

# CIMB-Principal Balanced Fund (Formerly Balanced Returns Fund)

An open-ended investment fund which aims to grow the value of your investment over the long term through investments in a diversified mix of Malaysian assets.

## FUND IS SUITABLE FOR INVESTORS WHO

- Want a diversified portfolio yet prefer a higher exposure to share investments which are more likely to provide higher returns over the long term; and/or
- Can accept that investment returns may be negative over the short term, but recognise that a diversified fund tends to produce a smoother return over time than a fund which invests in only one asset class.

## MANAGER'S COMMENTS

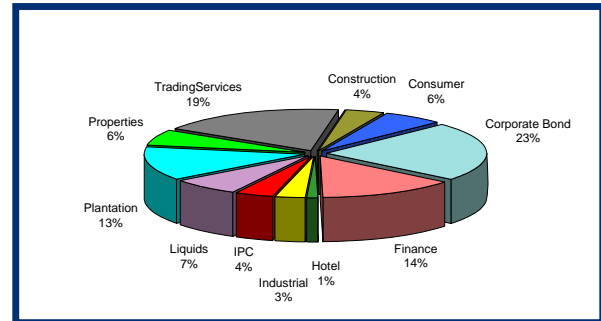
BRF outperformed the index by 1.4% in December and 11.5% YTD. The Fund recorded gains of 3.9% for the month and 35.7% for the year. Despite the market volatility throughout the year, the Fund's fully invested strategy was beneficial for its performance.

Malaysia's market continues to be defensive in the current uncertain global environment, although global liquidity is still ample. While external factors will drive markets in the short term, longer term GDP expectations are relatively intact. The market should re-rate in the next 2-3 months from the earnings season, as current IBES EPS growth expectations are understated for 2008 at 8%.

Given these abovementioned factors, we will maintain our overweight position in equities. Focus in growth sectors such as Oil & Gas, Plantation and Property is also maintained.

**Fund Performance in December** The Fund increased by 3.86% and the benchmark index increased by 2.49% over the month.

## SECTOR BREAKDOWN\* (as at 31 December 2007)



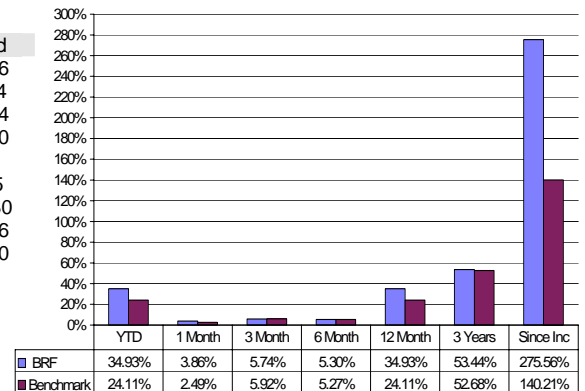
\* as a percentage of NAV. Please note that asset exposures for the funds are subject to frequent change on a daily basis.

## PERFORMANCE RECORD (as at 31 December 2007)

Calendar year return %

Year	Fund
2006	23.66
2005	-8.04
2004	17.64
2003	14.60
2002	0.81
2001	8.05
2000	-14.30
1999	55.16
1998	25.30

Cumulative return over the period %



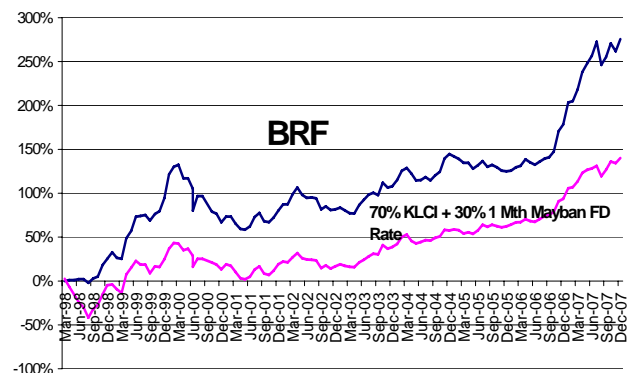
## FUND DETAILS

<b>Fund size (31 Dec 07)</b>	<b>RM 97.93 million (183.81 million units)</b>
<b>Unit NAV (31 Dec 07)</b>	<b>RM 0.5327</b>
Fund currency	Ringgit Malaysia
Fund inception	12 March 1998
Domicile	Malaysia
Management fee	1.85% per annum
Trustee fee	0.08% per annum
Dealing	Daily (as per Bursa Malaysia trading day)
Application fee	Between 3.0% to 5.0%
Redemption payment period	Up to 10 days
Investment manager	CIMB-Principal Asset Management Berhad

## LARGEST HOLDINGS \* (as at 31 December 2007)

Sime Darby Berhad	6.44%
K'tium L.Raya Utara Timur	8.32% 18/10/17
Bumiputra-Commerce Holdings Berhad	5.24%
IOI Corporation Berhad	4.57%
Jimah Energy Ventures SB	8.20% 10/11/17
* percentage of NAV	

## BID TO BID PRICES



Mar 98 to Dec 07, 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.

We recommend that you read and understand the contents of the Master Prospectus dated 03 January 2008 which has been duly registered with the Securities Commission before investing and that you keep the said prospectus for your records. Any issue of units to which the Prospectus relates will only be made upon receipt of the completed application form referred to in and accompanying the Prospectus, subject to the terms and conditions therein. You can obtain copies of the prospectus from any of our offices. There are fees and charges involved in investing 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 or purchase units. All performance figures have been verified by Mercer Zainal Consulting Sdn. Bhd. (35090-H). Note: Fund's name changed effective 3 January 2008.