

CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND
UNAUDITED INTERIM REPORT FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2018

Investments that stand the test of time

FORWARD  Your Investments



CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2018

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INVESTORS' LETTER

Dear Valued Investors,

Thank you for your continued support and for the confidence that you have placed in us. We are pleased to share that CIMB-Principal Asset Management Berhad ("CIMB-Principal") Malaysia has achieved RM54.02 billion in Asset under Management ("AUM") as at September 2018.

The Edge| Thomson Reuters Lipper Malaysia Fund Awards 2018

- Best Fund Over 5 Years, Equity Global - Malaysia : CIMB-Principal Global Titans Fund
- Best Fund Over 5 Years, Equity Asia Pacific ex Japan - Malaysia : CIMB-Principal Asian Equity Fund
- Best Fund Over 5 Years, Equity Asia Pacific ex Japan - Malaysia : CIMB Islamic Asia Pacific Equity Fund
- Best Fund Over 5 Years, Equity Malaysia Diversified - Malaysia : CIMB-Principal Equity Growth & Income Fund
- Best Fund Over 5 Years, Mixed Asset MYR Bal - Malaysia : CIMB-Principal Income Plus Balanced Fund
- Best Fund Over 3 Years, Equity Global - Malaysia : CIMB-Principal Global Titans Fund

In addition, we received recognition from Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for the following funds:

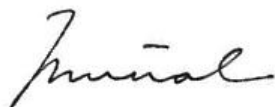
- CIMB-Principal Global Titans Fund
- CIMB-Principal Asia Pacific Dynamic Income Fund
- CIMB Islamic Asia Pacific Equity Fund
- CIMB-Principal Greater China Equity Fund
- CIMB-Principal PRS Plus Conservative
- CIMB-Principal PRS Plus Growth

Our latest accomplishment is The Asset Triple A Private Banking, Wealth Management, Investment and Exchange-Traded Fund ("ETF") Awards 2018 where we have been recognized for the Best Wealth Manager in Malaysia.

These prestigious awards are a celebration of the trust that you have placed in us and testament to our capability in bringing potential value to your financial goals and needs. We look forward to serving you for many years to come and to the best of our ability.

Thank you.

Yours faithfully,
for **CIMB-Principal Asset Management Berhad**



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide income and capital appreciation by investing in equities, debt securities money market instruments and/or deposits.

Has the Fund achieved its objective?

The Fund's return for the financial period under review has been below target due to broad-based weakness across the underlying markets.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim to provide investors with income and capital appreciation over the medium to long term through investments in the Asia Pacific ex Japan region. The Fund seeks to achieve its investment objective through a diversified portfolio investment in equities, debt securities, money market instruments and/or Deposits. The investment in debt securities and money market instruments is to provide some capital stability to the Fund whilst the investment in equity portion will provide the added return in a rising market. The Fund may invest in Deposits for liquidity purpose.

The Fund may invest up to 100% of its Net Asset Value ("NAV") in equities, debt securities or money market instruments and Deposits with Financial Institutions. The Manager has the flexibility to determine its asset allocation between different asset classes according to our views on the prevailing market condition. For example, Manager may invest up to 100% of the NAV in debt securities and liquid assets in the volatile market to preserve value of the Fund or Manager can invest up to 100% of the NAV in equities with the aim to generate added return in rising market. The minimum credit rating for these debt securities must be at least "BBB" by Fitch or its equivalent by Standard & Poor's ("S&P") and Moody's. The Fund may also invest up to 10% of the Fund's NAV in unrated fixed income securities.

At the Manager's discretion, the Fund may opt to access into the equities and/or debt securities market via the investment in units of other collective investment scheme ("CIS"), subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines and the Standards of Qualifying CIS. When deemed necessary, Manager may also utilise derivative instruments such as futures contracts and currency forwards to hedge the portfolio, subject to the prevailing SC Guidelines and Standards of Qualifying CIS.

Fund category/type

Mixed Asset/Growth & Income

How long should you invest for?

Recommended three (3) years or more

Indication of short-term risk (low, moderate, high)

High

When was the Fund launched?

Class MYR

9 January 2017

Class USD

9 January 2017

What was the size of the Fund as at 30 November 2018?

RM235.46 million (237.35 million units)

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund's benchmark?

The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of six percent (6%) per annum.

This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the medium to long term.

What is the Fund distribution policy?

Annually, depending on the level of the Fund's income and at the Manager's discretion.

What was the net income distribution for the financial period ended 30 November 2018?

There was no distribution made for the financial period ended 30 November 2018.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last two unaudited financial periods are as follows:

	30.11.2018	30.11.2017
	%	%
Unquoted securities	23.26	34.10
Quoted securities		
- Basic Materials	5.30	-
- Consumer Products	17.95	26.30
- Energy	7.81	2.76
- Finance	23.86	11.95
- Healthcare	-	0.95
- Real Estate Investment Trust ("REIT")	2.32	
- Industrials	4.66	9.39
- Technology	4.59	5.95
- Utilities	-	1.22
Cash and other net assets	10.25	7.38
	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last two unaudited financial periods are as follows:

	30.11.2018	30.11.2017
NAV (RM Million)		
- Class MYR	227.48	230.52
- Class USD	7.98	7.01
Units in circulation (Million)		
- Class MYR	235.49	210.84
- Class USD	1.86	1.44
NAV per unit (RM)		
- Class MYR	0.9660	1.0933
- Class USD	4.2986	4.8525

PERFORMANCE DATA (CONTINUED)

	01.06.2018 to 30.11.2018	09.01.2017 (date of launch) to 30.11.2017
Highest NAV per unit (RM)		
- Class MYR	1.0731	1.1366
- Class USD	4.7754	5.0446
Lowest NAV per unit (RM)		
- Class MYR	0.9294	0.9955
- Class USD	4.1358	4.4185
Total return (%)		
- Class MYR	(8.11)	9.29
- Class USD	(12.60)	18.61
Capital growth (%)		
- Class MYR	(8.11)	9.29
- Class USD	(12.60)	18.61
Income distribution (%)		
- Class MYR	-	-
- Class USD	-	-
Management Expense Ratio ("MER") (%) ^	0.98	1.85
Portfolio Turnover Ratio ("PTR") (times) #	0.97	2.08

^ The Fund's MER decreased from 1.85% to 0.98% during the financial period under review due to higher average NAV.

The Fund's PTR dropped from 2.08 times to 0.97 times during the financial period under review and is reasonable due to lesser trading activities in light of the heightened volatility within the markets.

	30.11.2018	Since inception to 30.11.2017
		%
Annual total return		
- Class MYR	(7.64)	9.29
- Class USD	(9.74)	18.61

(Launch date: 9 January 2017)

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures for the financial period have been extracted from Lipper.

MARKET REVIEW (1 JUNE 2018 TO 30 NOVEMBER 2018)

Equities as measured by Morgan Stanley Capital International ("MSCI") Asia Pacific ex Japan lost 10.8% in Malaysian Ringgit ("MYR") terms during the period from 1 June 2018 to 30 November 2018. Fixed income as measured by the Financial Times Stock Exchange ("FTSE") Asia Broad Bond Investment Grade Index gained 5.3% during the same period. Returns of the underlying assets were boosted in MYR due to weakness in MYR which lost 5.1% against the US Dollar ("USD"). Markets were rattled by threats of a trade war between US and China, while technology-related stocks were hit by slowdown in smartphone sales. The US Central Bank continued to raise rates, causing the USD to be strong and liquidity to be tight.

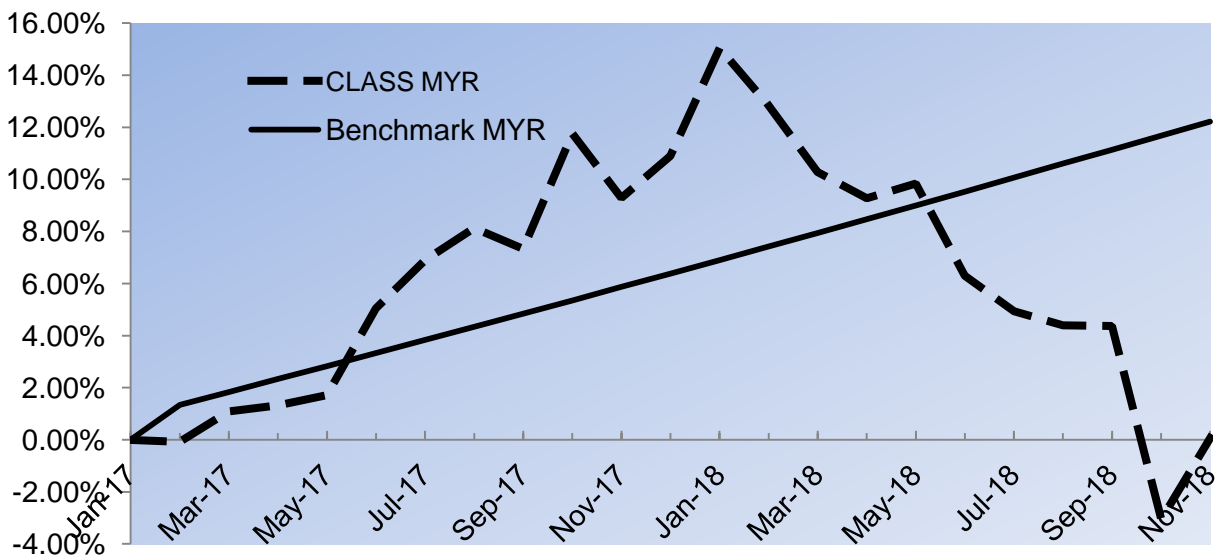
FUND PERFORMANCE

Class MYR	6 months to 30.11.2018	1 year to 30.11.2018	Since inception to 30.11.2018
	%	%	%
Income	-	4.47	4.47
Capital	(8.11)	(11.54)	(3.41)
Total Return	(8.11)	(7.64)	0.07
Benchmark	2.96	6.00	12.22
Average Total Return	N/A	(7.64)	0.04

Class USD	6 months to 30.11.2018	1 year to 30.11.2018	Since inception to 30.11.2018
			%
Income	-	5.03	5.03
Capital	(12.60)	(11.31)	(3.76)
Total Return	(12.60)	(9.74)	7.06
Benchmark	2.96	6.00	12.22
Average Total Return	N/A	(9.74)	3.67

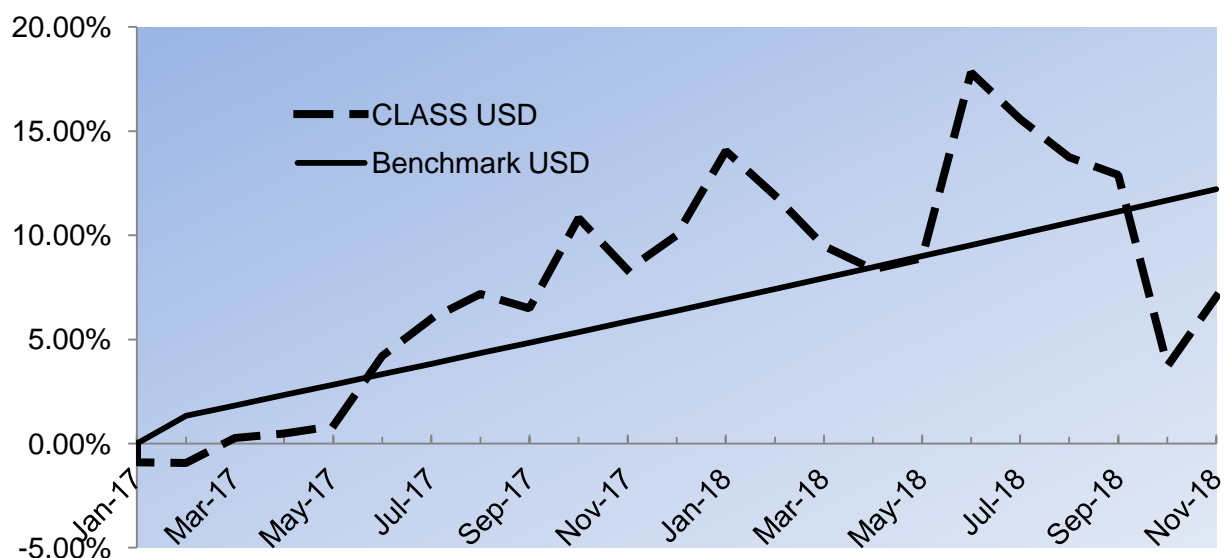
The Fund lost 8.11% and 12.60% in its NAV in MYR and USD terms respectively. Much of the drop in NAV can be attributed to the drop in Asian equity markets. China-related stocks, which made up about 20% of the NAV, suffered due to economic slowdown made worse by uncertainties regarding the outcome of the US-China trade friction. MSCI China lost 19.1% in 2018. The portfolio also suffered from weakness in consumer discretionary and technology sector stocks, which fell -21% and -11% respectively.

CLASS MYR



FUND PERFORMANCE (CONTINUED)

CLASS USD



Changes in NAV

Class MYR	30.11.2018	30.11.2017	Changes %
NAV (RM Million)	227.48	230.52	(1.32)
NAV/Unit (RM)	0.9660	1.0933	(11.64)

Class USD

NAV (RM Million)	7.98	7.01	13.84
NAV/Unit (RM)	4.2986	4.8525	(11.41)

Compared to a year ago, the portfolio’s NAV per unit fell 11.64% and 11.41% in MYR and USD terms respectively. Asian markets peaked in January 2018 due to various issues mentioned above. In November 2017, global growth was accelerating, but by November 2018, global growth was decelerating. In addition, volatility of markets has increased, and interest rates have risen globally.

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the Fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial period have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.11.2018	30.11.2017
Quoted securities	66.49	58.52
Unquoted securities	23.26	34.10
Cash and other net assets	10.25	7.38
TOTAL	100.00	100.00

The Fund holds about 10.49% cash and other net assets. The Fund is in the process of deploying this cash into equities which have reached attractive levels, given the sharp correction in the market. We have reduced our holdings in fixed income to 23.26%.

MARKET OUTLOOK*

Asian equities are a Buy. We are scaling into markets gradually as macro issues on trade and monetary policy stop deteriorating. Fundamentally, negotiations have resumed between the US and China which pushes out the tail risks of trade war escalating further. The US Federal Reserve (the “Fed”) will be “patient” in their pace of monetary tightening and sensitive to risks in markets which will help keep the USD stable. Growth is slowing and inflation is easing in Asia which means monetary policy can be accommodative. Valuations are undemanding at 11 times Price-to-Earnings Ratio (“PER”) for the financial year ended 2019. Consensus Earnings-per-Share (“EPS”) growth for 2019 in Asia Pacific is now +8% year-on-year (“y-o-y”). The market is probably ahead in discounting more downgrades (we forecast +6% y-o-y). The worry is China, which is slowing and this was amplified by Apple Inc.’s downward guidance in early January 2018 and the weak Purchasing Manager Index (“PMI”). Policy easing (recent reserve requirement ratios (“RRR”) cut of 100 basis points (“bps”), wider tax deductions, value added tax (“VAT”) cuts, more relaxed Local Government Financing Vehicles (“LGFV”) financing) will help cushion the slowdown but not reverse it. Marking a bottom in earnings revision over the next few months will be key.

*This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of CIMB-Principal or based on data obtained from sources believed to be reliable by CIMB-Principal. Whilst every care has been taken in preparing this, CIMB-Principal makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

INVESTMENT STRATEGY

The Fund increased its equity weighting recently, bringing total equity exposure to 65%. Valuations are reasonable, and risk-reward has turned favorable. We expect USD strength to peak in the coming months, as the Fed rate hike cycle approaches its tail end. Signs of weakening US economy also point to easier monetary policies in 2019 compared to 2018. As such, we have judiciously tilted to a more “risk-on” manner by adding Chinese consumer discretionary and Internet names. We are looking for winners and losers if competition in certain segments in China step up because of more “open” markets and manufacturing supply chains move. Some steps to a more lasting US-China trade truce have appeared, e.g., China agreeing to import a substantial amount of agricultural, energy and industrial goods. In our view, these are doable. But given that China is viewed by the US as a strategic competitor in an industrial, technological and geopolitical sense, there will continue to be hard negotiation over certain issues. Nonetheless if progress is being made, we could see the 90 day deadline extended.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 November 2018 are as follows:

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	29	0.09	0.04
5,001-10,000	39	0.31	0.13
10,001-50,000	100	2.78	1.18
50,001-500,000	43	6.08	2.58
500,001 and above	3	226.23	96.07
Total	214	235.49	100.00

CLASS USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001-10,000	-	-	-
10,001-50,000	1	0.02	-
50,001-500,000	-	-	-
500,001 and above	1	1.84	100.00
Total	3	1.86	100.00

SOFT COMMISSIONS AND REBATES

CIMB-Principal Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND**

We, being the Directors of CIMB-Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 11 to 44 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2018 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the Manager
CIMB-Principal Asset Management Berhad
(Company No.: 304078-K)

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

ALEJANDRO ECHEGORRI
Executive Director

Kuala Lumpur
16 January 2019

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND**

We have acted as Trustee of CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund (the "Fund") for the financial period ended 30 November 2018. To the best of our knowledge, CIMB-Principal Asset Management Berhad (the "Manager"), has operated and managed the Fund in accordance with the following:

- a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Head, Trustee Operations

Kuala Lumpur
16 January 2019

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2018**

	Note	01.06.2018 to 30.11.2018 RM	09.01.2017 (date of launch) to 30.11.2017 RM
(LOSS)/INCOME			
Dividend income		2,537,152	7,087,377
Interest income	4	1,351,995	1,626,682
Net (loss)/gain on financial assets at fair value through profit or loss	9	(30,391,494)	20,767,526
Net foreign exchange gain/(loss)		<u>8,871,376</u>	<u>(1,926,620)</u>
		<u>(17,630,971)</u>	<u>27,554,965</u>
EXPENSES			
Management fee	5	2,281,181	3,326,818
Trustee's and custodian fees	6	160,026	236,806
Audit fee		7,300	9,250
Tax agent's fee		22,637	7,150
Transaction costs		1,432,930	2,062,727
Other expenses		<u>4,123</u>	<u>327,087</u>
		<u>3,908,197</u>	<u>5,969,838</u>
(LOSS)/PROFIT BEFORE TAXATION		(21,539,168)	21,585,127
Taxation	7	<u>(268,478)</u>	<u>(333,174)</u>
(DECREASE)/INCREASE IN NET ASSSTS ATTRIBUTABLE TO UNIT HOLDERS		<u>(21,807,646)</u>	<u>21,251,953</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		(9,683,414)	11,187,126
Unrealised amount		<u>(12,124,232)</u>	<u>10,064,827</u>
		<u>(21,807,646)</u>	<u>21,251,953</u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2018**

		30.11.2018	31.05.2018
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	26,981,952	23,684,665
Financial assets at fair value through profit or loss	8	211,337,841	242,912,323
Amount due from stockbrokers		6,123,671	-
Amount due from Manager		1,000	5,339,124
Dividends receivable		95,702	267,056
TOTAL ASSETS		<u>244,540,166</u>	<u>272,203,168</u>
LIABILITIES			
Amount due to stockbrokers		8,519,258	-
Amount due to Manager		171,298	117,882
Accrued management fee		345,966	411,832
Amount due to Trustee		9,610	11,440
Other payables and accruals		30,687	48,464
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>9,076,819</u>	<u>589,618</u>
NET ASSET VALUE OF THE FUND		<u>235,463,347</u>	<u>271,613,550</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>235,463,347</u>	<u>271,613,550</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class MYR		227,486,631	262,436,264
- Class USD		7,976,716	9,177,286
		<u>235,463,347</u>	<u>271,613,550</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		235,492,007	249,556,972
- Class USD		1,855,613	1,961,106
	10	<u>237,347,620</u>	<u>251,518,078</u>
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		0.9660	1.0516
- Class USD		4.2986	4.6796
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		MYR0.9660	MYR1.0516
- Class USD		<u>USD1.0275</u>	<u>USD1.1759</u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2018**

	01.06.2018 to 30.11.2018 RM	09.01.2017 (date of launch) to 30.11.2017 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	271,613,550	-
Movement due to units created and cancelled during the financial period:		
- Creation of units from applications		
- Class MYR	14,739,181	324,682,544
- Class USD	1,275,197	12,521,128
	<u>16,014,378</u>	<u>337,203,672</u>
- Cancellation of units		
- Class MYR	(28,616,457)	(114,991,236)
- Class USD	(1,740,478)	(5,929,403)
	<u>(30,356,935)</u>	<u>(120,920,639)</u>
(Decrease)/Increase in net assets attributable to unit holders during the financial period		
(Loss)/Profit after taxation	(21,807,646)	21,251,953
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>235,463,347</u>	<u>237,534,986</u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2018**

	01.06.2018 to 30.11.2018 RM	09.01.2017 (date of launch) to 30.11.2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	234,187,294	325,051,231
Purchase of quoted securities	(239,294,768)	(441,073,742)
Proceeds from disposal of unquoted fixed income securities	5,110,049	-
Purchase of unquoted fixed income securities	-	(82,898,887)
Redemption of unquoted fixed income securities	10,000,000	-
Dividend income received	2,509,835	6,710,121
Interest income received from deposits with licensed financial institutions and current account	312,542	(406,876)
Interest income received from unquoted fixed income securities	1,246,933	2,041,800
Management fee paid	(2,347,047)	(2,971,388)
Trustee's and custodian fees paid	(161,856)	(226,933)
Payments for other fees and expenses	(51,837)	(294,708)
Net realised foreign exchange loss	(6,601)	(1,197,453)
Tax paid	(69,440)	-
Net cash generated from/(used in) operating activities	<u>11,435,104</u>	<u>(195,266,835)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	21,352,502	329,796,681
Payments for cancellation of units	(30,303,519)	(118,434,131)
Net cash (used in)/generated from financing activities	<u>(8,951,017)</u>	<u>211,362,550</u>
Net increase in cash and cash equivalents	2,484,087	16,095,715
Effects of foreign exchange differences	813,199	(1,055,112)
Cash and cash equivalents at the beginning of the financial period	<u>23,684,666</u>	-
Cash and cash equivalents at the end of the financial period	<u><u>26,981,952</u></u>	<u><u>15,040,603</u></u>
Cash and cash equivalent comprised of:		
Deposits with licensed financial institutions	16,757,290	14,040,411
Bank balance	<u>10,224,662</u>	<u>1,000,192</u>
Cash and cash equivalents at the end of the financial period	<u><u>26,981,952</u></u>	<u><u>15,040,603</u></u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2018**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund (the “Fund”) is governed by a Deed dated 11 July 2016 executed between CIMB-Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim to provide investors with income and capital appreciation over the medium to long term through investments in the Asia Pacific ex Japan region. The Fund seeks to achieve its investment objective through a diversified portfolio investment in equities, debt securities, money market instruments and/or Deposits. The investment in debt securities and money market instruments is to provide some capital stability to the Fund whilst the investment in equity portion will provide the added return in a rising market. The Fund may invest in Deposits for liquidity purpose.

The Fund may invest up to 100% of its NAV in equities, debt securities or money market instruments and Deposits with Financial Institutions. The Manager has the flexibility to determine its asset allocation between different asset classes according to our views on the prevailing market condition. For example, Manager may invest up to 100% of the NAV in debt securities and liquid assets in the volatile market to preserve value of the Fund or Manager can invest up to 100% of the NAV in equities with the aim to generate added return in rising market. The minimum credit rating for these debt securities must be at least “BBB” by Fitch or its equivalent by S&P and Moody’s. The Fund may also invest up to 10% of the Fund’s NAV in unrated fixed income securities.

At the Manager’s discretion, the Fund may opt to access into the equities and/or debt securities market via the investment in units of other CIS, subject to the requirements of the SC Guidelines and the Standards of Qualifying CIS. When deemed necessary, Manager may also utilise derivative instruments such as futures contracts and currency forwards to hedge the portfolio, subject to the prevailing SC Guidelines and Standards of Qualifying CIS.

All investments are subjected to the SC Guidelines on Unit Trust Funds, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager, a company incorporated in Malaysia, is jointly owned by CIMB Group Sdn Bhd and Principal International (Asia) Limited. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS and International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period.

It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and assumptions are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 2(l).

Standards, amendments to published standards and interpretations to existing standards that are effective:

The Fund has applied the following amendments for the first time for the financial period beginning on 1 December 2018:

- MFRS 9 "Financial Instruments" (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

The adoption of these amendments did not have any impact on the current financial period or any prior period and is not likely to affect future periods.

(b) Financial assets and financial liabilities (continued)

Classification

The Fund designates its investment in quoted securities and unquoted fixed income securities as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's loans and receivables comprise cash and cash equivalents, amount due from stockbrokers, amount due to Manager and dividend receivables.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as other financial liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income with net gain or loss on financial assets at fair value through profit or loss in the financial period which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Quoted securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position.

Foreign quoted securities are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Unquoted fixed income securities denominated in Ringgit Malaysia ("RM") are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the SC as per the SC Guidelines on Unit Trust Funds. Refer to Note 2(l) for further explanation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Recognition and measurement (continued)

Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis based on fair value prices quoted by Interactive Data Corporation (“IDC”), a provider of financial market data. However, if such quotations are not available on any business day, or should the gaps of the quotations provided by the financial institutions or IDC differ by more than 20 bps, the valuation shall be determined by reference to the value of such debt securities quoted by Bloomberg.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

Loans and receivables and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

Impairment for assets carried at amortised costs

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective profit rate. The asset’s carrying amount is reduced and the amount of the loss is recognised in statement of comprehensive income. If ‘financing and receivables’ has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent financial period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) **Income recognition**

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

Realised gain or loss on disposal of quoted securities and unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted securities and unquoted fixed income securities, determined on a weighted average cost basis.

(d) **Foreign Currency**

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s functional and presentation currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- i) The Fund’s units are denominated in RM.
- ii) All of the Fund’s expenses are denominated in RM.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(e) **Creation and cancellation of units**

The unit holders’ contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 “Financial Instruments: Presentation”.

The Fund issues cancellable units, in two classes of units, known as the Class MYR and Class USD, which are cancelled at the unit holder’s option and do not have identical features subject to restrictions as stipulated in the Prospectus and SC’s Guidelines on Unit Trust Funds. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund’s NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(e) Creation and cancellation of units (continued)

Units are created and cancelled at the unit holders' option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

(f) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period.

(h) Transaction costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

(i) Increase/Decrease in net asset attributable to unit holders

Income not distributed is included in net asset attributable to unit holders.

(j) Amount due from/to stockbrokers

Amounts due from/to stockbrokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method, less provision for impairment for amount due from stockbrokers. A provision for impairment of amount due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbroker. Significant financial difficulties of the stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

(k) Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Critical accounting estimates and judgments in applying accounting policies

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair value of unquoted fixed income securities

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Unit Trust Funds.

Ringgit-denominated unquoted fixed income securities are valued using fair value prices quoted by a BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted fixed income securities differs from the market price by more than 20 bps, the Manager may use market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis based on fair value prices quoted by Interactive Data Corporation ("IDC"), a provider of financial market data. However, if such quotations are not available on any business day, or should the gaps of the quotations provided by the financial institutions or IDC differ by more than 20 bps, the valuation shall be determined by reference to the value of such debt securities quoted by Bloomberg.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide income and capital appreciation by investing in equities, debt securities money market instruments and/or deposits.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, currency risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on Unit Trust Funds.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of an investment in quoted securities and unquoted fixed income securities will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of investments may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of quoted securities, unquoted securities and other financial instruments within specified limits according to the Deeds.

(ii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus RM based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

(iii) Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Investors should note that the movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk

(iii) Interest rate risk (continued)

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

(b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Fund.

Investment in unquoted fixed income securities may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted fixed income securities and subsequently depress the NAV of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund.

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

For the amount due from Manager, the settlement terms of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in unquoted fixed income securities are settled/paid upon delivery using approved brokers.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and deposits with licensed financial institutions, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders RM235,463,347 (31.05.2018: RM271,613,550). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded market price falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.11.2018				
Financial assets at fair value through profit or loss:				
- Quoted securities	156,570,167	-	-	156,570,167
- Unquoted fixed income securities	-	54,767,674	-	54,767,674
	<u>156,570,167</u>	<u>54,767,674</u>	<u>-</u>	<u>211,337,841</u>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.05.2018				
Audited				
Financial assets at fair value through profit or loss:				
- Quoted securities	173,406,706	-	-	173,406,706
- Unquoted fixed income securities	-	69,505,617	-	69,505,617
	<u>173,406,706</u>	<u>69,505,617</u>	<u>-</u>	<u>242,912,323</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, dividends receivable and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

4. INTEREST INCOME

	01.06.2018 to 30.11.2018	09.01.2017 (date of launch) to 30.11.2017 RM
Interest income from unquoted fixed income securities	1,039,452	2,033,558
Interest income from deposits with licensed financial institutions	312,543	(406,876)
	<u>1,351,995</u>	<u>1,626,682</u>

5. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 3.00% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 30 November 2018, the management fee is recognised at a rate of 1.80% per annum (9 January 2017 (date of launch) to 30 November 2017: 1.80% per annum).

There is no further liability to the Manager in respect of management fee other than the amount recognised above.

6. TRUSTEE'S FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.08% per annum calculated daily based on the NAV of the Fund. The Trustee's fee includes local/custodian fee but excludes foreign sub-custodian fees and charges.

For the six months financial period ended 30 November 2018, the Trustee's fee is recognised at a rate of 0.05% per annum (including local custodian fee but excluding foreign sub-custodian fee) on the NAV of the Fund (9 January 2017 (date of launch) to 30 November 2017: 0.05% per annum). The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

There is no further liability to the Trustee and custodian in respect of Trustee's and custodian fee other than the amount recognised above.

7. TAXATION

	01.06.2018 to 30.11.2018	09.01.2017 (date of launch) to 30.11.2017 RM
Tax charged for the financial period:		
- Withholding tax	<u>268,478</u>	<u>333,174</u>

A numerical reconciliation between (loss)/profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

	01.06.2018 to 30.11.2018	09.01.2017 (date of launch) to 30.11.2017 RM
(Loss)/Profit before taxation	<u>(21,539,166)</u>	<u>21,285,127</u>
Taxation at Malaysian statutory rate of 24% (30.11.2017: 24%)	(5,169,400)	5,180,430
Tax effects of:		
Investment loss not deductible for tax/(Investment income not subject to tax)	4,231,433	(6,613,192)
Expenses not deductible for tax purposes	388,560	583,107
Restriction on tax deductible expenses for Unit Trust Funds	549,407	849,655
Investment income subject to withholding tax	<u>268,478</u>	<u>333,174</u>
Taxation	<u><u>268,478</u></u>	<u><u>333,174</u></u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.11.2018	31.05.2018 Audited RM
Designated at fair value through profit or loss at inception:		
- Quoted securities	156,570,167	173,406,706
- Unquoted fixed income securities	54,767,674	69,505,617
	<u>211,337,841</u>	<u>242,912,323</u>
	01.06.2018	09.01.2017
	to 30.11.2018	(date of launch) to 30.11.2017
		RM
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(18,267,262)	9,656,481
- Unrealised fair value (loss)/gain	(12,124,232)	11,111,045
	<u>(30,391,494)</u>	<u>20,767,526</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage Of NAV %
30.11.2018 (CONTINUED)				
QUOTED SECURITIES				
AUSTRALIA				
Basic Materials				
BHP Billiton Ltd	46,680	4,673,911	4,386,649	1.86
BlueScope Steel Ltd	46,673	2,021,390	1,604,910	0.68
	<u>93,353</u>	<u>6,695,301</u>	<u>5,991,559</u>	<u>2.54</u>
Energy				
Oil Search Ltd	107,044	2,904,406	2,395,989	1.02
Industrials				
Cleanaway Waste Management Ltd	811,611	3,903,084	4,224,760	1.79
TOTAL AUSTRALIA	<u>1,012,008</u>	<u>13,502,791</u>	<u>12,612,308</u>	<u>5.35</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2018 (CONTINUED)				
QUOTED SECURITIES				
CAYMAN ISLANDS				
Consumer Products				
Alibaba Group Holding Ltd	7,733	4,841,004	5,203,983	2.21
TOTAL CAYMAN ISLANDS	7,733	4,841,004	5,203,983	2.21
CHINA				
Finance				
China Vanke Co. Ltd - H	95,800	1,338,159	1,378,190	0.59
Ping An Insurance Group Co. of China - H	56,500	2,325,994	2,287,366	0.97
	152,300	3,664,153	3,665,556	1.56
TOTAL CHINA	152,300	3,664,153	3,665,556	1.56
HONG KONG				
Consumer Products				
Brilliance China Automotive Holding Ltd	306,000	2,179,422	1,132,450	0.48
Techtronic Industries Co. Ltd	124,000	3,010,481	2,791,870	1.19
Xinyi Glass Holdings Co. Ltd	412,000	2,028,971	1,853,039	0.79
Galaxy Entertainment Group Ltd	131,000	4,099,615	3,366,325	1.43
Sands China Ltd	260,800	5,366,345	4,721,257	2.01
	1,233,800	16,684,834	13,864,941	5.90
Energy				
CNOOC Ltd	1,258,000	8,505,351	8,947,953	3.80
Finance				
Henderson Land Development	133,000	2,869,078	2,859,362	1.21
REIT				
Link REIT	137,000	5,444,903	5,458,436	2.32
Technology				
Tencent Holdings Ltd	56,300	9,290,886	9,394,083	3.99
TOTAL HONG KONG	2,818,100	42,795,052	40,524,775	17.22

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2018 (CONTINUED)				
QUOTED SECURITIES				
INDIA				
Consumer Products				
Dabur India Ltd	<u>150,275</u>	<u>3,584,840</u>	<u>3,694,798</u>	<u>1.57</u>
Energy				
Reliance Industries Ltd	<u>100,342</u>	<u>6,210,548</u>	<u>7,040,974</u>	<u>2.99</u>
Finance				
HDFC Bank Ltd	<u>38,401</u>	<u>4,365,507</u>	<u>4,912,250</u>	<u>2.09</u>
TOTAL INDIA	<u>289,018</u>	<u>14,160,895</u>	<u>15,648,022</u>	<u>6.65</u>
INDONESIA				
Consumer Products				
Gudang Garam TBK PT	<u>120,800</u>	<u>2,869,447</u>	<u>2,897,388</u>	<u>1.23</u>
Finance				
Bank Central Asia	476,700	3,512,707	3,632,275	1.54
Ciputra Development TBK	<u>7,992,700</u>	<u>2,285,182</u>	<u>2,466,447</u>	<u>1.05</u>
	<u>8,469,400</u>	<u>5,797,889</u>	<u>6,098,722</u>	<u>2.59</u>
TOTAL INDONESIA	<u>8,590,200</u>	<u>8,667,336</u>	<u>8,996,110</u>	<u>3.82</u>
MALAYSIA				
Consumer Products				
British American Tobacco Bhd	<u>144,700</u>	<u>4,885,148</u>	<u>5,455,190</u>	<u>2.32</u>
Industrials				
My Eg Services Bhd	<u>1,146,100</u>	<u>1,925,792</u>	<u>1,272,171</u>	<u>0.54</u>
TOTAL MALAYSIA	<u>1,290,800</u>	<u>6,810,940</u>	<u>6,727,361</u>	<u>2.86</u>
PHILIPPINES				
Basic Materials				
D&L Industries Inc	<u>3,010,800</u>	<u>2,445,759</u>	<u>2,447,600</u>	<u>1.04</u>
TOTAL PHILIPPINES	<u>3,010,800</u>	<u>2,445,759</u>	<u>2,447,600</u>	<u>1.04</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2018 (CONTINUED)				
QUOTED SECURITIES				
SINGAPORE				
Finance				
CapitaLand Commercial Trust	791,700	4,197,260	4,208,991	1.79
CapitaLand Mall Trust	618,500	4,053,670	4,251,971	1.81
CDL Hospitality Trusts	1,040,200	5,115,212	4,767,341	2.02
DBS Group Holdings Ltd	64,400	4,738,281	4,797,198	2.04
Mapletree Commercial Trust	1,352,900	6,575,561	6,861,860	2.91
Oversea-Chinese Banking Corporation	67,200	2,332,227	2,311,936	0.98
United Overseas Bank Ltd	84,700	6,719,732	6,508,627	2.76
	<u>4,019,600</u>	<u>33,731,943</u>	<u>33,707,924</u>	<u>14.31</u>
Industrials				
Venture Corporation Ltd	120,200	6,652,945	5,475,833	2.33
TOTAL SINGAPORE	<u>4,139,800</u>	<u>40,384,888</u>	<u>39,183,757</u>	<u>16.64</u>
SOUTH KOREA				
Basic Materials				
LG Chemical Ltd	2,203	2,735,411	2,840,257	1.21
Posco	1,290	1,406,614	1,191,407	0.51
	<u>3,493</u>	<u>4,142,025</u>	<u>4,031,664</u>	<u>1.72</u>
Consumer Products				
Samsung Electronics Co. Ltd	22,068	4,615,688	3,446,304	1.46
TOTAL SOUTH KOREA	<u>25,561</u>	<u>8,757,713</u>	<u>7,477,968</u>	<u>3.18</u>
TAIWAN				
Technology				
Taiwan Semiconductor Manufacturing Co. Ltd	46,000	1,397,212	1,407,616	0.60
TOTAL TAIWAN	<u>46,000</u>	<u>1,397,212</u>	<u>1,407,616</u>	<u>0.60</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2018 (CONTINUED) QUOTED SECURITIES				
THAILAND				
Consumer Products				
CP ALL PCL - NVDR	<u>719,700</u>	<u>6,826,129</u>	<u>6,247,954</u>	<u>2.65</u>
Finance				
Bangkok Bank PCL - Foreign	42,700	1,155,635	1,151,456	0.48
TMB Bank PLC - NVDR	<u>13,008,800</u>	<u>3,956,991</u>	<u>3,838,918</u>	<u>1.62</u>
	<u>13,051,500</u>	<u>5,112,626</u>	<u>4,990,374</u>	<u>2.10</u>
TOTAL THAILAND	<u>13,771,200</u>	<u>11,938,755</u>	<u>11,238,328</u>	<u>4.75</u>
UNITED STATES				
Consumer Products				
Autohome Inc -ADR	<u>4,171</u>	<u>1,432,912</u>	<u>1,436,782</u>	<u>0.61</u>
TOTAL UNITED STATES	<u>4,171</u>	<u>1,432,912</u>	<u>1,436,782</u>	<u>0.61</u>
TOTAL QUOTED SECURITIES	<u>35,157,691</u>	160,799,410	<u>156,570,167</u>	<u>66.49</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(4,229,243)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>156,570,167</u>		

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2018 UNQUOTED FIXED INCOME SECURITIES				
AUSTRALIA				
Australian Government 5.75% 15/7/2022 (AAA)	<u>1,700,000</u>	<u>6,613,275</u>	<u>5,976,988</u>	<u>2.54</u>
TOTAL AUSTRALIA	<u>1,700,000</u>	<u>6,613,275</u>	<u>5,976,988</u>	<u>2.54</u>
INDONESIA				
Indonesia Treasury Bond 7.00% 15/05/2022 (Baa3)	<u>45,000,000,000</u>	<u>14,092,604</u>	<u>12,878,610</u>	<u>5.47</u>
TOTAL INDONESIA	<u>45,000,000,000</u>	<u>14,092,604</u>	<u>12,878,610</u>	<u>5.47</u>
MALAYSIA				
Malaysian Government 1/2017 3.88% 10/3/2022 (NR)	<u>10,000,000</u>	<u>10,149,996</u>	<u>10,129,767</u>	<u>4.30</u>
Anih Bhd 5.34% 29/11/2023 (AA2)	<u>5,000,000</u>	<u>5,160,605</u>	<u>5,187,012</u>	<u>2.20</u>
	<u>15,000,000</u>	<u>15,310,601</u>	<u>15,316,779</u>	<u>6.50</u>
TOTAL MALAYSIA	<u>15,000,000</u>	<u>15,310,601</u>	<u>15,316,779</u>	<u>6.50</u>
SINGAPORE				
Singapore Government Bond 1.75% 1/2/2023 (NR)	<u>3,000,000</u>	<u>8,786,284</u>	<u>9,104,407</u>	<u>3.87</u>
TOTAL SINGAPORE	<u>3,000,000</u>	<u>8,786,284</u>	<u>9,104,407</u>	<u>3.87</u>
THAILAND				
Thailand Government Bond 1.88% 17/6/2022 (Baa1)	<u>90,000,000</u>	<u>11,431,733</u>	<u>11,490,890</u>	<u>4.88</u>
TOTAL THAILAND	<u>90,000,000</u>	<u>11,431,733</u>	<u>11,490,890</u>	<u>4.88</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>45,109,700,000</u>	<u>56,234,497</u>	<u>54,767,674</u>	<u>23.26</u>
ACCUMULATED UNREALISED LOSS ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(1,466,823)</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>54,767,674</u>	

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2018				
Audited				
QUOTED SECURITIES				
AUSTRALIA				
Basic Materials				
BHP Billiton Ltd	37,725	3,577,708	3,733,027	1.37
BlueScope Steel Ltd	52,647	2,580,341	2,761,302	1.02
	<u>90,372</u>	<u>6,158,049</u>	<u>6,494,329</u>	<u>2.39</u>
Industrials				
Cleanaway Waste Management Ltd	655,698	2,612,186	3,225,388	1.19
TOTAL AUSTRALIA	<u>746,070</u>	<u>8,770,235</u>	<u>9,719,717</u>	<u>3.58</u>
CAYMAN ISLANDS				
Consumer Products				
Alibaba Group Holding Ltd	7,452	4,157,334	5,872,033	2.16
TOTAL CAYMAN ISLANDS	<u>7,452</u>	<u>4,157,334</u>	<u>5,872,033</u>	<u>2.16</u>
CHINA				
Consumer Products				
Midea Group Co Ltd-A ¹	229,727	5,835,261	7,545,612	2.78
Finance				
Industrial and Commercial Bank Ltd	2,556,000	8,073,719	8,431,605	3.10
Ping An Insurance Group Co of China Ltd-H ²	144,000	5,940,943	5,619,852	2.07
	<u>2,700,000</u>	<u>14,014,662</u>	<u>14,051,457</u>	<u>5.17</u>
Industrials				
Beijing Oriental Yuhong Co. Ltd	118,471	2,942,671	2,581,451	0.95
Hangzhou Hikvision Digital Technology Co. Ltd	350,140	7,223,855	8,509,778	3.13
	<u>468,611</u>	<u>10,166,526</u>	<u>11,091,229</u>	<u>4.08</u>
TOTAL CHINA	<u>3,398,338</u>	<u>30,016,449</u>	<u>32,688,298</u>	<u>12.03</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2018 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG				
Consumer Products				
Brilliance China Automotive Holding Ltd	548,000	4,212,737	4,077,093	1.50
China Mengniu Dairy Co. Ltd	314,000	3,827,835	4,541,618	1.67
Techtronic Industries Co. Ltd	138,500	3,344,892	3,307,086	1.22
Tingyi (Cayman Islands) Holding Corporation	824,000	6,617,845	7,343,241	2.70
Xinyi Glass Holdingg Co. Ltd	710,000	1,402,974	3,884,303	1.43
Sands China Ltd	182,800	3,712,193	4,355,598	1.61
	<u>2,717,300</u>	<u>23,118,476</u>	<u>27,508,939</u>	<u>10.13</u>
Industrials				
Sunny Optical Tech Co. Ltd	34,300	2,636,027	2,778,197	1.02
Technology				
Tencent Holding Ltd	<u>29,800</u>	<u>5,381,583</u>	<u>6,037,301</u>	<u>2.22</u>
TOTAL HONG KONG	<u>2,781,400</u>	<u>31,136,086</u>	<u>36,324,437</u>	<u>13.37</u>
INDIA				
Energy				
Reliance Industries Ltd	<u>71,464</u>	<u>4,158,064</u>	<u>3,884,758</u>	<u>1.43</u>
TOTAL INDIA	<u>71,464</u>	<u>4,158,064</u>	<u>3,884,758</u>	<u>1.43</u>
INDONESIA				
Consumer Products				
Mitra Adiperkasa TBK PT	2,354,100	4,617,050	5,678,272	2.09
Finance				
Bank Mandiri TBK PT	1,600,900	3,811,425	3,231,280	1.19
Telecommunications				
Telekomunikasi TBK PT	<u>3,211,500</u>	<u>3,296,575</u>	<u>3,236,473</u>	<u>1.19</u>
TOTAL INDONESIA	<u>7,166,500</u>	<u>11,725,050</u>	<u>12,146,025</u>	<u>4.47</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2018 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES (CONTINUED)				
MALAYSIA				
Finance				
CIMB Group Holdings Bhd	527,333	3,324,284	3,111,265	1.14
Utilities				
Tenaga Nasional Bhd	<u>516,000</u>	<u>8,206,258</u>	<u>7,430,400</u>	<u>2.74</u>
TOTAL MALAYSIA	<u>1,043,333</u>	<u>11,530,542</u>	<u>10,541,665</u>	<u>3.88</u>
SINGAPORE				
Finance				
CapitaLand Commercial Trust	1,021,500	5,415,563	5,197,498	1.91
CDL Hospitality Trusts	1,305,800	6,788,707	6,488,631	2.39
City Developments Ltd	116,100	4,061,062	3,872,557	1.42
DBS Group Holding Ltd	<u>115,100</u>	<u>8,634,255</u>	<u>9,716,159</u>	<u>3.58</u>
	<u>2,558,500</u>	<u>24,899,587</u>	<u>25,274,845</u>	<u>9.30</u>
Industrials				
Venture Corporation Ltd	117,300	6,283,311	7,364,452	2.71
Energy				
Keppel Corporation Ltd	<u>108,400</u>	<u>2,335,521</u>	<u>2,486,816</u>	<u>0.92</u>
TOTAL SINGAPORE	<u>2,784,200</u>	<u>33,518,419</u>	<u>35,126,113</u>	<u>12.93</u>
SOUTH KOREA				
Consumer Products				
LG Electronics Inc.	6,086	2,506,744	2,080,790	0.77
Samsung Electronics Co. Ltd	<u>36,416</u>	<u>8,323,296</u>	<u>6,816,876</u>	<u>2.51</u>
	<u>42,502</u>	<u>10,830,040</u>	<u>8,897,666</u>	<u>3.28</u>
Health Care				
Osstem Implant Co. Ltd	5,461	1,367,273	1,014,204	0.37
Industrials				
LG Innotek Co. Ltd	<u>5,349</u>	<u>2,625,886</u>	<u>2,843,939</u>	<u>1.05</u>
TOTAL SOUTH KOREA	<u>53,312</u>	<u>14,823,199</u>	<u>12,755,809</u>	<u>4.70</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2018 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES				
(CONTINUED)				
TAIWAN				
Industrials				
AirTac International Group Ltd	47,000	3,123,078	3,212,003	1.18
Hon Hai Precision Industry Co. Ltd	401,000	4,922,487	4,560,328	1.68
	<u>448,000</u>	<u>8,045,565</u>	<u>7,772,331</u>	<u>2.86</u>
Technology				
Taiwan Semiconductor Manufacturing Co. Ltd	144,000	4,750,425	4,280,371	1.58
TOTAL TAIWAN	<u>592,000</u>	<u>12,795,990</u>	<u>12,052,702</u>	<u>4.44</u>
THAILAND				
Finance				
TMB Bank PLC - NVDR ³	7,459,500	2,337,955	2,295,148	0.84
TOTAL THAILAND	<u>7,459,500</u>	<u>2,337,955</u>	<u>2,295,148</u>	<u>0.85</u>
TOTAL QUOTED SECURITIES	<u>25,060,236</u>	<u>164,969,323</u>	<u>173,406,706</u>	<u>63.84</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>8,437,383</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>173,406,706</u>		

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2018 (CONTINUED)				
Audited (Continued)				
QUOTED SECURITIES				
(CONTINUED)				
THAILAND				
Finance				
TMB Bank PLC - NVDR ³	7,459,500	2,337,955	2,295,148	0.84
TOTAL THAILAND	7,459,500	2,337,955	2,295,148	0.85
TOTAL QUOTED SECURITIES	25,060,236	164,969,323	173,406,706	63.84
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		8,437,383		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		173,406,706		

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2018 (CONTINUED)				
Audited (Continued)				
UNQUOTED FIXED INCOME SECURITIES				
AUSTRALIA				
Australian Government 5.75% 15/7/2022 (AAA)	1,700,000	6,704,243	5,947,970	2.19
TOTAL AUSTRALIA	1,700,000	6,704,243	5,947,970	2.19
INDONESIA				
Indonesia Treasury Bond 7.00% 15/05/2022 (Baa3)	45,000,000,000	14,116,687	13,056,276	4.80
TOTAL INDONESIA	45,000,000,000	14,116,687	13,056,276	4.80

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2018 (CONTINUED)				
Audited (Continued)				
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
MALAYSIA				
Malaysian Government 1/2017 3.88% 10/3/2022 (Non-rated)	10,000,000	10,158,404	10,097,246	3.72
WCT Holdings Bhd 5.32% 11/5/2022 (AA2)	5,000,000	5,019,512	5,040,818	1.86
Senari Synergy Sdn Bhd - 4.62% 02/08/2018 (AAA)	10,000,000	10,156,399	10,155,573	3.74
Anih Bhd 5.34% 29/11/2023 (AA2)	5,000,000	5,174,655	5,151,813	1.90
	<u>30,000,000</u>	<u>30,508,970</u>	<u>30,445,450</u>	<u>11.22</u>
TOTAL MALAYSIA	<u>30,000,000</u>	<u>30,508,970</u>	<u>30,445,450</u>	<u>11.22</u>
SINGAPORE				
Singapore Government Bond 1.75% 1/2/2023 (Non-rated)	3,000,000	8,773,407	8,809,632	3.24
TOTAL SINGAPORE	<u>3,000,000</u>	<u>8,773,407</u>	<u>8,809,632</u>	<u>3.24</u>
THAILAND				
Thailand Government Bond 1.88% 17/6/2022 (Baa1)	90,000,000	11,411,527	11,246,289	4.14
TOTAL THAILAND	<u>90,000,000</u>	<u>11,411,527</u>	<u>11,246,289</u>	<u>4.14</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>45,124,700,000</u>	<u>71,514,834</u>	<u>69,505,617</u>	<u>25.59</u>
ACCUMULATED UNREALISED LOSS ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		(2,009,217)		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>69,505,617</u>		

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

- ¹ A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies, and are available for purchase to select foreign institutions through the Qualified Foreign Institutional Investor (“QFII”) system.
- ² H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong exchange.
- ³ NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

9. CASH AND CASH EQUIVALENTS

	30.11.2018	31.05.2018
	RM	Audited RM
Deposits with licensed financial institutions	16,757,290	13,900,041
Bank balances	10,224,662	9,784,624
	<u>26,981,952</u>	<u>23,684,665</u>

The weighted average effective interest rate per annum is as follows:

	30.11.2018	31.05.2018
		Audited %
Deposits with licensed financial institutions	<u>2.00</u>	<u>3.42</u>

Deposits with licensed Islamic financial institutions of the Fund have an average maturity of 4 days (31.05.2018: 5 days).

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.06.2018 to 30.11.2018	09.01.2017 (date of launch) to 30.11.2017
	No. of units	No. of units
Class MYR (i)	235,492,007	210,840,459
Class SGD (ii)	1,855,613	1,444,676
	<u>237,347,620</u>	<u>212,285,135</u>
(i) Class MYR		
At the beginning of the financial period	249,556,972	-
Add : Creation of units from applications	14,498,733	317,126,021
Less : Cancellation of units	<u>(28,563,698)</u>	<u>(106,285,562)</u>
At the end of the financial period	<u>235,492,007</u>	<u>210,840,459</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)

	01.06.2018 to 30.11.2018	09.01.2017 (date of launch) to 30.11.2017
	No. of units	No. of units
(ii) Class USD		
At the beginning of the financial period	1,961,106	-
Add : Creation of units from applications	282,231	2,727,260
Less : Cancellation of units	<u>(387,724)</u>	<u>(1,282,584)</u>
At the end of the financial period	<u>1,855,613</u>	<u>1,444,676</u>

11. MANAGEMENT EXPENSE RATIO ("MER")

	01.06.2018 to 30.11.2018 %	09.01.2017 (date of launch) to 30.11.2017 %
MER	<u>0.98</u>	<u>1.85</u>

MER is derived from the following calculation:

$$\text{MER} = \frac{(A + B + C + D + E) \times 100}{F}$$

- A = Management fee
- B = trustee's and custodian fees
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses excluding Goods and Services Tax ("GST") on transaction costs
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM252,811,810 (09.01.2017 (date of launch) to 30.11.2017: RM206,315,544).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	01.06.2018 to 30.11.2018	09.01.2017 (date of launch) to 30.11.2017
PTR (times)	<u>0.97</u>	<u>2.08</u>

PTR is derived based on the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where:

- total acquisition for the financial period = RM(245,888,726) (09.01.2017 (date of launch) to 30.11.2017: RM528,831,969)
- total disposal for the financial period = RM246,767,842 (09.01.2017 (date of launch) to 30.11.2017: RM330,181,872)

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
CIMB-Principal Asset Management Bhd	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager
CIMB Securities Limited, Singapore	Fellow related party to the Manager
Subsidiaries and associates of CIMB Group Holdings Berhad, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager

Units held by the Manager and parties related to the Manager

	30.11.2018		31.05.2018	
	No. of units	USD	No. of units	USD
Manager				
CIMB-Principal Asset Management Bhd				Audited
- Class MYR	4,248	4,104	1,496	1,573
- Class USD	171	735	171	800

In the opinion of the Manager, the above units were transacted at the prevailing market price.

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by the Directors or parties related to the Manager.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	01.06.2018 to 30.11.2018	09.01.2017 (date of launch) to 30.11.2017 RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed Islamic financial institutions:		
- CIMB Bank Bhd	168,120	43,948
- CIMB Islamic Bank Bhd	-	162
	<hr/>	<hr/>
Cash placements with licensed financial institutions:		
- CIMB Bank Bhd	635,010,200	207,573,255
- CIMB Islamic Bank Bhd	-	2,000,000
	<hr/>	<hr/>

14. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 November 2018 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Credit Suisse Securities (HK) Ltd	69,644,668	14.36	173,760	18.03
Sanford C. Bernstein & Co. Ltd	59,349,894	12.24	120,058	12.46
JP Morgan Securities LLC	39,809,971	8.21	12,829	1.33
Citigroup Global Markets Ltd	36,551,188	7.54	31,664	3.29
Instinet (S) Services Pte Ltd	35,040,596	7.23	77,677	8.06
CLSA Securities (HK) Ltd	34,816,517	7.18	87,640	9.10
JP Morgan Securities Singapore Pte Ltd	33,402,776	6.89	93,056	9.66
DBS Vickers Securities (S) Pte Ltd	43,602,766	5.08	95,424	6.76
CIMB Securities Limited Singapore #	26,087,329	5.38	64,597	6.70
DBS Vickers Securities (S) Pte Ltd	17,341,054	3.58	35,312	3.67
Others	89,283,947	22.31	171,450	20.94
	<hr/>	<hr/>	<hr/>	<hr/>
	484,930,706	100.00	963,467	100.00

14. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 November 2017 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Instinet (S) Services Pte Ltd	105,722,376	12.31	162,218	11.50
Citigroup Global Markets Ltd	88,506,203	10.30	135,519	9.61
CLSA (S) Pte Ltd	82,754,509	9.63	75,616	5.36
Sanford C. Bernstein & Co. Ltd	59,861,672	6.97	148,885	10.55
JP Morgan Securities Singapore Pte Ltd	56,338,383	6.56	109,085	7.73
Credit Suisse Securities (HK) Ltd	51,828,299	6.03	113,143	8.02
CLSA Securities (HK) Ltd	47,205,492	5.50	114,489	8.12
CICC (HK) Securities Ltd	28,463,117	5.87	72,563	7.53
Macquarie Capital Securities (S) Pte Ltd	38,967,930	4.54	90,423	6.41
DBS Vickers Securities (S) Pte Ltd	33,048,221	3.85	-	-
Others	251,177,990	29.23	365,917	25.94
	<u>859,013,841</u>	<u>100.00</u>	<u>1,410,719</u>	<u>100.00</u>

Included in the transactions are trades conducted with CIMB Securities Limited Singapore, fellow related party to the Manager amounting to RM26,087,329. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

15. SEGMENT INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The Fund aims to provide income and capital appreciation by investing in equities, debt securities money market instruments and/or deposits. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of interest income and dividend income earned from investments and gains on the appreciation in the value of investments, which are derived from deposits with licensed financial institutions in Malaysia and, quoted securities listed on the Bursa Securities, Malaysia, foreign equities of companies domiciled in, listed in, and/or have significant operations in the Asia ex-Japan and unquoted fixed income securities traded in the Asia Pacific ex-Japan region.

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