

# Principal Asia Pacific Dynamic Income Fund - Class MYR

31 December 2021

Available under the EPF Members Investment Scheme.

3-year  
Fund Volatility  
**14.36**  
High  
Lipper Analytics  
15 Dec 2021

## 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.

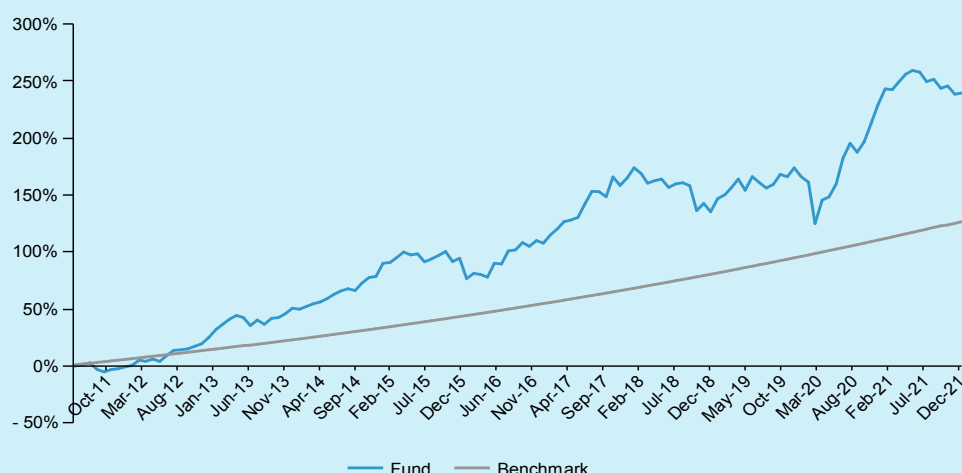
Currency: MYR ISIN Code: MYU1000DP009

Bloomberg Ticker: CPASPD1 MK

## Fund Information

Domicile	Malaysia
Base Currency	U.S Dollar
Fund Inception	16 May 2011
Benchmark	8% p.a.
Application Fee	Principal Agency Distributor: Up to 6.50% of the NAV per unit IUTAs: Up to 5.50% of the NAV per unit
Management Fee	Up to 1.80% p.a. of the NAV
Trustee Fee	Up to 0.05% p.a. of the NAV
Fund Size (MYR)	MYR 4.65 billion
NAV per unit (As at 31 December 2021)	MYR 0.2518

## 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	3.06	0.32	-1.21	-5.11	3.06	44.30	63.53	239.62
Benchmark	8.00	0.66	1.96	3.96	8.00	25.97	46.93	126.57

## Calendar Year Returns (%)

	2021	2020	2019	2018	2017	2016
Fund	3.06	20.33	16.36	-11.13	27.52	6.82
Benchmark	8.00	8.00	8.00	8.00	8.00	8.00

## Most Recent Fund Distributions

	2021 Oct	2021 Jul	2021 Apr	2021 Jan	2020 Oct	2020 Jul
Gross (Sen/Unit)	0.08	0.23	0.21	0.20	0.37	0.21
Annualised Yield (%)	1.28	3.44	3.08	2.96	3.72	2.32

## Most Recent Unit Splits

					2020 Dec	2014 Oct
Ratio					3:4	2:5

Note: May 2011 to December 2021.

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.

Annualised yield is calculated as the most recent monthly dividend distribution multiplied by the Fund's dividend frequency and divided by the latest NAV.

Source : Lipper

## Top 10 Holdings

	Country	% of net assets
Taiwan Semiconductor Manuf	Taiwan	6.89
Samsung Electronics Co. Ltd	South Korea	4.88
Tencent Hldg Ltd	HK, China	4.88
Reliance Industries Ltd	India	3.79
Techtronic Industries Co	HK, China	3.56
Li Ning Co. Ltd	HK, China	3.06
LG Chem Ltd	South Korea	2.82
DBS Group Hldg Ltd	Singapore	2.75
HDFC Bank Ltd	India	2.50
Hong Kong Exchanges & Clearing	HK, China	2.48

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

Information Ratio

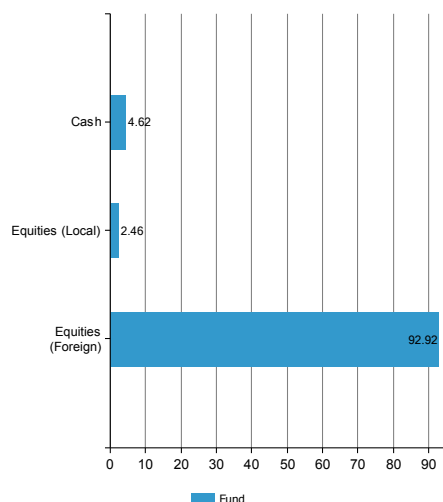
0.41

Sharpe Ratio

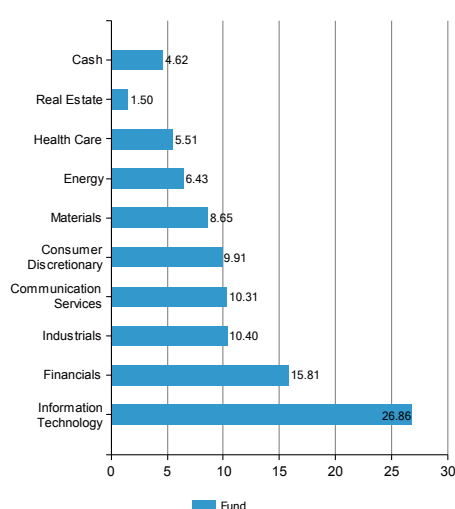
0.88

3 years monthly data

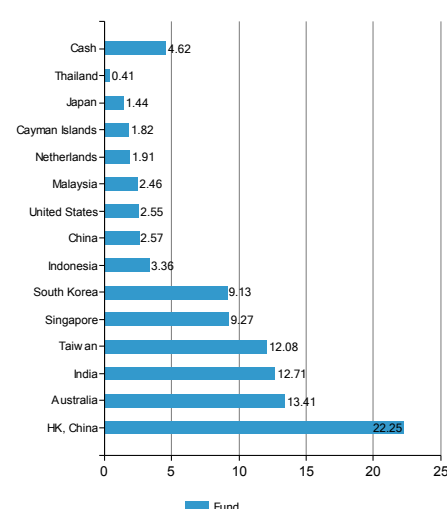
## Asset Allocation (%)



## 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 was up 0.32% in MYR terms in Dec, underperforming the absolute return benchmark by 31bps. YTD, the Fund is up 3.06%, underperforming the absolute return benchmark by 494bps.

The MSCI AC Asia Pacific ex Japan Index advanced by 1.7% in USD terms in December, but declined by 4.9% for the year 2021. China was the worst performing market for 2021, while India and Taiwan were the best performing markets. US Fed started tapering in November but turned more hawkish in December by accelerating the pace of tapering, with all the officials now expecting rate hikes in 2022. US Fed no longer believes that inflation is transitory and pointed to a tight labor market. Inflation may stay elevated for a while longer given strong demand and supply bottlenecks. Our view is that inflation may moderate into late 2022 as less stimulative fiscal & monetary policy feeds through, supply chains improve, and the trend of ageing demographics reassert. Covid cases globally are surging again but immunity levels are now probably greater than the previous Delta-induced peak in Jan-Feb '21 due to higher vaccination rates and prior infections. Our base case on Omicron is that it is more infectious but less lethal.

There are 3 key points on the outlook for Asian equity markets in 2022. Firstly, our view is that peak regulatory risk in China has passed, and the danger spots are well marked, lowering the risk of being blindsided. There could be more easing measures in the months ahead given pressures from the mini Covid outbreaks, weak labor markets and soft forward-looking indicators. But these are likely to be targeted and calibrated which means stock picking will likely trump a broad-based approach. Secondly, some stocks and sectors may have unique drivers which are less dependent on macro, e.g., electric vehicles, renewable energy, local sportswear brands, selective internet platforms where the investment cycle is not accelerating. Thirdly, valuations look undemanding considering an improving growth outlook. Economic growth for Asia Pacific ex-China should recover nicely post re-opening. FY2022 PE is at 14x and Asian EPS growth is forecast at 9% yoy. The portfolio is focused on quality firms with sustainable growth, pricing power and reasonable valuations. We will continue to position for quality growth from a diversified number of sectors and countries.

<sup>a</sup>Based on the fund's portfolio returns as at 15 December 2021, the Volatility Factor (VF) for this fund is 14.360 and is classified as "High" (source: FIMM). 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 FIMM 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 Principal Asia Pacific Dynamic Income Fund (formerly known as CIMB-Principal Asia Pacific Dynamic Income Fund) Prospectus Issue No. M4 dated 23 December 2019, 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 and default risk, currency risk, interest rate risk, liquidity risk, risk of investing in emerging markets and stock specific risk. You can obtain a copy of the Fund Prospectus from the head office of 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.

**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.**

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