or from any of our approved distributors. There are fees and charges involved in investing in the funds. 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 Unit Trust Loan Financing Risk Disclosure Statement before deciding to borrow to purchase units. All performance figures have been verified by Mercer (Malaysia) Sdn Bhd (253344-U).

## FUND MANAGER'S REPORT

The Fund's performance for the month of July was 0.52%, compared to the benchmark Quantshop MGS Medium index return of 0.32%.

We believe 1 more rate hike of 25 bps is in the cards, bringing the OPR to rest at 3.25%. The timing of the hike is however largely data dependent, as the slew of data is increasingly showing a gloomier growth outlook. As such, we expect the sovereign yield curve to continue to bull flatten into August. In the corporate bond market, we continue to expect the current trend of duration lengthening and spread compression to persist as long as liquidity remains ample.

As the rally thus far has been liquidity driven, with both local and foreign players in the market, unless new issuances substantially pick up the slack, we believe there will be further short-term upside to the rally. Hence our strategy is to continue to lengthen duration although we will closely monitor the risk to this strategy as well. Key risks to our forecast remains higher-than-expected headline inflation or abrupt subsidy revisions.

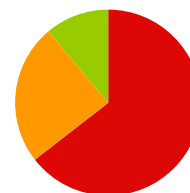
## PORTFOLIO ANALYSIS

### ASSET ALLOCATION

Fixed Income Securities	88.79%
Cash	11.21%

Total	100.00%
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### SECTOR BREAKDOWN



Fixed Rate Bond >3 years	64.45%
Fixed Rate Bond <3 years	24.34%
Cash	11.21%

Total	100.00%
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## RISK STATISTICS

Beta	0.15
Information Ratio	0.51
Sharpe Ratio	3.35
	3 years monthly data

## TOP HOLDINGS

1 Bank Muamalat Malaysia Berhad 5.15% 15/06/2021	3.32%
2 Sabah Credit Corporation 4.50% 07/09/2012	3.29%
3 CIMB Islamic Bank Berhad 4.20% 21/04/2021	3.28%
4 Jimah Energy Ventures Sdn Bhd 8.00% 11/11/2016	2.57%
5 Sports Toto Malaysia Sdn Bhd 6.00% 30/06/2017	2.33%
6 Malayan Banking Berhad 5.00% 15/05/2013	2.23%
7 Sunrise Berhad 4.55% 31/01/2014	2.21%
8 Premium Commerce Berhad 4.00% 02/12/2013	2.19%
9 Hong Leong Bank Berhad 4.35% 05/05/2021	2.17%
10 Teknologi Tenaga Perlis 9.20% 13/9/2016	2.13%
Total	25.71%