

CIMB-Principal Asia Pacific Dynamic Income Fund

Annual Report

For the financial year ended 31 March 2019

CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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INVESTORS' LETTER

Dear Valued Investor,

Thank you for your continued support and for the confidence that you have placed in us. Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("Principal Malaysia") has achieved RM64.50 billion in Asset under Management ("AUM") as of March 2019.

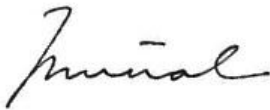
We continue to achieve prestigious recognitions, grabbing six individual awards at The Edge-Thomson Reuters Lipper Fund Awards 2018. In addition, we received recognition from Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for six funds.

We were also bestowed the 'Best Wealth Manager' in Malaysia at The Asset Triple A Private Banking, Wealth Management, Investment and Exchange-Traded Fund ("ETF") Awards 2018. Latest, we were named the 'Best Asset Management Company' in Malaysia at the International Finance Awards 2018.

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 **Principal Asset Management Berhad**
(*formerly known as 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 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.

Has the Fund achieved its objective?

The Fund has met its objective of capital appreciation over the medium to long term.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in Asia Pacific ex Japan region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan. For listed securities, the investment must be traded in an exchange that is a member of World Federation of Exchanges ("WFE"). 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in the Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term "medium to long term" refers to a period of three (3) years and more.

Under general market conditions, the Fund's investment will focus on high dividend yielding equities of companies, which the Sub-Manager believes will offer attractive yields, sustainable dividend payments and will exhibit above average growth potential when compared to its industry or the overall market. In addition, the Fund may also invest in companies with good growth potential, which the Sub-Manager foresees may adopt a strong dividend payout policy. The Fund may also invest up to 15% of the Fund's Net Asset Value ("NAV") in debt securities to be in line with the Fund's objective. The Fund's debt securities' investments will generally be restricted to securities rated at least a minimum credit rating of "BBB" by Fitch or its equivalent rating by Standard & Poor's ("S&P") and Moody's.

However, the Sub-Manager may take temporary defensive positions that may detract from the Fund's prescribed asset allocation when the Sub-Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expects prolonged declines, or when there are other adverse conditions, such as political instability. Under these circumstances, the Fund may invest all or a substantial portion of its assets in money market instruments to achieve the Fund's investment objective in bearish or non-performing equity markets. The Sub-Manager may from time to time reduce its proportion of high risk assets, such as equities and increase its asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the Fund.

In response to these adverse conditions, the Manager or its fund management delegate may also utilise derivative instruments such as futures contracts to hedge the portfolio. The use of derivatives is subject to the prevailing Securities Commission Malaysia ("SC") regulations.

As the investment universe of this Fund will be in Asia Pacific ex Japan, the countries where the regulatory authority is an ordinary or associate member of International Organisation of Securities Commissions ("IOSCO") which include but not limited to Australia, the People's Republic of China ("PRC"), Hong Kong Special Administrative Region ("SAR"), India, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE.

The Fund will generally invest between 70% to 98% (both inclusive) of the Fund's NAV in equities and up to 15% of the Fund's NAV may be invested in debt securities. A minimum of 2% of its NAV will be invested in liquid assets for liquidity purpose.

FUND OBJECTIVE AND POLICY (CONTINUED)

Fund category/type

Equity/Income & Growth

How long should you invest for?

Recommended three (3) years or more

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

Moderate

When was the Fund launched?

Class MYR

25 April 2011

Class USD

9 September 2015

Class SGD

9 September 2015

What was the size of the Fund as at 31 March 2019?

USD1,081.43 million (10,624.53 million units)

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 eight percent (8%) 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?

Depending on the level of income (if any) the respective Class generates, the Class aims to distribute part or all of its distributable income on quarterly basis*. The payment of distributions, if any, from the respective Class will vary from period to period depending on interest rates, market conditions and the performance of the respective Class.

* With effect from 1 July 2016.

What was the net income distribution for the financial year ended 31 March 2019?

The Fund distributed a total net income of USD32.66 million to unit holders for the financial year ended 31 March 2019.

FUND OBJECTIVE AND POLICY (CONTINUED)

The Fund's NAV per unit are as follows:

Date	NAV per unit	NAV per unit
	(before distribution)	(after distribution)
	USD	USD
26.04.2018		
Class MYR	0.0952	0.0942
Class SGD	1.0081	0.9978
Class USD	1.4412	1.4265
26.07.2018		
Class MYR	0.0914	0.0904
Class SGD	0.9683	0.9586
Class USD	1.3843	1.3704
19.12.2018		
Class MYR	0.0808	0.0804
Class SGD	0.8573	0.8534
Class USD	1.2255	1.2205
27.03.2019		
Class MYR	0.0876	0.0870
Class SGD	0.9308	0.9238
Class USD	1.3311	1.3231

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last three financial years are as follows:

	31.03.2019	31.03.2018	31.03.2017
	%	%	%
Quoted securities			
- Basic Materials	3.50	16.73	8.18
- Consumer Products	14.93	12.62	15.91
- Energy	4.24	3.30	1.23
- Finance	39.27	31.17	22.59
- Health Care	2.17	1.45	9.14
- Industrials	9.69	3.81	21.28
- Real Estate Investment Trusts ("REITs")	4.20	-	-
- Technology	9.37	22.47	14.69
- Telecommunications	5.65	3.51	0.45
- Utilities	1.42	-	4.05
Cash and other net assets	5.56	4.94	2.48
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three financial years are as follows:

	31.03.2019	31.03.2018	31.03.2017
NAV (USD Million)			
- Class MYR	919.11	865.32	369.02
- Class SGD	49.39	51.56	118.63
- Class USD	112.93	99.73	53.35
Units in circulation (Million)			
- Class MYR	10,486.61	8,901.63	4,812.11
- Class SGD	53.12	50.13	146.77
- Class USD	84.80	67.83	46.16
NAV per unit (USD)			
- Class MYR	0.0876	0.0972	0.0766
- Class SGD	0.9298	1.0285	0.8082
- Class USD	1.3317	1.4703	1.1556
Highest NAV per unit (USD)			
- Class MYR	0.0987	0.1037	0.0769
- Class SGD	1.0452	1.0979	0.8132
- Class USD	1.4943	1.5697	1.1627
Lowest NAV per unit (USD)			
- Class MYR	0.0782	0.0757	0.0668
- Class SGD	0.8303	0.7998	0.7062
- Class USD	1.1874	1.1437	1.0095
Total return (%)			
- Class MYR	(1.58)	14.95	25.71
- Class SGD	(3.34)	23.73	14.98
- Class USD	(6.58)	32.03	10.87
Capital growth (%)			
- Class MYR	(4.65)	10.87	25.71
- Class SGD	(6.45)	19.23	14.98
- Class USD	(9.41)	27.23	10.87
Income distribution (%)			
- Class MYR	3.18	3.73	-
- Class SGD	3.28	3.79	-
- Class USD	3.09	3.79	-
Management Expense Ratio ("MER") (%) ^	1.87	2.02	1.95
Portfolio Turnover Ratio ("PTR") (times) #	0.84	1.31	1.39

^ The Fund's MER decreased from 2.02% to 1.87% mainly due to increase in average NAV during the financial year under review.

The Fund's PTR decreased from 1.31 times to 0.84 times due to lower trading activities during the financial year under review.

PERFORMANCE DATA (CONTINUED)

Date of distribution	26.04.2018	06.04.2017	-
Gross/Net distribution per unit (cent)			
- Class MYR	0.10	0.31	-
- Class SGD	1.03	1.09	-
- Class USD	1.47	1.11	-
Date of distribution	26.07.2018	27.07.2017	-
Gross/Net distribution per unit (cent)			
- Class MYR	0.09	0.34	-
- Class SGD	0.96	1.17	-
- Class USD	1.39	1.23	-
Date of distribution	19.12.2018	09.11.2017	-
Gross/Net distribution per unit (cent)			
- Class MYR	0.03	0.38	-
- Class SGD	0.37	1.22	-
- Class USD	0.50	1.29	-
Date of distribution	27.03.2019	29.01.2018	-
Gross/Net distribution per unit (cent)			
- Class MYR	0.06	0.35	-
- Class SGD	0.69	1.31	-
- Class USD	0.79	1.43	-

	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015
	%	%	%	%	%
Annual total return					
- Class MYR	(1.58)	14.95	25.71	(7.57)	26.30

(Launch date: 25 April 2011)

	31.03.2019	31.03.2018	31.03.2017	Since inception to 31.03.2016
		%	%	%
Annual total return				
- Class SGD	(3.34)	23.73	14.98	(1.76)
- Class USD	(6.58)	32.03	10.87	4.22

(Launch date: 9 September 2015)

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 year have been extracted from Lipper.

MARKET REVIEW (1 APRIL 2018 TO 31 MARCH 2019)

For the financial year under review, the Asian Pacific ex-Japan stock markets declined by 6.2% as measured by the Morgan Stanley Capital International (“MSCI”) Asia Pacific Ex-Japan index in US Dollar (“USD”) terms. The worst performing sectors include informational technology and consumer discretionary, while those that have held up well are the defensive sectors like telecom and utilities. We could attribute several reasons to the equities markets decline. Among these factors was the tightening US monetary policy where the US Federal Reserve (the “Fed”) raise rates several times throughout 2018. Developed countries’ Central Banks policies were also somewhat on a tightening path. At the same time, the Asian economies were experiencing slowing growth. This cause the Asian currencies to fall which forced their respective central banks to shore up their currencies by raising rates at a time perpetuated a deteriorating growth outlook. This was felt most acutely among countries which had current and fiscal deficits such as Philippines, Indonesia, India etc. Beyond that, the US-China ratcheted their trade disputes by imposing trade tariffs on each other’s goods which cause further consternation among investors. As a result, we witnessed deteriorating earnings outlook in Asia. Foreign fund flows were decidedly negative as investors sold Asian equities.

However, in the last three months of the review financial year, the stock markets of Asia appeared to have turned as the Fed took a dovish stance which weaken the USD and strengthen Asian currencies and Asian equities. The trade talks between the US and China have also turned for the better with a deal more likely than previously thought. China has stopped its deleveraging policies and started to stimulate its economy through cuts in reserve requirement ratio, and cutting the value added tax for manufacturing, etc. The effect has so far been positive as the recent data suggest improvements in the Chinese economy. The manufacturing Purchasing Managers Index (“PMI”) for China in March 2019 rebounded to 50.8 compared to 49.9 in February 2019, led by stronger fixed asset investment. Total social financing growth also rebounded in February 2019 in China. Consequently, industrial metals also performed better in first 3 months of 2019.

FUND PERFORMANCE

Class MYR

	1 year to 31.03.2019	3 years to 31.03.2019	5 years to 31.03.2019	Since inception to 31.03.2019
	%	%	%	%
Income	3.18	7.03	55.99	78.83
Capital	(4.65)	32.86	6.43	43.20
Total Return	(1.58)	42.22	66.02	156.32
Benchmark	8.00	25.97	46.93	83.91
Average Total Return	(1.58)	12.46	10.67	12.59

Class SGD

	1 year to 31.03.2019	3 years to 31.03.2019	Since inception to 31.03.2019
	%	%	%
Income	3.28	7.20	7.20
Capital	(6.45)	25.10	28.26
Total Return	(3.34)	37.51	35.09
Total Return (inclusive application fee)*	(8.18)	30.63	28.34
Benchmark	8.00	25.97	30.97
Average Total Return	(3.34)	10.99	8.96

FUND PERFORMANCE (CONTINUED)

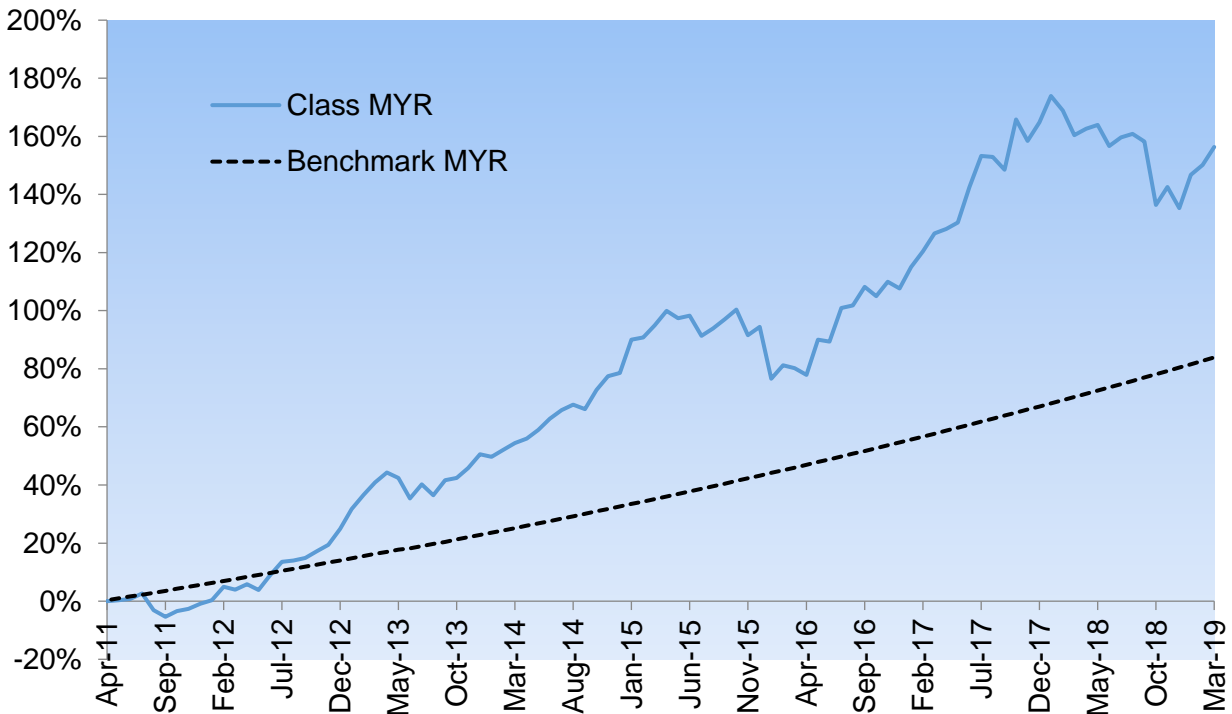
Class USD

	1 year to 31.03.2019 %	3 years to 31.03.2019 %	Since inception to 31.03.2019 %
Income	3.09	7.00	7.00
Capital	(9.41)	27.80	31.73
Total Return	(6.58)	36.75	42.52
Total Return (inclusive application fee)*	(12.65)	27.86	33.26
Benchmark	8.00	25.97	30.97
Average Total Return	(6.58)	11.00	10.63

The Fund has provided an annual return of -1.58%, -3.34% and -6.58% in MYR, SGD and USD terms respectively in the financial year under review. Since inception, the Fund has exceeded the respective benchmark returns in MYR, SGD and USD terms.

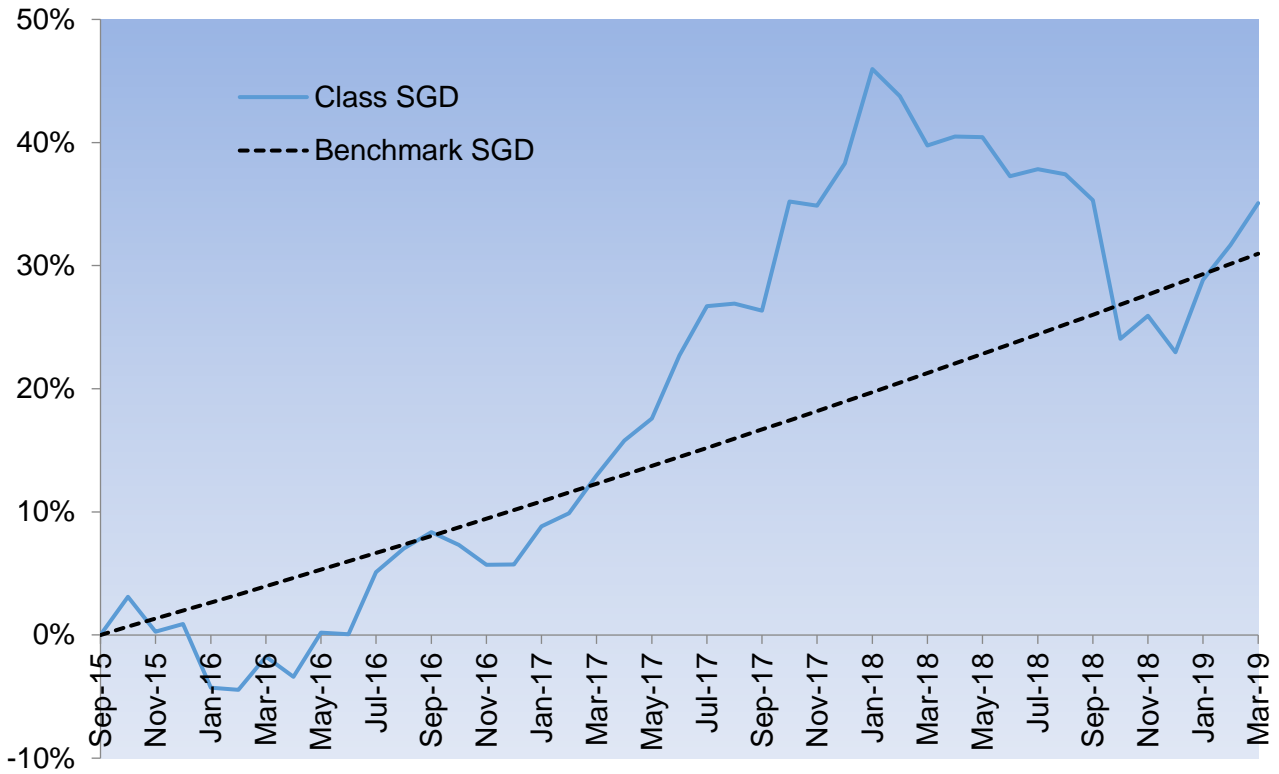
*The performance of the Class SGD and Class USD is computed on a single pricing basis (NAV-NAV) (taking into account the maximum Application Fee of up to 5% and Withdrawal Fee / Redemption Fee (if any)) and with dividends and distributions (if any) reinvested. Note that a lower Application Fee may be charged when subscribing for Units.

Class MYR

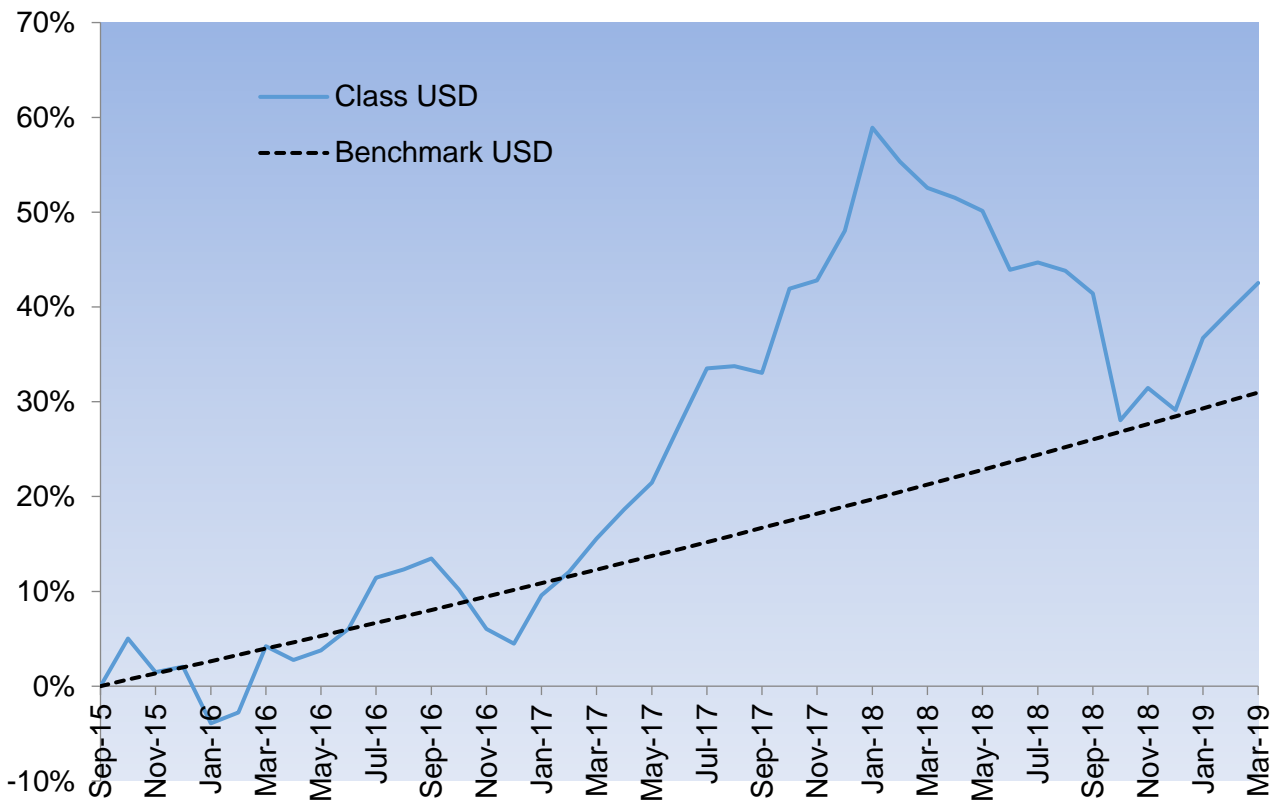


FUND PERFORMANCE (CONTINUED)

Class SGD



Class USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

CLASS MYR	31.03.2019	31.03.2018	Changes %
NAV (USD Million)	919.11	865.32	6.22
NAV/Unit (USD)	0.0876	0.0972	(9.88)
CLASS SGD	31.03.2019	31.03.2018	Changes %
NAV (USD Million)	49.39	51.56	(4.21)
NAV/Unit (USD)	0.9298	1.0285	(9.60)
CLASS USD	31.03.2019	31.03.2018	Changes %
NAV (USD Million)	112.93	99.73	13.24
NAV/Unit (USD)	1.3317	1.4703	(9.43)

The NAV has risen over the past year by 6.22% in MYR terms and 13.24% in USD terms. However, the NAV declined 4.21% in SGD terms respectively. This is due to a strong rise in the new units creation in MYR and USD classes as compared to the SGD class.

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 year have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.03.2019	31.03.2018
Quoted securities	94.44	95.06
Cash and other net assets	5.56	4.94
TOTAL	100.00	100.00

As at 31 March 2019, the Portfolio held 94.44% in quoted securities, and the rest in cash and other net assets. The level of investments in the Fund is similar to the previous year.

MARKET OUTLOOK*

In the near term, we expect Central Banks in developed markets to continue their accommodative monetary policies, and Asian countries seem poised to enter a rate cut cycle with inflation subdued. The Fed Committee is also considering slowing the pace of balance sheet reduction which again will mean a more accommodative liquidity background. However, as the trade tensions between the US and China have not been resolved and the market has a strong performance year to date in 2019, we may continue to experience more episodes of volatile currencies and equity markets.

We remain positive on the outlook for the Asian stock markets in the medium term. Asian economic growth will likely stabilise especially since the authorities in China have incrementally supported the economy through several easing measures including tax cuts and reserve requirements cuts. A trade deal between US and China would arrest further erosion to economic growth as well. The Asian stock markets remain attractive due to the numerous growth opportunities available to the investors. Asia remains a fast growing region supported by a young, growing population with increasing urbanisation and innovations.

* 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 Principal Malaysia or based on data obtained from sources believed to be reliable by Principal Malaysia. Whilst every care has been taken in preparing this Principal Malaysia 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

With inflation benign, the monetary policies around the world is generally accommodative. In addition, the Asian economy is improving after facing weakness in the past year. The Fund continues to have an income focus as part of the total return strategy, especially in a low interest rate environment. We prefer interest rate sensitives like financials and real estate investment trusts. We will also look out for opportunities to accumulate quality stocks that deliver both growth and income. The Fund shall remain well invested.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 March 2019 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	2,302	6.11	0.06
5,001-10,000	2,259	16.23	0.16
10,001-50,000	9,133	233.18	2.22
50,001-500,000	9,918	1,467.34	13.99
500,001 and above	997	8,763.75	83.57
Total	24,609	10,486.61	100.00

CLASS SGD

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	4	0.08	0.15
50,001-500,000	5	0.62	1.17
500,001 and above	9	52.42	98.68
Total	19	53.12	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	2	0.00	0.00
5,001-10,000	1	0.00	0.00
10,001-50,000	1	0.04	0.05
50,001-500,000	5	0.96	1.13
500,001 and above	11	83.80	98.82
Total	20	84.80	100.00

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (*formerly known as 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 year 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 INCOME FUND**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 19 to 62 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 31 March 2019 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

Principal Asset Management Berhad (Company No.: 304078-K)
(*formerly known as CIMB-Principal Asset Management Berhad*)

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

PEDRO ESTEBAN BORDA
Director

Kuala Lumpur
15 May 2019

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

We have acted as Trustee of CIMB-Principal Asia Pacific Dynamic Income Fund (the "Fund") for the financial year ended 31 March 2019. To the best of our knowledge, Principal Asset Management Berhad (*formerly known as 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.

During this financial year, a total distribution of 0.28 cent per unit (gross) for MYR class, 3.05 cent per unit (gross) for SGD class and 4.15 cent per unit (gross) for USD class have been distributed to the unitholders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
15 May 2019

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB-Principal Asia Pacific Dynamic Income Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 19 to 62.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's report but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
15 May 2019

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Note	2019 USD	2018 USD
INVESTMENT INCOME			
Dividend income		27,585,319	41,203,412
Interest income from deposits with licensed financial institutions at amortised costs		518,134	439,030
Net (loss)/gain on financial assets at fair value through profit or loss	8	(74,483,514)	160,665,739
Net foreign exchange loss		<u>(3,870,883)</u>	<u>(206,947)</u>
		<u>(50,250,944)</u>	<u>202,101,234</u>
EXPENSES			
Management fee	4	18,132,348	12,643,893
Trustee's and custodian fees	5	970,227	740,327
Audit fee		4,319	3,271
Tax agent's fee		15,585	13,607
Transaction costs		4,382,816	4,867,215
Other expenses		262,780	1,496,338
		<u>23,768,075</u>	<u>19,764,651</u>
(LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION		(74,019,019)	182,336,583
Finance cost (excluding increase in net assets attributable to unit holders):			
- Class MYR		27,714,199	20,925,824
- Class SGD		1,694,325	3,124,243
- Class USD		3,255,521	2,034,719
	7	<u>32,664,045</u>	<u>26,084,786</u>
(LOSS)/PROFIT BEFORE TAXATION		(106,683,064)	156,251,797
Taxation	6	<u>(2,664,053)</u>	<u>(2,908,954)</u>
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(109,347,117)</u>	<u>153,342,843</u>
(Decrease)/Increase in net assets attributable to unit holders are made up as follows:			
Realised amount		(33,671,626)	54,661,842
Unrealised amount		<u>(75,675,491)</u>	<u>98,681,001</u>
		<u>(109,347,117)</u>	<u>153,342,843</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

	Note	2019 USD	2018 USD
ASSETS			
Cash and cash equivalents	9	48,719,908	36,250,319
Financial assets at fair value through profit or loss	8	1,021,249,944	966,241,428
Amount due from stockbrokers		16,441,097	7,442,181
Amount due from Manager		6,110,328	24,340,693
Dividends receivable		1,150,623	1,479,231
TOTAL ASSETS		<u>1,093,671,900</u>	<u>1,035,753,852</u>
LIABILITIES			
Amount due to stockbrokers		6,123,027	12,197,585
Amount due to Manager		4,023,661	5,252,939
Accrued management fee		1,592,658	1,504,064
Amount due to Trustee		45,375	42,827
Distribution payable		448,890	-
Other payables and accruals		7,297	149,637
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>12,240,908</u>	<u>19,147,052</u>
NET ASSET VALUE OF THE FUND		<u>1,081,430,992</u>	<u>1,016,606,800</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>1,081,430,992</u>	<u>1,016,606,800</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class MYR		919,103,737	865,320,149
- Class SGD		49,393,629	51,555,099
- Class USD		112,933,626	99,731,552
		<u>1,081,430,992</u>	<u>1,016,606,800</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		10,486,614,047	8,901,629,746
- Class SGD		53,119,291	50,126,198
- Class USD		84,798,593	67,829,162
	10	<u>10,624,531,931</u>	<u>9,019,585,106</u>
NET ASSET VALUE PER UNIT (USD) (EX- DISTRIBUTION)			
- Class MYR		0.0876	0.0972
- Class SGD		0.9298	1.0285
- Class USD		1.3317	1.4703
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES (EX-DISTRIBUTION)			
- Class MYR		MYR0.3575	MYR0.3754
- Class SGD		SGD1.2598	SGD1.3470
- Class USD		USD1.3317	USD1.4703

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	2019 USD	2018 USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>1,016,606,800</u>	<u>540,997,341</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	300,375,336	625,307,788
- Class SGD	20,787,915	56,225,779
- Class USD	<u>42,816,149</u>	<u>105,510,765</u>
	<u>363,979,400</u>	<u>787,044,332</u>
Creation of units from distributions		
- Class MYR	27,513,306	20,753,942
- Class SGD	1,660,629	3,087,067
- Class USD	<u>1,422,727</u>	<u>674,918</u>
	<u>30,596,662</u>	<u>24,515,927</u>
Cancellation of units		
- Class MYR	(181,818,636)	(271,600,839)
- Class SGD	(18,585,693)	(147,198,195)
- Class USD	<u>(20,000,424)</u>	<u>(70,494,609)</u>
	<u>(220,404,753)</u>	<u>(489,293,643)</u>
(Decrease)/Increase in net assets attributable to unit holders during the financial year	<u>(109,347,117)</u>	<u>153,342,843</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u>1,081,430,992</u>	<u>1,016,606,800</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Note	2019 USD	2018 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		789,493,726	798,574,411
Purchase of quoted securities		(938,316,695)	(1,076,759,226)
Dividend income received		25,700,853	38,633,471
Interest income received from deposits with licensed financial institutions		518,134	439,030
Management fee paid		(18,043,755)	(13,466,616)
Trustee's and custodian fees paid		(967,679)	(765,620)
Payments for other fees and expenses		(425,024)	(1,550,282)
Net realised exchange loss		(2,253,819)	(2,297,466)
Tax paid		(507,285)	(1,128,309)
Net cash used in operating activities		(144,801,544)	(258,320,607)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		381,457,647	768,242,580
Payments for cancellation of units		(221,418,045)	(489,059,730)
Distributions paid		(1,615,855)	(1,568,859)
Net cash generated from financing activities		158,423,747	277,613,991
Net increase in cash and cash equivalents		13,622,203	19,293,384
Effect of foreign exchange differences		(1,152,614)	789,978
Cash and cash equivalents at the beginning of the financial year		36,250,319	16,166,957
Cash and cash equivalents at the end of the financial year	9	48,719,908	36,250,319
<u>Cash and cash equivalents comprised of:</u>			
Deposits with licensed financial institutions		22,009,896	-
Bank balances		26,710,012	36,250,319
Cash and cash equivalents at the end of the financial year	9	48,719,908	36,250,319

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

CIMB-Principal Asia Pacific Dynamic Income Fund (the “Fund”) was constituted pursuant to a Deed dated 15 May 2008 and is now governed by a Principal Master Deed dated 10 April 2015 (collectively referred to as the “Deeds”), between Principal Asset Management Berhad (formerly known as *CIMB-Principal Asset Management Berhad*) (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in Asia Pacific ex Japan region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan. For listed securities, the investment must be traded in an exchange that is a member of WFE. ‘Significant operations’ means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the NYSE. The threshold for ‘significant operations’ would be if more than 30% of total group revenue derives from countries in the Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term “medium to long term” refers to a period of three (3) years and more.

Under general market conditions, the Fund’s investment will focus on high dividend yielding equities of companies, which the Sub-Manager believes will offer attractive yields, sustainable dividend payments and will exhibit above average growth potential when compared to its industry or the overall market. In addition, the Fund may also invest in companies with good growth potential, which the Sub-Manager foresees may adopt a strong dividend payout policy. The Fund may also invest up to 15% of the Fund’s NAV in debt securities to be in line with the Fund’s objective. The Fund’s debt securities’ investments will generally be restricted to securities rated at least a minimum credit rating of “BBB” by Fitch or its equivalent rating by S&P and Moody’s.

However, the Sub-Manager may take temporary defensive positions that may detract from the Fund’s prescribed asset allocation when the Sub-Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expects prolonged declines, or when there are other adverse conditions, such as political instability. Under these circumstances, the Fund may invest all or a substantial portion of its assets in money market instruments to achieve the Fund’s investment objective in bearish or non-performing equity markets. The Sub-Manager may from time to time reduce its proportion of high risk assets, such as equities and increase its asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the Fund.

In response to these adverse conditions, the Manager or its fund management delegate may also utilise derivative instruments such as futures contracts to hedge the portfolio. The use of derivatives is subject to the prevailing SC regulations.

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES (CONTINUED)

As the investment universe of this Fund will be in Asia Pacific ex Japan, the countries where the regulatory authority is an ordinary or associate member of IOSCO which include but not limited to Australia, the PRC, Hong Kong SAR, India, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE.

The Fund will generally invest between 70% to 98% (both inclusive) of the Fund's NAV in equities and up to 15% of the Fund's NAV may be invested in debt securities. A minimum of 2% of its NAV will be invested in liquid assets for liquidity purpose.

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, is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia's leading universal banking groups. 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 IFRS.

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

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 year.

It also requires the Manager to exercise their judgement 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(m).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

Standard that is effective:

The Fund has applied the following standard for the first time for the financial year beginning 1 April 2018:

- MFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in MFRS 139.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest ("SPPI"). A debt instrument is measured at fair value through other comprehensive income ("OCI") if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through OCI. MFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

MFRS 9 has been applied retrospectively by the Fund and did not result in any change to the classification or measurement of financial instruments as outlined in Note 2(b).

The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2018 that have a material effect on the financial statements of the Fund.

The amendments to published standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

(i) Financial year beginning on/after 1 April 2019

Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, OCI or equity) depends on where the past transactions that generated distributable profits were recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The amendments to published standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows: (continued)

(i) Financial year beginning on/after 1 April 2019 (continued)

Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

The Fund will apply these amendments to published standards when effective. These amendments to published standards are not expected to have a significant impact on the Fund's financial statements.

(b) Financial assets and financial liabilities

Classification

Up to 31 March 2018, the Fund designates its investment in quoted 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 from Manager and dividends receivable.

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.

From 1 April 2018, the Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through OCI.

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

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

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 up to 31 March 2018 and MFRS 9 from 1 April 2018, 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 derecognised 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 the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial year 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 Bhd ("Bursa Securities") at the date of the statement of financial position.

Quoted securities in other countries are valued at the last traded market price quoted on the respective 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 investments for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the investments are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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.

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

Financial assets at amortised cost (2018: loans and receivables) and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

Impairment for assets carried at amortised cost

Up to 31 March 2018, for assets carried at amortised cost, the Fund assesses at the end of the reporting year 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 interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in statement of comprehensive income. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest 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 year, 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.

From 1 April 2018 onwards, the Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any expected credit loss. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

(c) Income recognition

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

Up to 31 March 2018, when a loan and receivable is impaired, the Fund reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

From 1 April 2018, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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

(d) Foreign currenciesFunctional 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").

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 USD primarily due to the following factors:

- (i) Significant portion of the Fund's expenses are denominated in USD.
- (ii) Significant portion of the cash is denominated in USD for the purpose of making settlement of foreign trades.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Foreign currencies (continued)**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 financial year exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the 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 three classes of units, known respectively as the Class MYR, Class SGD 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 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.

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 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 year.

Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

(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 assets attributable to unit holders

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

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

A distribution to the Fund's unit holders is accounted for as a finance cost in the statement of comprehensive income. A proposed distribution is recognised as a financial liability in the year in which it is approved.

(k) Amount due from/to stockbrokers

Amount due from and amount due to stockbrokers represent receivables for quoted securities sold and payables for quoted securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from stockbrokers balance is held for collection.

These amounts are recognised initially at fair value and up to 31 March 2018, subsequently measured at amortised cost using the effective interest 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 broker 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, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. From 1 April 2018, these amounts are subsequently measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Any contractual payment which is more than 90 days past due is considered credit impaired.

(l) 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.

(m) Critical accounting estimates and judgements 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 Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Critical accounting estimates and judgements in applying accounting policies (continued)

Estimates and judgement 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.

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.

However, the Manager is of the opinion that in applying this accounting policy, no significant judgement was required.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
2019			
Cash and cash equivalents (Note 9)	-	48,719,908	48,719,908
Quoted securities (Note 8)	1,021,249,944	-	1,021,249,944
Amount due from stockbrokers	-	16,441,097	16,441,097
Amount due from Manager	-	6,110,328	6,110,328
Dividends receivable	-	1,150,623	1,150,623
	<u>1,021,249,944</u>	<u>72,421,956</u>	<u>1,093,671,900</u>

	Financial assets at fair value through profit or loss	Loans and receivables	Total
2018			
Cash and cash equivalents (Note 9)	-	36,250,319	36,250,319
Quoted securities (Note 8)	966,241,428	-	966,241,428
Amount due from stockbrokers	-	7,442,181	7,442,181
Amount due from Manager	-	24,340,693	24,340,693
Dividends receivable	-	1,479,231	1,479,231
	<u>966,241,428</u>	<u>69,512,424</u>	<u>1,035,753,852</u>

All current liabilities are financial liabilities which are carried at amortised cost.

The Fund 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.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, interest rate risk and currency 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. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES
(CONTINUED)**

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of quoted securities 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 and other financial instruments within specified limits according to the Deeds.

The Fund's overall exposure to price risk was as follows:

	2019	2018
	USD	USD
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>1,021,249,944</u>	<u>966,241,428</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of quoted securities at the end of each reporting year. The analysis is based on the assumptions that the price of the quoted securities fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

% Change in price of quoted securities	Market value USD	Impact on profit or loss/NAV USD
2019		
-5%	97,0187,447	(51,062,497)
0%	1,021,249,944	-
5%	<u>1,072,312,441</u>	<u>51,062,497</u>
2018		
-5%	917,929,357	(48,312,071)
0%	966,241,428	-
5%	<u>1,014,553,499</u>	<u>48,312,071</u>

(ii) Interest rate risk

Interest rate is a general economic indicator that will have an impact on the management of the Fund.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's exposure to fair value interest rate risk arises from investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

As at the end of each financial year, the Fund is not exposed to a material level of interest rate risk.

(iii) 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 USD based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies:

Financial assets	Cash and equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2019						
AUD	1	148,046,063	-	-	537,723	148,583,787
CNY	18,397	63,105,216	-	-	-	63,123,613
HKD	-	285,189,062	-	-	530,715	285,719,777
IDR	-	42,676,327	-	-	-	42,676,327
INR	-	129,880,341	5,506,961	-	-	135,387,302
KRW	-	44,233,003	-	-	-	44,233,003
MYR	5,009,534	-	-	5,359,350	-	10,368,884
PHP	-	14,013,457	-	-	-	14,013,457
SGD	4,742,321	185,996,615	10,934,136	532,866	82,185	202,288,123
THB	-	16,898,410	-	-	-	16,898,410
TWD	-	68,606,990	-	-	-	68,606,990
	9,770,253	998,645,484	16,441,097	5,892,216	1,150,623	1,031,899,673

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Currency risk (continued)

Financial assets	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2018						
AUD	1	123,422,956	-	-	256,206	123,679,163
CNY	1,569,880	101,170,602	-	-	-	102,740,482
HKD	-	256,907,425	4,434,336	-	111,622	261,453,383
IDR	-	34,470,880	-	-	-	34,470,880
INR	-	74,019,284	-	-	47,866	74,067,150
KRW	-	78,602,740	-	-	664,659	79,267,399
MYR	2,792,737	64,106,816	-	18,613,911	-	85,513,464
SGD	4,679,908	37,661,941	-	2,444,517	-	44,786,366
THB	-	65,061,060	3,007,845	-	398,878	68,467,783
TWD	9,187,706	76,574,355	-	-	-	85,762,061
	18,230,232	911,998,059	7,442,181	21,058,428	1,479,231	960,208,131

Financial liabilities	Amount due to stockbrokers USD	Amount due to Manager USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
2019					
MYR	-	3,658,968	51,046	919,103,737	922,813,751
SGD	6,123,027	156,228	6,921	49,393,629	55,679,805
	6,123,027	3,815,196	57,967	968,497,366	978,493,556

Financial liabilities	Amount due to stockbrokers USD	Amount due to Manager USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
2018					
MYR	-	4,655,630	55,231	865,320,149	870,031,010
SGD	-	-	-	51,555,099	51,555,099
THB	3,009,879	-	-	-	3,009,879
TWD	9,187,706	-	-	-	9,187,706
	12,197,585	4,655,630	55,231	916,875,248	933,783,694

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2019 USD	2018 USD
	%		
AUD	5	7,429,189	6,183,958
CNY	5	3,156,181	5,137,024
HKD	5	14,285,989	13,072,669
IDR	5	2,133,816	1,723,544
INR	5	6,769,365	3,703,358
KRW	5	2,211,650	3,963,370
MYR	5	45,622,243	39,225,877
PHP	5	700,673	-
SGD	5	7,330,416	338,437
THB	5	844,921	3,272,895
TWD	5	3,430,350	3,828,718
		<u>93,914,793</u>	<u>80,449,850</u>

(b) Credit risk

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

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

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

The following table sets out the credit risk concentration of the Fund:

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2019					
Consumer Products					
- Not Rated	-	-	-	324,548	324,548
Finance					
- AAA	48,719,908	-	-	-	48,719,908
- A2	-	-	-	341,819	341,819
- NR	-	16,441,097	-	-	16,441,097
Health Care					
- P2	-	-	-	145,016	145,016
Industrials					
- Ba2	-	-	-	217,409	217,409
- Baa3	-	-	-	39,646	39,646
Utilities					
- Not Rated	-	-	-	82,185	82,185
Others					
- Not Rated	-	-	6,110,328	-	6,110,328
	<u>48,719,908</u>	<u>16,441,097</u>	<u>6,110,328</u>	<u>1,150,623</u>	<u>72,421,956</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

The following table sets out the credit risk concentration of the Fund: (continued)

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2018					
Basic					
Materials					
- Baa2	-	-	-	109,174	109,174
- Baa3	-	-	-	61,159	61,159
Consumer Products					
- Baa1	-	4,434,336	-	-	4,434,336
- Not Rated	-	-	-	111,622	111,622
Energy					
- Baa1	-	-	-	398,878	398,878
Finance					
- HSBC Bank (Malaysia) Bhd (A3)	36,250,319	-	-	-	36,250,319
- AAA	-	-	-	365,102	365,102
- Baa1	-	3,007,845	-	-	3,007,845
Health Care					
- A3	-	-	-	95,218	95,218
Industrials					
- Not Rated	-	-	-	99,829	99,829
Technology					
- A1	-	-	-	238,249	238,249
Others					
- Not Rated	-	-	24,340,693	-	24,340,693
	<u>36,250,319</u>	<u>7,442,181</u>	<u>24,340,693</u>	<u>1,479,231</u>	<u>69,512,424</u>

3. FINANCIAL INSTRUMENTS AND 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 other instruments, 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.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
2019			
Amount due to stockbrokers	6,123,027	-	6,123,027
Amount due to Manager	4,023,661	-	4,023,661
Accrued Management fee	1,592,658	-	1,592,658
Amount due to Trustee	45,375	-	45,375
Distribution payable	448,890		448,890
Other payables and accruals #	-	7,297	7,297
Net assets attributable to unit holders*	1,081,430,992	-	1,081,430,992
Contractual undiscounted cash flows	1,093,664,603	7,297	1,093,671,900
2018			
Amount due to stockbrokers	12,197,585	-	12,197,585
Amount due to Manager	5,252,939	-	5,252,939
Accrued Management fee	1,504,064	-	1,504,064
Amount due to Trustee	42,827	-	42,827
Other payables and accruals #	94,406	15,514	109,920
Net assets attributable to unit holders*	1,016,606,800	-	1,016,606,800
Contractual undiscounted cash flows	1,035,698,621	15,514	1,035,714,135

Other payables and accruals excludes GST reverse charge payable amounting to Nil (2018: USD39,717).

* Outstanding units are redeemed on demand at the unit holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(d) Capital risk management**

The capital of the Fund is represented by net assets attributable to unit holders of USD1,081,430,992 (2018: USD1,016,606,800). 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) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded 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.

(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.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

The determination of what constitutes 'observable' requires significant judgement 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 USD	Level 2 USD	Level 3 USD	Total USD
2019				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>1,021,249,944</u>	<u>-</u>	<u>-</u>	<u>1,021,249,944</u>
2018				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>966,241,428</u>	<u>-</u>	<u>-</u>	<u>966,241,428</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).

- (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. MANAGEMENT FEE

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

For the financial year ended 31 March 2019 and 31 March 2018, the management fee for the respective classes is recognised at the following rates:

Class MYR	Class SGD	Class USD
1.80%	1.50%	1.50%

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

5. TRUSTEE'S AND CUSTODIAN FEES

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 the foreign sub-custodian fee (if any). The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears. For the financial year ended 31 March 2019, the foreign sub-custodian fee amounted to USD453,332 (2018: USD377,728).

For the financial year ended 31 March 2019, the Trustee's fee is recognised at the rate of 0.05% per annum (2018: 0.05% per annum).

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

6. TAXATION

	2019	2018
	USD	USD
Tax charged for the financial year:		
- Capital gains tax	507,286	1,128,309
- Withholding tax	2,156,767	1,780,645
	<u>2,664,053</u>	<u>2,908,954</u>

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

	2019	2018
	USD	USD
(Loss)/Profit before taxation	<u>(106,683,064)</u>	<u>156,251,797</u>
Taxation at Malaysian statutory rate of 24% (2018: 24%)	(25,603,935)	37,500,431
Tax effects of:		
Loss not deductible from tax purpose/(income not subject to tax purposes)	12,060,226	(48,504,296)
Expenses not deductible for tax purposes	9,146,328	7,783,492
Restriction on tax deductible expenses for Unit Trust Funds	4,397,381	3,220,373
Investment income subject to capital gains tax	507,286	1,128,309
Investment income subject to withholding tax	2,156,767	1,780,645
Taxation	<u>2,664,053</u>	<u>2,908,954</u>

7. FINANCE COST

Distribution to unit holders is derived from the following sources:

	2019	2018
	USD	USD
Dividend income	12,062,406	9,781,788
Interest income	202,477	90,160
Net realised gain from disposal of quoted securities	-	17,814,200
Prior financial period's realised income	<u>29,780,262</u>	<u>-</u>
	42,045,145	27,686,148
Less:		
Expenses	<u>(9,381,100)</u>	<u>(1,601,362)</u>
Net distribution amount	<u><u>32,664,045</u></u>	<u><u>26,084,786</u></u>

Distribution on 26 April 2018

Gross/Net distribution per unit (cent)

- Class MYR	0.10	-
- Class SGD	1.03	-
- Class USD	1.47	-

Distribution on 26 July 2018

Gross/Net distribution per unit (cent)

- Class MYR	0.09	-
- Class SGD	0.96	-
- Class USD	1.39	-

Distribution on 19 December 2018

Gross/Net distribution per unit (cent)

- Class MYR	0.03	-
- Class SGD	0.37	-
- Class USD	0.50	-

Distribution on 27 March 2019

Gross/Net distribution per unit (cent)

- Class MYR	0.06	-
- Class SGD	0.69	-
- Class USD	0.79	-

Distribution on 6 April 2017

Gross/Net distribution per unit (cent)

- Class MYR	-	0.31
- Class SGD	-	1.09
- Class USD	-	1.11

Distribution on 27 July 2017

Gross/Net distribution per unit (cent)

- Class MYR	-	0.34
- Class SGD	-	1.17
- Class USD	-	1.23

7. FINANCE COST (CONTINUED)

	2019	2018
	USD	USD
Distribution on 9 November 2017		
Gross/Net distribution per unit (cent)		
- Class MYR	-	0.38
- Class SGD	-	1.22
- Class USD	-	1.29
Distribution on 29 January 2018		
Gross/Net distribution per unit (cent)		
- Class MYR	-	0.35
- Class SGD	-	1.31
- Class USD	-	1.43
Total gross/net distribution per unit (sen)		
- Class MYR	0.28	1.38
- Class SGD	3.05	4.79
- Class USD	4.15	5.06

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current financial year's realised income.

Gross distribution per unit is derived from gross realised income less expenses, divided by the number of units in circulation. Net distribution per unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019	2018
	USD	USD
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>1,021,249,944</u>	<u>966,241,428</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(498,646)	64,075,253
- Unrealised fair value (loss)/gain	<u>(73,984,868)</u>	<u>96,590,486</u>
	<u>(74,483,514)</u>	<u>160,665,739</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019				
QUOTED SECURITIES				
AUSTRALIA				
Basic Materials				
BHP Billiton Ltd	765,210	14,524,708	20,880,477	1.93
Consumer Products				
Aristocrat Leisure Ltd	577,739	10,400,378	10,038,917	0.93
Treasury Wine Estates Ltd	1,063,023	13,448,335	11,251,601	1.04
	<u>1,640,762</u>	<u>23,848,713</u>	<u>21,290,518</u>	<u>1.97</u>
Energy				
Oil Search Ltd	3,318,652	21,437,155	18,468,994	1.71
Health Care				
CSL Ltd	170,010	19,465,897	23,495,641	2.17
Industrials				
Cimic Group Ltd	350,710	12,338,877	11,999,063	1.11
Cleanaway Waste Management Ltd	13,010,309	14,846,534	20,476,345	1.89
Transurban Group	2,181,738	19,007,843	20,416,834	1.88
	<u>15,542,757</u>	<u>46,193,254</u>	<u>52,892,242</u>	<u>4.88</u>
REITS				
Goodman Group	1,164,172	9,878,673	11,018,191	1.02
TOTAL AUSTRALIA	<u>22,601,563</u>	<u>135,348,400</u>	<u>148,046,063</u>	<u>13.68</u>
CAYMAN ISLANDS				
Consumer Products				
Alibaba Group Holding Ltd	123,894	19,542,411	22,604,460	2.09
TOTAL CAYMAN ISLANDS	<u>123,894</u>	<u>19,542,411</u>	<u>22,604,460</u>	<u>2.09</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
CHINA				
Financial Services				
Industrial and Commercial Bank	34,990,000	25,978,023	25,630,968	2.37
Ping An Insurance Group Co of China Ltd – H ¹	3,346,500	32,115,096	37,474,248	3.47
	<u>38,336,500</u>	<u>58,093,119</u>	<u>63,105,216</u>	<u>5.84</u>
TOTAL CHINA	<u>38,336,500</u>	<u>58,093,119</u>	<u>63,105,216</u>	<u>5.84</u>
HONG KONG				
Consumer Products				
Galaxy Entertainment Group Ltd	3,295,000	27,572,829	22,436,564	2.07
Haier Electronic Group Co Ltd	5,073,000	14,607,584	14,735,095	1.36
Sand China Ltd	1,562,400	7,475,820	7,852,220	0.73
Shenzhou International Group	813,000	10,102,046	10,895,810	1.00
Techtronic Industries Co Ltd	2,663,000	16,067,922	17,895,624	1.65
	<u>13,406,400</u>	<u>75,826,201</u>	<u>73,815,313</u>	<u>6.81</u>
Financial Services				
AIA Group Ltd	5,146,000	38,200,675	51,233,260	4.74
China Resources Land Ltd	2,018,000	7,522,880	9,049,343	0.84
Hang Seng Bank Ltd	635,600	15,544,747	15,684,357	1.45
Henderson Land Development	2,674,000	15,477,651	16,998,679	1.57
HSBC Holding PLC	1,628,000	16,095,737	13,252,826	1.23
	<u>12,101,600</u>	<u>92,841,690</u>	<u>106,218,465</u>	<u>9.83</u>
REITS				
Link REIT	2,942,500	28,400,290	34,412,195	3.18

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG (CONTINUED)				
Technology				
Tencent Holdings Ltd	536,600	18,510,665	24,678,064	2.28
Telecommunications				
China Mobile Ltd	2,110,500	20,054,779	21,509,413	1.99
China Unicom (Hong Kong) Ltd	19,372,000	26,625,839	24,555,612	2.27
	21,482,500	46,680,618	46,065,025	4.26
TOTAL HONG KONG	50,469,600	262,259,464	285,189,062	26.36
INDIA				
Consumer Products				
Dabur India Ltd	539,939	3,344,301	3,191,104	0.30
Maruti Suzuki India Ltd	143,182	15,482,317	13,812,290	1.28
	683,121	18,826,618	17,003,394	1.58
Energy				
Reliance Industries Ltd	1,386,861	22,123,347	27,333,413	2.53
Financial Services				
HDFC Bank Ltd	1,102,052	32,182,284	36,946,179	3.42
Housing Development Finance Corp Ltd	570,175	16,071,365	16,224,594	1.50
Indusind Bank Ltd	647,171	14,924,938	16,654,227	1.54
	2,319,398	63,178,587	69,825,000	6.46
Industrials				
Larsen & Toubro Ltd	784,843	15,882,168	15,718,534	1.45
TOTAL INDIA	5,174,223	120,010,720	129,880,341	12.02

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
INDONESIA				
Financial Services				
Bank Central Asia Tbk PT	14,189,200	18,495,298	27,642,603	2.56
Telecommunications				
Telekomunikasi TBK PT	54,214,000	14,362,217	15,033,724	1.39
TOTAL INDONESIA	68,403,200	32,857,515	42,676,327	3.95
PHILIPPINES				
Financial Services				
Bank Of Philippine Islands	8,752,620	15,304,967	14,013,457	1.30
TOTAL PHILIPPINES	8,752,620	15,304,967	14,013,457	1.30
SINGAPORE				
Consumer Products				
ComfortDelGro Corp Ltd	8,671,800	16,007,061	16,448,122	1.52
NetLink NBN Trust	17,000,000	10,139,002	10,413,602	0.96
	25,671,800	26,146,063	26,861,724	2.48
Financial Services				
Ascendas Real Estate Investment Trust	12,513,200	24,477,730	26,874,187	2.49
Capitaland Ltd	2,045,700	5,512,688	5,510,725	0.51
CapitaLand Mall Trust	15,030,900	24,054,917	26,401,943	2.44
DBS Group Hldg Ltd	1,160,500	20,967,759	21,609,084	2.00
Keppel DC REIT	9,803,600	10,503,125	10,853,025	1.00
United Overseas Bank Ltd	871,600	18,218,195	16,203,892	1.50
	41,425,500	103,734,414	107,452,856	9.94
Industrials				
Singapore Technologies Enginee	9,492,500	24,127,132	26,201,500	2.42
Venture Corp Ltd	765,000	16,361,174	10,128,796	0.94
	10,257,500	40,488,306	36,330,296	3.36

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
SINGAPORE (CONTINUED)				
Utilities				
Keppel Infrastructure Trust	44,654,200	15,090,446	15,324,603	1.42
Keppel Infrastructure Trust - Rights	<u>1,532,017</u>	<u>-</u>	<u>27,136</u>	<u>0.00</u>
	<u>46,186,217</u>	<u>15,090,446</u>	<u>15,351,739</u>	<u>1.42</u>
TOTAL SINGAPORE	<u>123,541,017</u>	<u>185,459,229</u>	<u>185,996,615</u>	<u>17.20</u>
SOUTH KOREA				
Technology				
Samsung Electronics Corp Ltd	<u>1,124,805</u>	<u>46,776,759</u>	<u>44,233,003</u>	<u>4.09</u>
TOTAL SOUTH KOREA	<u>1,124,805</u>	<u>46,776,759</u>	<u>44,233,003</u>	<u>4.09</u>
TAIWAN				
Basic Materials				
Formosa Plastics Co Ltd	<u>4,789,000</u>	<u>16,027,358</u>	<u>17,012,978</u>	<u>1.57</u>
Financial Services				
CTBC Financial Holding Co. Ltd	<u>28,941,188</u>	<u>19,155,140</u>	<u>19,201,319</u>	<u>1.78</u>
Technology				
Taiwan Semiconductor Manufacturing Co Ltd	<u>4,067,000</u>	<u>29,775,253</u>	<u>32,392,693</u>	<u>3.00</u>
TOTAL TAIWAN	<u>37,797,188</u>	<u>64,957,751</u>	<u>68,606,990</u>	<u>6.35</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
THAILAND				
Financial Services				
Bangkok Bank PCL	<u>2,481,100</u>	<u>16,663,879</u>	<u>16,898,410</u>	<u>1.56</u>
TOTAL THAILAND	<u>2,481,100</u>	<u>16,663,879</u>	<u>16,898,410</u>	<u>1.56</u>
TOTAL QUOTED SECURITIES	<u>358,805,710</u>	<u>957,274,214</u>	<u>1,021,249,944</u>	<u>94.44</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>63,975,730</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,021,249,944</u>		

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018				
QUOTED SECURITIES				
AUSTRALIA				
Basic Materials				
Amcor Ltd	467,595	4,714,102	5,101,471	0.50
BHP Billiton Ltd	1,678,874	31,867,271	36,465,054	3.59
BlueScope Steel Ltd	1,323,884	11,998,360	15,381,364	1.51
Boral Ltd	3,856,242	18,390,958	22,089,856	2.17
	<u>7,326,595</u>	<u>66,970,691</u>	<u>79,037,745</u>	<u>7.77</u>
Consumer Products				
Aristocrat Leisure Ltd	<u>947,510</u>	<u>17,056,944</u>	<u>17,552,343</u>	<u>1.73</u>
Health Care				
CSL Ltd	<u>123,060</u>	<u>13,743,087</u>	<u>14,729,610</u>	<u>1.45</u>
Industrials				
Cleanaway Waste Management Ltd	<u>10,878,744</u>	<u>12,241,749</u>	<u>12,103,258</u>	<u>1.19</u>
TOTAL AUSTRALIA	<u>19,275,909</u>	<u>110,012,471</u>	<u>123,422,956</u>	<u>12.14</u>
CAYMAN ISLANDS				
Technology				
NetEase INC	<u>66,095</u>	<u>21,970,536</u>	<u>18,532,377</u>	<u>1.82</u>
TOTAL CAYMAN ISLANDS	<u>66,095</u>	<u>21,970,536</u>	<u>18,532,377</u>	<u>1.82</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
CHINA				
Basic Materials				
Anhui Conch Cement Co Ltd - A ⁴	5,911,232	22,959,895	30,290,391	2.98
Consumer Products				
Midea Group Co Ltd - A ⁴	3,143,430	16,169,841	27,303,298	2.69
Technology				
Hangzhou Hikvision Digital Technology Co Ltd	4,705,614	18,513,318	30,955,810	3.05
Shenzhen Kstar Science And Technology Co Ltd - A ⁴	4,825,567	12,892,235	12,621,103	1.24
	9,531,181	31,405,553	43,576,913	4.29
TOTAL CHINA	18,585,843	70,535,289	101,170,602	9.96
HONG KONG				
Basic Materials				
Xinyi Glass Holdings Ltd	17,930,000	20,739,081	27,004,669	2.66
Consumer Products				
China Mengniu Dairy Co Ltd	3,238,000	8,638,593	11,098,652	1.09
Galaxy Entertainment Group Ltd	2,374,000	19,504,455	21,552,948	2.12
GuangZhou Automobile Group Co Ltd	8,804,000	21,383,146	16,221,441	1.60
	14,416,000	49,526,194	48,873,041	4.81
Finance				
AIA Group Ltd	4,712,200	34,482,814	39,868,775	3.92
Industrial & Commercial Bank of China Ltd	50,240,000	36,306,126	43,082,985	4.24
Ping An Insurance Group Co of China Ltd - H ¹	3,485,500	33,215,024	35,441,254	3.49
	58,437,700	104,003,964	118,393,014	11.65

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
HONG KONG (CONTINUED)				
Technology				
Sunny Optical Technology Group Co Ltd	380,000	7,616,870	7,016,057	0.69
Tencent Holdings Ltd	1,065,700	31,509,648	55,620,644	5.47
	<u>1,445,700</u>	<u>39,126,518</u>	<u>62,636,701</u>	<u>6.16</u>
TOTAL HONG KONG	<u>92,229,400</u>	<u>213,395,757</u>	<u>256,907,425</u>	<u>25.28</u>
INDIA				
Finance				
HDFC Bank Ltd	716,032	20,655,454	20,736,696	2.04
Housing Development Finance Corp Ltd	951,861	22,522,766	26,682,197	2.62
	<u>1,667,893</u>	<u>43,178,220</u>	<u>47,418,893</u>	<u>4.66</u>
Industrials				
Larsen & Toubro Ltd	1,321,527	26,696,115	26,600,391	2.62
TOTAL INDIA	<u>2,989,420</u>	<u>69,874,335</u>	<u>74,019,284</u>	<u>7.28</u>
INDONESIA				
Consumer Products				
Astra International Tbk PT	30,611,600	18,690,539	16,276,700	1.60
Finance				
Bank Central Asia Tbk PT	10,720,600	12,769,218	18,194,180	1.79
TOTAL INDONESIA	<u>41,332,200</u>	<u>31,459,757</u>	<u>34,470,880</u>	<u>3.39</u>
MALAYSIA				
Finance				
CIMB Group Holdings Bhd	13,476,738	20,008,129	25,090,043	2.47
Malayan Banking Bhd	6,562,300	17,275,671	18,011,491	1.77
Public Bank Bhd	3,380,100	19,438,172	21,005,282	2.07
	<u>23,419,138</u>	<u>56,721,972</u>	<u>64,106,816</u>	<u>6.31</u>
TOTAL MALAYSIA	<u>23,419,138</u>	<u>56,721,972</u>	<u>64,106,816</u>	<u>6.31</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
SINGAPORE				
Finance				
DBS Group Holdings Ltd	1,012,700	16,969,919	21,264,078	2.09
Technology				
Venture Corp Ltd	764,000	16,346,087	16,397,863	1.61
TOTAL SINGAPORE	1,776,700	33,316,006	37,661,941	3.70
SOUTH KOREA				
Basic Materials				
Lotte Chemical Corp	44,657	18,295,287	18,175,892	1.79
Posco	50,977	13,399,030	15,597,089	1.53
	95,634	31,694,317	33,772,981	3.32
Energy				
SK Innovation Co Ltd	62,799	12,347,750	12,455,279	1.23
Technology				
Samsung Electronics Co Ltd	13,995	27,601,696	32,374,480	3.18
TOTAL SOUTH KOREA	172,428	71,643,763	78,602,740	7.73
TAIWAN				
Finance				
CTBC Financial Holding Co Ltd	28,941,188	19,155,140	21,066,067	2.07
CTBC Financial Holding Co Ltd - Preference Share	235,825	470,740	493,914	0.05
	29,177,013	19,625,880	21,559,981	2.12
Technology				
Hon Hai Precision Industry Co Ltd	3,210,000	10,292,787	10,073,549	0.99
Parade Technologies Ltd	811,000	12,953,882	16,150,282	1.59
Taiwan Semiconductor Manufacturing Co Ltd	3,388,000	22,190,333	28,790,543	2.83
	7,409,000	45,437,002	55,014,374	5.41
TOTAL TAIWAN	36,586,013	65,062,882	76,574,355	7.53

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
THAILAND				
Consumer Products				
CP ALL PCL	<u>6,462,600</u>	<u>12,715,065</u>	<u>18,229,311</u>	<u>1.79</u>
Energy				
PTT PCL	<u>1,187,000</u>	<u>17,702,096</u>	<u>21,002,457</u>	<u>2.07</u>
Finance				
Bangkok Bank PCL	2,523,000	17,314,529	17,468,327	1.72
Thanachart Capital PCL	160,200	204,306	276,008	0.03
TMB Bank PLC - NVDR ²	<u>98,527,500</u>	<u>8,764,404</u>	<u>8,084,957</u>	<u>0.80</u>
	<u>101,210,700</u>	<u>26,283,239</u>	<u>25,829,292</u>	<u>2.55</u>
TOTAL THAILAND	<u>108,860,300</u>	<u>56,700,400</u>	<u>65,061,060</u>	<u>6.41</u>
UNITED STATES				
Telecommunications				
Autohome Inc - ADR ³	<u>415,534</u>	<u>27,587,662</u>	<u>35,710,992</u>	<u>3.51</u>
TOTAL UNITED STATES	<u>415,534</u>	<u>27,587,662</u>	<u>35,710,992</u>	<u>3.51</u>
TOTAL QUOTED SECURITIES	<u>345,708,980</u>	<u>828,280,830</u>	<u>966,241,428</u>	<u>95.06</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>137,960,598</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>966,241,428</u>		

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

- ¹ 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 Stock exchange.
- ² 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.
- ³ ADR, or American depository receipt, is a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. dollars, with the underlying security held by a U.S. financial institution overseas. ADRs help to reduce administration and duty costs that would otherwise be levied on each transaction.
- ⁴ 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.

9. CASH AND CASH EQUIVALENTS

	2019	2018
	USD	USD
Deposits with licensed financial institutions	22,009,896	-
Bank balances	26,710,012	36,250,319
	<u>48,719,908</u>	<u>36,250,319</u>

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

	2019	2018
	%	%
Deposits with licensed financial institutions	<u>2.35</u>	<u>-</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 7 days for the financial year ended 31 March 2019 (2018: Nil).

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2019	2018
	No. of units	No. of units
Class MYR (i)	10,486,614,047	8,901,629,746
Class SGD (ii)	53,119,291	50,126,198
Class USD (iii)	84,798,593	67,829,162
	<u>10,624,531,931</u>	<u>9,019,585,106</u>

(i) Class MYR

	2019	2018
	No. of units	No. of units
At the beginning of the financial year	8,901,629,746	4,812,109,337
Add: Creation of units from applications	3,350,966,774	6,869,163,518
Add: Creation of units from distributions	307,551,551	226,870,161
Less: Cancellation of units	<u>(2,073,534,024)</u>	<u>(3,006,513,270)</u>
At the end of the financial year	<u>10,486,614,047</u>	<u>8,901,629,746</u>

(ii) Class SGD

	2019	2018
	No. of units	No. of units
At the beginning of the financial year	50,126,198	146,768,182
Add: Creation of units from applications	21,223,558	57,488,833
Add: Creation of units from distributions	1,751,002	3,457,540
Less: Cancellation of units	<u>(19,981,467)</u>	<u>(157,588,357)</u>
At the end of the financial year	<u>53,119,291</u>	<u>50,126,198</u>

(iii) Class USD

	2019	2018
	No. of units	No. of units
At the beginning of the financial year	67,829,162	46,163,248
Add: Creation of units from applications	30,831,801	74,827,554
Add: Creation of units from distributions	1,047,074	461,191
Less: Cancellation of units	<u>(14,909,444)</u>	<u>(53,622,831)</u>
At the end of the financial year	<u>84,798,593</u>	<u>67,829,162</u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

	2019	2018
	%	%
MER	<u>1.87</u>	<u>2.02</u>

MER is derived based on 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 calculation on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is USD1,033,985,633 (2018: USD725,359,590)

12. PORTFOLIO TURNOVER RATIO (“PTR”)

Under SC Guidelines

	2019	2018
PTR (times)	<u>0.84</u>	<u>1.31</u>

PTR is derived from the following calculation:

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

Under Monetary Authority of Singapore (“MAS”) Guidelines

	2019	2018
PTR (times)	<u>0.77</u>	<u>1.11</u>

PTR is derived from the following calculation:

$$\frac{\text{Lesser of total acquisition or total disposal for the financial year}}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

where:

total acquisition for the financial year = USD930,185,728 (2018: USD1,086,366,905)
 total disposal for the financial year = USD801,015,879 (2018: USD808,293,901)

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>
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	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
PT Principal Asset Management <i>(formerly known as PT CIMB-Principal Asset Management Berhad)</i>	Subsidiary of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

	<u>2019</u>		<u>2018</u>
	<u>No. of units</u>	<u>USD</u>	<u>No. of units</u>
Manager			<u>USD</u>
Principal Asset Management Bhd <i>(formerly known as CIMB-Principal Asset Management Bhd)</i>			
- Class MYR	896,765	78,557	204,433
- Class SGD	10,525	9,786	365
- Class USD	867	1,155	1,110

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

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

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.

	2019	2018
	USD	USD
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>10,222</u>	<u>7,540</u>
Cash placements with licensed financial institution		
- CIMB Bank Bhd	<u>24,000,000</u>	<u>9,563,361</u>
<u>Significant related party balances</u>		
Deposit with licensed financial institution		
- CIMB Bank Bhd	<u>1,000,432</u>	<u>-</u>

14. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the financial year ended 31 March 2019 are as follows:

Brokers/Dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	USD	%	USD	%
Citigroup Global Markets Ltd	368,418,009	21.28	445,943	14.23
Credit Suisse Securities (Hong Kong) Ltd	174,675,599	10.09	383,868	12.25
CLSA (Hong Kong) Ltd	174,245,788	10.07	442,477	14.12
JP Morgan Securities LLC	149,600,988	8.64	44,880	1.43
China International Capital Corp Ltd	114,927,153	6.64	182,529	5.82
Macquarie Capital Securities (Singapore) Pte Ltd	93,741,296	5.41	241,914	7.72
Instinet Singapore Services Pte Ltd	93,204,772	5.38	215,076	6.86
CLSA (Singapore) Pte Ltd	76,798,877	4.43	167,770	5.35
JP Morgan Securities Singapore Pte Ltd	76,116,147	4.40	219,599	7.01
Sanford C Bernstein & Co LLC	51,047,961	2.95	99,270	3.17
Others #	<u>358,425,017</u>	<u>20.71</u>	<u>690,680</u>	<u>22.04</u>
	<u>1,731,201,607</u>	<u>100.00</u>	<u>3,134,006</u>	<u>100.00</u>

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the financial year ended 31 March 2018 are as follows:

Brokers/Dealers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	461,153,670	24.34	549,809	16.31
Credit Suisse Securities (Hong Kong) Ltd	191,229,565	10.09	443,013	13.14
CLSA (Hong Kong) Ltd	162,278,662	8.57	424,868	12.60
Macquarie Capital Securities (Singapore) Pte Ltd	152,154,200	8.03	430,445	12.77
PT J.P. Morgan Sekuritas Indonesia	147,173,556	7.77	46,438	1.38
China International Capital Corp Ltd	129,586,615	6.84	278,000	8.25
JP Morgan Securities Singapore Pte Ltd	100,282,600	5.29	188,480	5.59
CLSA (Singapore) Pte Ltd	83,199,332	4.39	87,467	2.59
Instinet Singapore Services Pte Ltd	79,098,132	4.17	155,534	4.61
Samsung Securities Co Ltd	46,666,718	2.46	87,407	2.59
Others #	341,837,756	18.05	679,437	20.17
	<u>1,894,660,806</u>	<u>100.00</u>	<u>3,370,898</u>	<u>100.00</u>

Included in the transactions are trades conducted with CIMB-GK Securities Pte Ltd, CIMB Investment Bank Bhd and CIMB Securities (Singapore) Pte Ltd, fellow related parties to the Manager amounting to Nil (2018: USD37,217,127), USD20,824,074 (2018: USD17,521,995) and USD13,953,339 (2018: USD409,641) respectively. 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 investment objective of the Fund is 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. 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 Ringgit-denominated deposits with licensed financial institutions in Malaysia, quoted securities listed on the Bursa Securities, Malaysia, and foreign equities of companies domiciled in, listed in, and/or have significant operations in Asia Pacific ex Japan.

There were no changes in reportable operating segment during the financial year.

16. MFRS 9 FINANCIAL INSTRUMENTS

As disclosed in Note 2(a), the Fund has adopted MFRS 9, which resulted in changes in accounting policies as disclosed in Note 2(b) and adjustments to the financial position. The main changes are as follows.

The measurement category and the carrying amount of financial assets and financial liabilities in accordance with MFRS 139 and MFRS 9 at 1 April 2018 are compared as follows:

	Measurement category		Original (MFRS 139) USD	Carrying amount		New (MFRS 9) USD
	Original (MFRS 139)	New (MFRS 9)		Reclassi- fications USD	Remeas- urements USD	
Assets						
Cash and cash equivalents	Loans and receivables	Amortised cost	36,250,319	-	-	36,250,319
Investment in quoted securities	FVTPL	FVTPL	966,241,428	-	-	966,241,428
Amount due from stockbrokers	Loans and receivables	Amortised cost	7,442,181	-	-	7,442,181
Amount due from Manager	Loans and receivables	Amortised cost	24,340,693	-	-	24,340,693
Dividends receivable	Loans and receivables	Amortised cost	1,479,231	-	-	1,479,231
Liabilities						
Amount due to stockbrokers	Amortised cost	Amortised cost	12,197,585	-	-	12,197,585
Amount due to Manager	Amortised cost	Amortised cost	5,252,939	-	-	5,252,939
Accrued management fee	Amortised cost	Amortised cost	1,504,064	-	-	1,504,064
Amount due to Trustee	Amortised cost	Amortised cost	42,827	-	-	42,827
Other payables and accruals	Amortised cost	Amortised cost	149,637	-	-	149,637

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 15 May 2019.

DIRECTORY

Head office of the Manager

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