

CIMB-Principal Dynamic Growth Fund

Annual Report

For the financial year ended 31 March 2019

CIMB-PRINCIPAL DYNAMIC GROWTH 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.

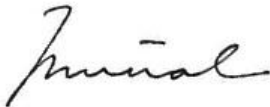
We continue to achieve prestigious recognitions, grabbing six individual awards at The Edge-Thomson Reuters Lipper Fund Awards 2018. In addition, we received recognition from Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for six funds.

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 achieve capital appreciation over the medium to long term.

Has the Fund achieved its objective?

The Fund has achieved its aim 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 regardless of market conditions.

As this is an equity fund, under general market conditions, the Fund will invest in equities of companies which the Manager believes will exhibit good growth potential* when compared against its peers or the overall market. However, as the Fund adopts a dynamic strategy, the Fund may also be managed defensively by investing all or a substantial portion of its assets in debt instruments, money market instruments and/or deposits, when the Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expected prolonged declines, or when there are other adverse conditions, such as political instability.

The asset allocation strategy for this Fund is as follows:

- Up to 100% of the Fund's Net Asset Value ("NAV") will be invested in equities; and
- Up to 100% of the Fund's NAV may be invested in debt instruments, money market instruments and/or deposits.

The investment universe of the Fund is unconstrained, but the Fund will generally focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region.

The Manager will adopt an active investment strategy by using a bottom-up equity selection process in searching for companies taking into consideration its growth potential compared against its peers or the overall market. To complement this strategy, the Manager combines it with a top-down risk framework. Analysis and studies will be made on the trends in the marketplace and how we can capitalize the trends for the portfolio. We investigate the potential companies to be invested in, focusing on the sustainability and quality of earnings. We pay particular attention to the quality and adaptability of management in the dynamic environment they operate in. In addition we analyze the quality and sustainability of cash flow and income of the companies. For the debt instruments, money market instruments and/or deposits portion, the Manager formulates an interest rate outlook through examining factors such as inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, the Manager identifies the weighting of the tenure and credit for the investments of the Fund.

* Companies that have a better growth than the gross domestic product ("GDP") of the respective country and reasonably priced based on the Manager's estimate.

Base Currency

US Dollar ("USD")

Fund category/type

Wholesale Fund (Equity)/Growth

How long should you invest for?

Recommended three (3) years or more

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

High

FUND OBJECTIVE AND POLICY (CONTINUED)

When was the Fund launched?

22 July 2015

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

USD19.36 million (17.24 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 ten percent (10%) 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?

Given the Fund's investment objective, the Class of the Fund is not expected to make any distributions. However, the Manager has the discretion to make any distribution payment subject to the income and the performance of the Fund.

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

There was no distribution made for the financial year ended 31 March 2019.

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 |
|--|-------------------|-------------------|-------------------|
| | % | % | % |
| Collective investment schemes | 3.74 | 3.01 | 3.55 |
| Quoted securities | | | |
| -Basic Materials | 2.13 | 7.13 | 10.63 |
| -Consumer Products | 27.82 | 23.53 | 19.82 |
| -Energy | 4.83 | 2.51 | 2.44 |
| -Finance | 27.09 | 31.12 | 25.16 |
| -Health Care | 2.51 | - | - |
| -Industrials | 13.54 | 19.70 | 23.86 |
| -Real Estate Investment Trusts ("REITs") | 8.62 | - | - |
| -Technology | 5.88 | 8.67 | 10.71 |
| -Telecommunications | 0.70 | - | 1.03 |
| -Trading/Services | - | 1.16 | - |
| Cash and other net assets | 3.14 | 3.17 | 2.80 |
| | <u>100.00</u> | <u>100.00</u> | <u>100.00</u> |

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 SGD | 10.54 | 13.52 | 8.54 |
| - Class USD | 8.82 | 11.30 | 6.33 |
| Units in circulation (Million) | | | |
| - Class SGD | 10.76 | 12.19 | 10.59 |
| - Class USD | 6.48 | 7.34 | 5.66 |

PERFORMANCE DATA (CONTINUED)

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

| | 31.03.2019 | 31.03.2018 | 31.03.2017 |
|--|----------------------|----------------------|----------------------|
| NAV per unit (USD) | | | |
| - Class SGD | 0.9802 | 1.1091 | 0.8057 |
| - Class USD | 1.3614 | 1.5405 | 1.1191 |
| | 01.04.2018 | 01.04.2017 | 01.04.2016 |
| | to 31.03.2019 | to 31.03.2018 | to 31.03.2017 |
| Highest NAV per unit (USD) | | | |
| - Class SGD | 1.1262 | 1.1715 | 0.8192 |
| - Class USD | 1.5643 | 1.6272 | 1.1379 |
| Lowest NAV per unit (USD) | | | |
| - Class SGD | 0.8529 | 0.8011 | 0.7190 |
| - Class USD | 1.1847 | 1.1128 | 0.9987 |
| Total return (%) | | | |
| - Class SGD | (11.40) | 37.38 | 9.55 |
| - Class USD | (11.54) | 37.61 | 9.58 |
| Capital growth (%) | | | |
| - Class SGD | (11.40) | 37.38 | 9.55 |
| - Class USD | (11.54) | 37.61 | 9.58 |
| Income distribution (%) | | | |
| - Class SGD | - | - | - |
| - Class USD | - | - | - |
| Management Expense Ratio ("MER") (%) ^ | 1.65 | 1.68 | 1.71 |
| Portfolio Turnover Ratio ("PTR") (times) # | 0.88 | 0.81 | 1.30 |

^ The Fund's MER decreased from 1.68% to 1.65% mainly due to the decrease in expenses during the financial year under review.

The Fund's PTR increased from 0.81 times to 0.88 times due to increase in trading activities.

| | 31.03.2019 | 31.03.2018 | 31.03.2017 | Since inception to 31.03.2016 |
|---------------------|-------------------|-------------------|-------------------|--|
| | % | % | % | % |
| Annual total return | | | | |
| - Class SGD | (11.40) | 37.38 | 9.55 | 0.46 |
| - Class USD | (11.54) | 37.61 | 9.58 | 2.06 |

(Launch date: 22 July 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. It declined almost 3.5% as measured by the Morgan Stanley Capital International (“MSCI”) Asia Pacific Ex-Japan Index. There’re several reasons to the decline. Among these factors was the tightening United States (“US”) monetary policy where the US Federal Reserve (the “Fed”) raised 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 and 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, the earnings outlook deteriorating in Asia. Foreign fund flows were decidedly negative as investors sold Asian equities.

However, in the last three months of the financial year review, the stock markets of Asia appears to have turned as the Fed took a dovish stance which weaken the USD, strengthen Asian currencies and Asian equities. The trade talks between the US and China have also turned with a deal more likely than previously thought. China has also stop its deleveraging policies and started to stimulate its economy. The effect has so far been positive as the recent data suggest improvements in the Chinese economy.

FUND PERFORMANCE

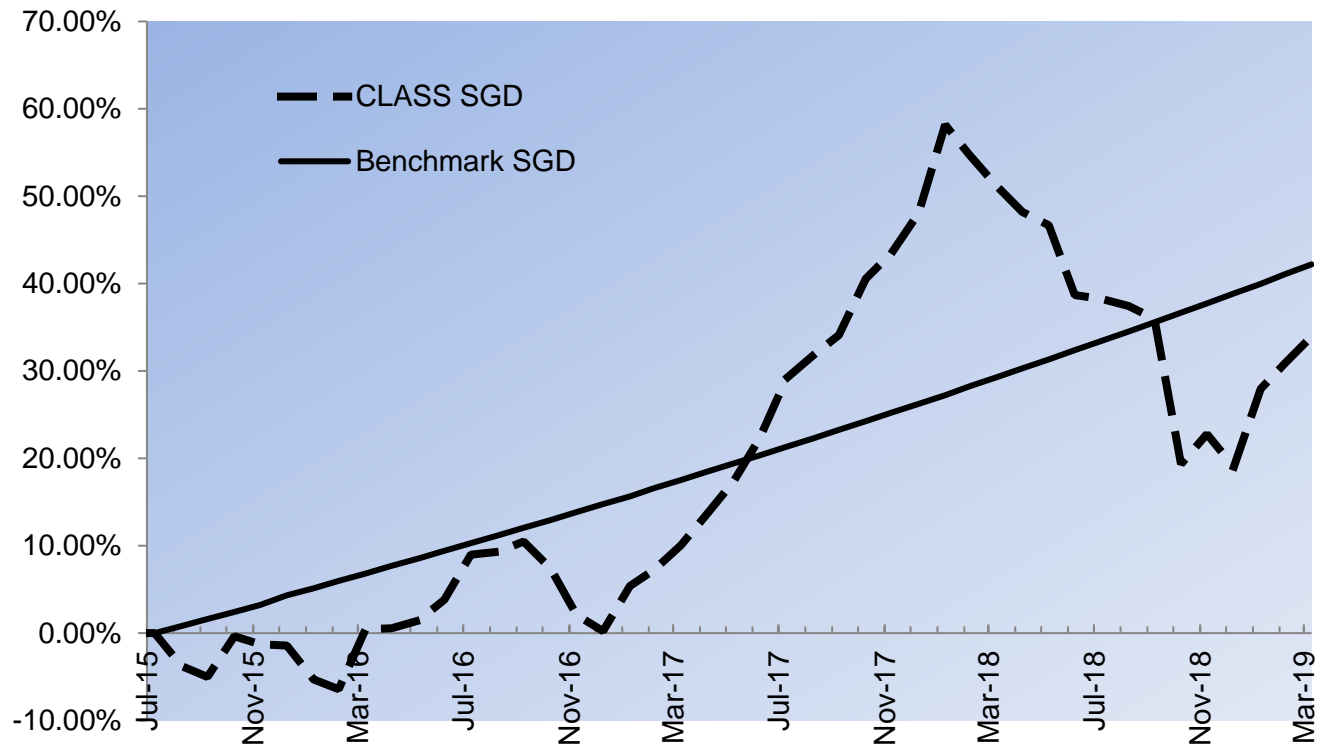
| | 1 year to 31.03.2019 | | 3 years to 31.03.2019 | |
|----------------------|-----------------------------|------------------|------------------------------|------------------|
| | Class SGD | Class USD | Class SGD | Class USD |
| | % | % | % | % |
| Income | - | - | - | - |
| Capital | (11.40) | (11.54) | 33.34 | 33.39 |
| Total Return | (11.40) | (11.54) | 33.34 | 33.39 |
| Benchmark | 10.00 | 10.00 | 33.10 | 33.10 |
| Average Total Return | (11.40) | (11.54) | 10.07 | 10.08 |

| | Since inception to 31.03.2019 | |
|----------------------|--------------------------------------|------------------|
| | Class SGD | Class USD |
| | % | % |
| Income | - | - |
| Capital | 33.96 | 36.14 |
| Total Return | 33.96 | 36.14 |
| Benchmark | 42.20 | 42.20 |
| Average Total Return | 8.24 | 8.71 |

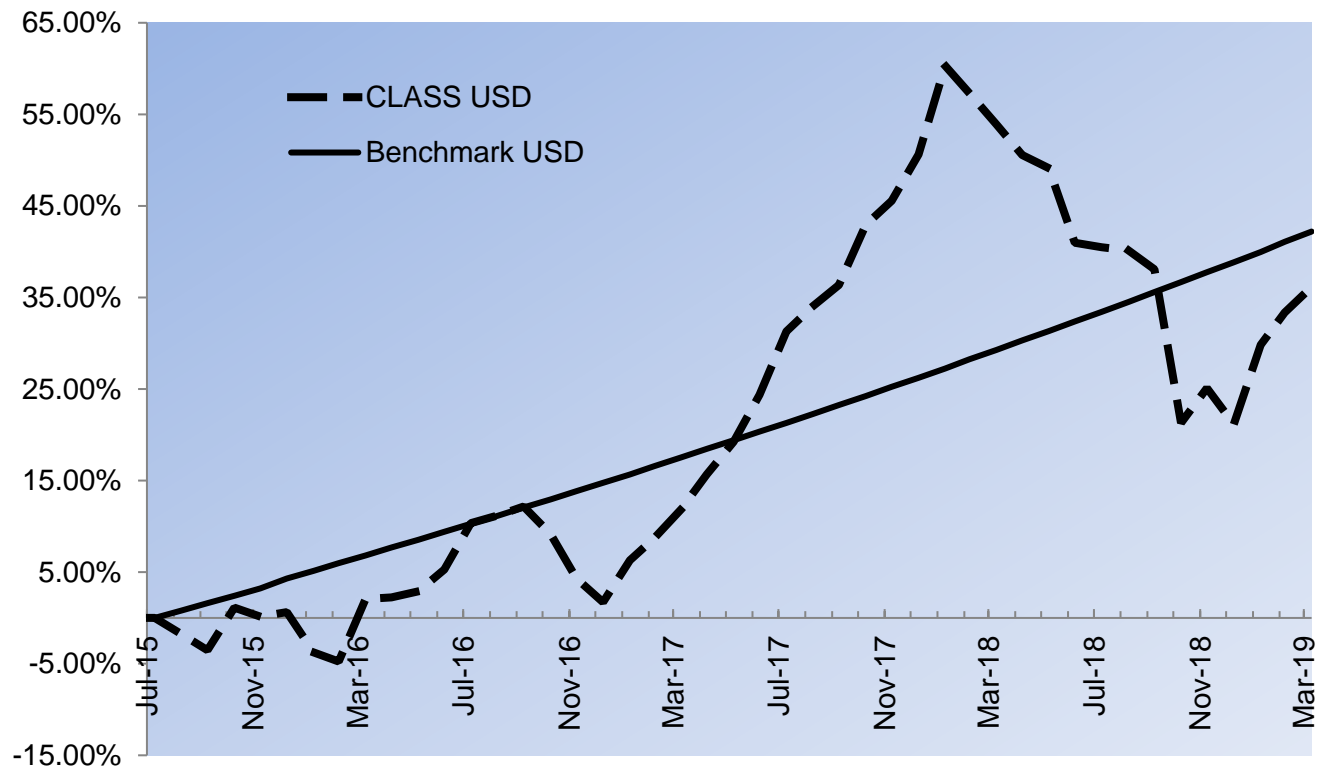
The Fund recorded a loss over the past year due to poor market conditions but on a 3 year basis, the Fund has gained by 33.34%.

FUND PERFORMANCE (CONTINUED)

Class SGD



Class USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

CLASS SGD

| | 31.03.2019 | 31.03.2018 | Changes % |
|-------------------|-------------------|-------------------|----------------------|
| NAV (USD Million) | 10.54 | 13.52 | (22.04) |
| NAV/Unit (USD) | 0.9802 | 1.1091 | (11.62) |

CLASS USD

| | 31.03.2019 | 31.03.2018 | Changes % |
|-------------------|-------------------|-------------------|----------------------|
| NAV (USD Million) | 8.82 | 11.30 | (21.95) |
| NAV/Unit (USD) | 1.3614 | 1.5405 | (11.63) |

The NAV per unit of the Class SGD and Class USD have declined by 11.62% and 11.63% respectively due to the negative performance.

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 |
|-------------------------------|-------------------|-------------------|
| Collective investment schemes | 3.74 | 3.01 |
| Quoted securities | 93.12 | 93.82 |
| Cash and other net assets | 3.14 | 3.17 |
| TOTAL | 100.00 | 100.00 |

As at 31 March 2019, the Fund held 93.12% in quoted securities, 3.74% in collective investment schemes, with the rest in cash and other net assets. The investments in the Fund are similar to the previous year.

MARKET OUTLOOK*

In the near term, the stock market outlook in Asia is clouded by the unresolved trade war between the US and China and the deleveraging exercise undertaken by China last year which has caused the economy to slow. The Asian could still see episodes of weakness in the near term. However, we remain more positive on the outlook for the Asian stock markets. In the near term, we expect the developed markets monetary policy tightening cycle to be on hold this year. This will alleviate the pressure on the Asian currencies and the need to raise interest rates further. The Fed Committee is also considering slowing the pace of balance sheet reduction which again will mean a more accommodative liquidity background. Asian economic growth will likely to stabilise especially as the authorities in China has incrementally supported the economy through several easing measures including tax cuts and reserve requirements cuts. 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.

MARKET OUTLOOK* (CONTINUED)

* 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. In this environment, companies that can exhibit strong growth will likely trade at a premium. The strategy for the Fund is to identify and invest in these companies which trades at reasonable multiples. We still see several opportunities that resonate with our strategy.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 March 2019 are as follows:

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 | - | - | - |
| 50,001 - 500,000 | 1 | 0.10 | 0.93 |
| 500,001 and above | 3 | 10.66 | 99.07 |
| Total | 5 | 10.76 | 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 | - | - | - |
| 10,001 - 50,000 | - | - | - |
| 50,001 - 500,000 | 2 | 0.71 | 10.96 |
| 500,001 and above | 1 | 5.77 | 89.04 |
| Total | 5 | 6.48 | 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 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 DYNAMIC GROWTH 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 15 to 56 are drawn up in accordance with the provisions of the Deed 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 ended 31 March 2019 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 DYNAMIC GROWTH FUND**

We have acted as Trustee of CIMB-Principal Dynamic Growth 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 Deed, the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deed and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

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 DYNAMIC GROWTH FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB-Principal Dynamic Growth 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 15 to 56.

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 DYNAMIC GROWTH 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 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. 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 DYNAMIC GROWTH 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 DYNAMIC GROWTH 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 |
|---|------|--------------------|------------------|
| (LOSS)/INCOME | | | |
| Dividend income | | 579,850 | 484,636 |
| Interest income from current account | | 4,925 | 534 |
| Net (loss)/gain on financial assets at fair value through profit or loss | 8 | (3,084,774) | 5,834,653 |
| Net foreign exchange loss | | (68,209) | (26,395) |
| Other income | 4 | 24,127 | 27,898 |
| | | <u>(2,544,081)</u> | <u>6,321,326</u> |
| EXPENSES | | | |
| Management fee | 5 | 315,877 | 298,830 |
| Trustee's and custodian fees | 6 | 31,143 | 33,592 |
| Audit fee | | 2,867 | 2,045 |
| Tax agent's fee | | 3,000 | 4,987 |
| Transaction costs | | 103,712 | 107,577 |
| Other expenses | | 17,857 | 26,912 |
| | | <u>474,456</u> | <u>473,943</u> |
| (LOSS)/PROFIT BEFORE TAXATION | | (3,018,537) | 5,847,383 |
| Taxation | 7 | (43,278) | (30,218) |
| (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | <u>(3,061,815)</u> | <u>5,817,165</u> |
| (Decrease)/Increase in net assets attributable to unit holders are made up as follows: | | | |
| Realised amount | | 51,096 | 2,098,335 |
| Unrealised amount | | (3,112,911) | 3,718,830 |
| | | <u>(3,061,815)</u> | <u>5,817,165</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 | 751,467 | 742,382 |
| Financial assets at fair value through profit or loss | 8 | 18,757,687 | 24,034,916 |
| Amount due from stockbrokers | | 171,581 | 112,804 |
| Amount due from Manager | | - | 9,895 |
| Amount due from Manager of collective investment schemes | | | |
| - Management fee rebate | | 5,336 | 16,225 |
| Dividends receivable | | 21,582 | 35,656 |
| Other receivable | | - | 3,019 |
| TOTAL ASSETS | | <u>19,707,653</u> | <u>24,954,897</u> |
| LIABILITIES | | | |
| Amount due to stockbrokers | | 304,516 | 91,179 |
| Amount due to Manager | | 8,690 | - |
| Accrued management fee | | 23,273 | 30,930 |
| Amount due to Trustee | | 813 | 1,070 |
| Other payables and accruals | | 6,219 | 8,326 |
| TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS) | | <u>343,511</u> | <u>131,505</u> |
| NET ASSET VALUE OF THE FUND | | <u>19,364,142</u> | <u>24,823,392</u> |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | <u>19,364,142</u> | <u>24,823,392</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 (CONTINUED)**

| | Note | 2019 USD | 2018 USD |
|--|-----------|-------------------|-------------------|
| REPRESENTED BY: | | | |
| FAIR VALUE OF OUTSTANDING UNITS (USD) | | | |
| - Class SGD | | 10,544,569 | 13,522,419 |
| - Class USD | | <u>8,819,573</u> | <u>11,300,973</u> |
| | | <u>19,364,142</u> | <u>24,823,392</u> |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | | | |
| - Class SGD | | 10,757,480 | 12,192,106 |
| - Class USD | | <u>6,477,948</u> | <u>7,335,858</u> |
| | 10 | <u>17,235,428</u> | <u>19,527,964</u> |
| NET ASSET VALUE PER UNIT (USD) | | | |
| - Class SGD | | 0.9802 | 1.1091 |
| - Class USD | | <u>1.3614</u> | <u>1.5405</u> |
| NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES | | | |
| - Class SGD | | SGD1.3281 | SGD1.4526 |
| - Class USD | | <u>USD1.3614</u> | <u>USD1.5405</u> |

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 | 2018 |
|---|--------------------|--------------------|
| | USD | USD |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR | 24,823,392 | 14,865,517 |
| Movement due to units created and cancelled during the financial year: | | |
| Creation of units from applications | | |
| - Class SGD | 659,032 | 3,016,953 |
| - Class USD | 118,715 | 2,984,188 |
| | <u>777,747</u> | <u>6,001,141</u> |
| Cancellation of units | | |
| - Class SGD | (1,833,210) | (1,262,799) |
| - Class USD | (1,341,972) | (597,632) |
| | <u>(3,175,182)</u> | <u>(1,860,431)</u> |
| (Decrease)/Increase in net assets attributable to unit holders during the financial year | (3,061,815) | 5,817,165 |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR | <u>19,364,142</u> | <u>24,823,392</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 | | 19,420,079 | 14,244,854 |
| Purchase of quoted securities | | (17,188,551) | (17,892,020) |
| Purchase of collective investment schemes | | - | (209,466) |
| Dividend income received | | 549,786 | 431,386 |
| Interest income received from current account | | 4,925 | 534 |
| Management fee paid | | (323,597) | (285,196) |
| Management fee rebate received | | 35,079 | 22,877 |
| Trustee's and custodian fees paid | | (31,400) | (33,138) |
| Payments for other fees and expenses | | (22,854) | (32,897) |
| Net realised foreign exchange loss | | (35,526) | (29,414) |
| Net cash generated from/(used in) operating activities | | 2,407,941 | (3,782,480) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash proceeds from units created | | 786,860 | 6,162,613 |
| Payments for cancellation of units | | (3,173,073) | (1,860,431) |
| Net cash (used in)/generated from financing activities | | (2,386,213) | 4,302,182 |
| Net increase in cash and cash equivalents | | 21,728 | 519,702 |
| Effects of foreign exchange differences | | (12,643) | 13,132 |
| Cash and cash equivalents at the beginning of the financial year | | 742,382 | 209,548 |
| Cash and cash equivalents at the end of the financial year | 9 | 751,467 | 742,382 |
| <u>Cash and cash equivalents comprises of:</u> | | | |
| Bank balances | | 751,467 | 742,382 |
| Cash and cash equivalents at the end of the financial year | 9 | 751,467 | 742,382 |

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 Dynamic Growth Fund (the “Fund”) is governed by Principal Deed dated 10 July 2015 (the “Deed”), made 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 regardless of market conditions.

As this is an equity fund, under general market conditions, the Fund will invest in equities of companies which the Manager believes will exhibit good growth potential when compared against its peers or the overall market. However, as the Fund adopts a dynamic strategy, the Fund may also be managed defensively by investing all or a substantial portion of its assets in debt instruments, money market instruments and/or deposits, when the Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expected prolonged declines, or when there are other adverse conditions, such as political instability.

The asset allocation strategy for the Fund is as follows:

- Up to 100% of the Fund’s NAV will be invested in equities; and
- Up to 100% of the Fund’s NAV may be invested in debt instruments, money market instruments and/or deposits.

The investment universe of the Fund is unconstrained, but the Fund will generally focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region.

The Manager will adopt an active investment strategy by using a bottom-up equity selection process in searching for companies taking into consideration its growth potential compared against its peers or the overall market. To complement this strategy, the Manager combines it with a top-down risk framework. Analysis and studies will be made on the trends in the marketplace and how we can capitalize the trends for the portfolio. We investigate the potential companies to be invested in, focusing on the sustainability and quality of earnings. We pay particular attention to the quality and adaptability of management in the dynamic environment they operate in. In addition we analyze the quality and sustainability of cash flow and income of the companies. For the debt instruments, money market instruments and/or deposits portion, the Manager formulates an interest rate outlook through examining factors such as inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, the Manager identifies the weighting of the tenure and credit for the investments of the Fund.

All investments are subjected to the Securities Commission Malaysia (“SC”) Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, SC requirements, the Deed, 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 judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

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 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 other comprehensive income ("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).

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

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

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 standard 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, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised.

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 standard when effective. These amendments to published standard is 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 investments in collective investment schemes and 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, amount due from Manager of collective investment schemes, dividends receivable and other receivable.

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

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

The Fund classifies amount due to the 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 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 at fair value through other comprehensive income.

The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Investment in collective investment schemes are debt instrument with contractual cash flows that do not represent SPPI and therefore is classified as fair value through profit or loss.

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

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.

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.

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.

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

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.

Collective investment schemes are valued based on the most recent published NAV per unit or share of such collective investment schemes or, if unavailable, the last published price of such unit or share (excluding any sales charge included in such selling price).

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 foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

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

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 costs

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Impairment for assets carried at amortised costs (continued)

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 ECL using probability of default, exposure at default and loss given default. The Manager consider both historical analysis and forward looking information in determining any ECL. The Manager consider 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 ECL 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Income recognition**

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

Interest income from current account is recognised using the effective interest method.

Up to 31 March 2018, when a loan and receivable is impaired, the Fund reduce 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 financing 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 collective investment schemes and quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of collective investment schemes and quoted securities, determined on a weighted average cost basis.

(d) Functional and presentation currencies

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in USD, which is the Fund's functional and presentation currency.

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

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

(e) Management fee rebate

Management fee rebate is derived from the Fund's investment in collective investment schemes on an accruals basis to ensure no double charging of management fee. It is accrued daily based on the fair value of the collective investment schemes held.

(f) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances which are subject to an insignificant risk of changes in value.

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

Tax on income from foreign collective investment schemes are based on the tax regime of the respective countries that the Fund invests in.

(h) Amount due from/to stockbrokers

Amounts due from and to stockbrokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. 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 amounts due from stockbrokers. A provision for impairment of amounts due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbroker. Significant financial difficulties of the stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the interest rate 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.

(i) 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, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Creation and cancellation of units**

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

The Fund issues cancellable units, in two classes of units, known respectively as the Class USD and Class SGD, which are cancelled at the unit holder's option and do not have identical features subject to restrictions as stipulated in the Information Memorandum and SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. 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.

(k) Increase/Decrease in net assets attributable to unit holders

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

(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 judgments in applying accounting policies

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

Estimates and judgment 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 Unlisted Capital Market Products under the Lodge and Launch Framework.

However, the Manager is of the opinion that in applying these accounting policies, 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) | - | 751,467 | 751,467 |
| Collective investment schemes (Note 8) | 724,760 | - | 724,760 |
| Quoted securities (Note 8) | 18,032,927 | - | 18,032,927 |
| Amount due from stockbrokers | - | 171,581 | 171,581 |
| Amount due from Manager of collective investment schemes | - | 5,336 | 5,336 |
| Dividends receivable | - | 21,582 | 21,582 |
| | <u>18,757,687</u> | <u>949,966</u> | <u>19,707,653</u> |
| | | | |
| | Financial assets at fair value through profit or loss USD | Loans and receivables USD | Total USD |
| 2018 | | | |
| Cash and cash equivalents (Note 9) | - | 742,382 | 742,382 |
| Collective investment schemes (Note 8) | 745,588 | - | 745,588 |
| Quoted securities (Note 8) | 23,289,328 | - | 23,289,328 |
| Amount due from stockbrokers | - | 112,804 | 112,804 |
| Amount due from Manager | - | 9,895 | 9,895 |
| Amount due from Manager of collective investment schemes | - | 16,225 | 16,225 |
| Dividends receivable | - | 35,656 | 35,656 |
| Other receivable | - | 3,019 | 3,019 |
| | <u>24,034,916</u> | <u>919,981</u> | <u>24,954,897</u> |

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

The Fund 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 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 Deed and SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

(a) Market risk

(i) Price risk

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

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

| | 2019 | 2018 |
|--|-------------------|-------------------|
| | USD | USD |
| Financial assets at fair value through profit or loss: | | |
| - Collective investment schemes | 724,760 | 745,588 |
| - Quoted securities | 18,032,927 | 23,289,328 |
| | <u>18,757,687</u> | <u>24,034,916</u> |

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

| % Change in price of collective investment schemes and quoted securities | Market value USD | Impact on profit or loss/NAV USD |
|--|-------------------|----------------------------------|
| 2019 | | |
| -5% | 17,819,803 | (937,884) |
| 0% | 18,757,687 | - |
| +5% | <u>19,695,571</u> | <u>937,884</u> |
| 2018 | | |
| -5% | 22,833,170 | (1,201,746) |
| 0% | 24,034,916 | - |
| +5% | <u>25,236,662</u> | <u>1,201,746</u> |

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

(a) Market risk (continued)

(ii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus 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 cash equivalents USD | Financial assets at fair value through profit or loss USD | Amount due from stockbrokers USD | Amount due from Manager of collective investment schemes USD | Dividends receivable USD | Total USD |
|------------------|----------------------------------|--|-------------------------------------|---|-----------------------------|--------------|
| 2019 | | | | | | |
| AUD | - | 2,748,425 | - | - | 13,439 | 2,761,864 |
| CNY | - | 1,398,862 | - | - | - | 1,398,862 |
| HKD | - | 4,562,261 | - | - | 8,143 | 4,570,404 |
| IDR | - | 1,999,298 | - | 5,336 | - | 2,004,634 |
| INR | 246,339 | 1,079,856 | - | - | - | 1,326,195 |
| KRW | - | 802,191 | - | - | - | 802,191 |
| MYR | 277,693 | - | - | - | - | 277,693 |
| PHP | - | 358,056 | - | - | - | 358,056 |
| SGD | 5,178 | 2,525,708 | 171,581 | - | - | 2,702,467 |
| THB | 3 | 592,332 | - | - | - | 592,335 |
| TWD | - | 798,341 | - | - | - | 798,341 |
| | 529,213 | 16,865,330 | 171,581 | 5,336 | 21,582 | 17,593,042 |

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

(a) Market risk (continued)

(ii) 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 of collective investment schemes USD | Dividends receivable USD | Other receivable USD | Total USD |
|------------------|----------------------------------|--|-------------------------------------|---|-----------------------------|-------------------------|--------------|
| 2018 | | | | | | | |
| AUD | - | 2,102,610 | - | - | 3,873 | - | 2,106,483 |
| CNY | 3,447 | 1,688,683 | - | - | - | - | 1,692,130 |
| HKD | - | 7,392,080 | 112,804 | - | 8,665 | - | 7,513,549 |
| IDR | - | 1,223,626 | - | 16,225 | 4,694 | - | 1,244,545 |
| INR | - | 678,419 | - | - | - | - | 678,419 |
| KRW | - | 1,134,843 | - | - | 15,068 | - | 1,149,911 |
| MYR | 505,056 | 1,740,359 | - | - | - | 3,019 | 2,248,434 |
| PHP | - | 370,860 | - | - | - | - | 370,860 |
| SGD | 78,047 | 3,135,944 | - | - | - | - | 3,213,991 |
| THB | 3 | 1,061,571 | - | - | 3,356 | - | 1,064,930 |
| TWD | - | 1,956,486 | - | - | - | - | 1,956,486 |
| | 586,553 | 22,485,481 | 112,804 | 16,225 | 35,656 | 3,019 | 23,239,738 |

| Financial liabilities | Amount due to stockbrokers USD | Amount due to Manager USD | Accrued management fees USD | Amount due to trustee USD | Other payables and accruals USD | Net assets attributable to unit holders USD | Total USD |
|-----------------------|-----------------------------------|------------------------------|--------------------------------|------------------------------|------------------------------------|--|--------------|
| 2019 | | | | | | | |
| HKD | 44,636 | - | - | - | - | - | 44,636 |
| INR | 63,180 | - | - | - | - | - | 63,180 |
| MYR | - | - | 23,273 | 813 | 6,219 | - | 30,305 |
| SGD | 196,700 | 3,690 | - | - | - | 10,544,569 | 10,744,959 |
| | 304,516 | 3,690 | 23,273 | 813 | 6,219 | 10,544,569 | 10,883,080 |
| 2018 | | | | | | | |
| HKD | 91,179 | - | - | - | - | - | 91,179 |
| MYR | - | - | 30,930 | 1,070 | 8,396 | - | 40,326 |
| SGD | - | - | - | - | - | 13,522,419 | 13,522,419 |
| | 91,179 | - | 30,930 | 1,070 | 8,396 | 13,522,419 | 13,653,924 |

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

(a) Market risk (continued)

(ii) 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 the reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remaining constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate.

| | Change in foreign exchange rate % | Impact on profit or loss/NAV | |
|-----|--|------------------------------|------------------|
| | | 2019 USD | 2018 USD |
| AUD | +/-5 | 138,093 | 105,324 |
| CNY | +/-5 | 69,943 | 84,606 |
| HKD | +/-5 | 226,288 | 371,119 |
| IDR | +/-5 | 100,232 | 62,227 |
| INR | +/-5 | 63,151 | 33,921 |
| KRW | +/-5 | 40,110 | 57,496 |
| MYR | +/-5 | 12,369 | 110,405 |
| PHP | +/-5 | 17,903 | 18,543 |
| SGD | +/-5 | 402,125 | 515,421 |
| THB | +/-5 | 29,617 | 53,246 |
| TWD | +/-5 | 39,917 | 97,824 |
| | | <u>1,139,748</u> | <u>1,510,132</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.

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 Unlisted Capital Market Products under the Lodge and Launch Framework.

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 collective investment schemes and quoted securities are settled/paid upon delivery using approved stockbrokers.

For amount due from Manager of collective investment schemes, the Fund will invest with an investment management company of the collective investment schemes which are authorised or approved by the relevant regulatory authority in its home jurisdiction.

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

(b) Credit risk (continued)

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

| | Cash and cash equivalents USD | Amount due from stockbrokers USD | Amount due from Manager USD | Amount due from Manager of collective investment schemes USD | Dividends receivable USD | Total USD |
|--------------------------------|----------------------------------|-------------------------------------|--------------------------------|---|-----------------------------|----------------|
| 2019 | | | | | | |
| Consumer Products | | | | | | |
| - Not Rated | - | - | - | - | 10,103 | 10,103 |
| Finance | | | | | | |
| - HSBC Bank Malaysia Bhd (AAA) | 751,467 | - | - | - | - | 751,467 |
| - Not Rated | - | 18,588 | - | - | 4,703 | 23,291 |
| Health Care | | | | | | |
| - Not Rated | - | - | - | - | 3,000 | 3,000 |
| Industrials | | | | | | |
| - Not Rated | - | 50,389 | - | - | 3,776 | 54,165 |
| REITs | | | | | | |
| - Not Rated | - | 102,604 | - | - | - | 102,604 |
| Others | | | | | | |
| - Not Rated | - | - | - | 5,336 | - | 5,336 |
| | <u>751,467</u> | <u>171,581</u> | <u>-</u> | <u>5,336</u> | <u>21,582</u> | <u>949,966</u> |
| 2018 | | | | | | |
| Basic Materials | | | | | | |
| - Not Rated | - | - | - | - | 1,940 | 1,940 |
| Consumer Products | | | | | | |
| - Not Rated | - | 112,804 | - | - | 16,046 | 128,850 |
| Finance | | | | | | |
| - HSBC Bank Malaysia Bhd (AAA) | 742,382 | - | - | - | - | 742,382 |
| - Not Rated | - | - | - | - | 15,738 | 15,738 |
| Industrials | | | | | | |
| - Not Rated | - | - | - | - | 1,932 | 1,932 |
| Others | | | | | | |
| - Not Rated | - | - | 9,895 | 16,225 | - | 26,120 |
| | <u>742,382</u> | <u>112,804</u> | <u>9,895</u> | <u>16,225</u> | <u>35,656</u> | <u>916,962</u> |

All financial assets of the Fund as at the end of the financial year are neither past due nor impaired.

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, 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 year as at the end of the reporting year 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 | 304,516 | - | 304,516 |
| Amount due to Manager | 8,690 | - | 8,690 |
| Accrued management fee | 23,273 | - | 23,273 |
| Amount due to Trustee | 813 | - | 813 |
| Other payables and accruals # | - | 6,219 | 6,219 |
| Net assets attributable to unit holders * | <u>19,364,142</u> | <u>-</u> | <u>19,364,142</u> |
| Contractual undiscounted cash flows | <u>19,701,434</u> | <u>6,219</u> | <u>19,707,653</u> |
| 2018 | | | |
| Amount due to stockbrokers | 91,179 | - | 91,179 |
| Accrued management fee | 30,930 | - | 30,930 |
| Amount due to Trustee | 1,070 | - | 1,070 |
| Other payables and accruals # | 1,990 | 6,226 | 8,216 |
| Net assets attributable to unit holders * | <u>24,823,392</u> | <u>-</u> | <u>24,823,392</u> |
| Contractual undiscounted cash flows | <u>24,948,561</u> | <u>6,226</u> | <u>24,954,787</u> |

Excludes GST reverse charge payable amounting to Nil (2018: USD110).

* Outstanding units are redeemed on demand at the 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 USD19,364,142 (2018: USD24,823,392). 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 market falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

| | Level 1 USD | Level 2 USD | Level 3 USD | Total USD |
|--|-------------------|----------------|----------------|-------------------|
| 2019 | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Collective investment schemes | 724,760 | - | - | 724,760 |
| - Quoted securities | <u>18,032,927</u> | <u>-</u> | <u>-</u> | <u>18,032,927</u> |
| | <u>18,757,687</u> | <u>-</u> | <u>-</u> | <u>18,757,687</u> |
| 2018 | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Collective investment schemes | 745,588 | - | - | 745,588 |
| - Quoted securities | <u>23,289,328</u> | <u>-</u> | <u>-</u> | <u>23,289,328</u> |
| | <u>24,034,916</u> | <u>-</u> | <u>-</u> | <u>24,034,916</u> |

Investments whose values are based on quoted market prices in active markets and are therefore classified within Level 1, include active listed equities and collective investment schemes. 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, amount due from Manager of collective investment schemes, dividends receivable and other receivable are a reasonable approximation of their fair values due to their short term nature.

4. OTHER INCOME

Other income represents the Fund's entitlement to management fee rebate from the Manager of collective investment schemes the Fund invests in.

For the financial year ended 31 March 2019, the rebate is recognised at a rate of 2.00% per annum and 1.75% per annum (2018: 2.00% per annum and 1.75% per annum) for investment in CIMB-Principal Indo Domestic Equity Fund and CIMB-Principal Smart Equity Fund respectively, calculated and accrued daily based on the NAV of the collective investment schemes.

5. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a maximum management fee of 3.00% per annum for each 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 SGD | Class USD |
|------------------|------------------|
| 1.50% | 1.50% |

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

6. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deed, the Trustee is entitled to a maximum fee of 0.20% per annum, calculated daily based on the NAV of the Fund. The Trustee's fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 31 March 2019, the Trustee's fee is recognised at a rate of 0.05% per annum (2018: 0.05% per annum) for each classes while the foreign custodian fee is recognised at USD 20,614 (2018: USD 23,631).

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

7. TAXATION

| | 2019 USD | 2018 USD |
|-------------------------------------|---------------------|---------------------|
| Tax charged for the financial year: | | |
| - Withholding tax | <u>43,278</u> | <u>30,218</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 USD | 2018 USD |
|--|---------------------|---------------------|
| (Loss)/Profit before taxation | <u>(3,018,537)</u> | <u>5,847,383</u> |
| Taxation at Malaysian statutory rate of 24% (2018: 24%) | (724,449) | 1,403,372 |
| Tax effects of: | | |
| Loss not deductible for tax purpose/(Income not subject to tax) | 610,579 | (1,517,118) |
| Expenses not deductible for tax purposes | 36,186 | 37,100 |
| Restriction on tax deductible expenses for Wholesale Funds | 77,684 | 76,646 |
| Investment income subject to withholding tax | <u>43,278</u> | <u>30,218</u> |
| Taxation | <u>43,278</u> | <u>30,218</u> |

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2019 | 2018 |
|---|--------------------|-------------------|
| | USD | USD |
| Financial assets at fair value through profit or loss: | | |
| - Collective investment schemes | 724,760 | 745,588 |
| - Quoted securities | 18,032,927 | 23,289,328 |
| | <u>18,757,687</u> | <u>24,034,916</u> |
| Net (loss)/gain on financial assets at fair value through profit or loss: | | |
| - Realised gain on disposals | 15,786 | 2,128,243 |
| - Unrealised fair value (loss)/gain | (3,100,560) | 3,706,410 |
| | <u>(3,084,774)</u> | <u>5,834,653</u> |

| Name of counter | Quantity | Aggregate | Market | Percentage |
|--|--------------------------|-----------------------|-----------------------|--------------------|
| | Units | cost | value | of NAV |
| | | USD | USD | % |
| 2019 | | | | |
| COLLECTIVE INVESTMENT SCHEMES | | | | |
| CIMB-Principal Indo Domestic Equity Fund | 7,566,094 | 485,824 | 522,098 | 2.70 |
| CIMB-Principal Smart Equity Fund | 2,589,552 | 209,465 | 202,662 | 1.04 |
| TOTAL COLLECTIVE INVESTMENT SCHEMES | <u>10,155,646</u> | <u>695,289</u> | <u>724,760</u> | <u>3.74</u> |

ACCUMULATED UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS

29,471

TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS

724,760

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 | | | | |
| AUSTRALIA | | | | |
| Basic Materials | | | | |
| BHP Group Ltd | 15,143 | 286,291 | 413,211 | 2.13 |
| Consumer Products | | | | |
| Aristocrat Leisure Ltd | 12,148 | 276,859 | 211,086 | 1.09 |
| Seven Group Holdings Ltd | 44,752 | 650,669 | 558,389 | 2.88 |
| | 56,900 | 927,528 | 769,475 | 3.97 |
| Energy | | | | |
| Oil Search Ltd | 40,107 | 263,075 | 223,204 | 1.15 |
| Health Care | | | | |
| CSL Ltd | 3,518 | 436,158 | 486,193 | 2.51 |
| Industrials | | | | |
| Cleanaway Waste Management Ltd | 322,820 | 373,003 | 508,072 | 2.62 |
| Transurban Group Ltd | 37,216 | 313,267 | 348,270 | 1.80 |
| | 360,036 | 686,270 | 856,342 | 4.42 |
| TOTAL AUSTRALIA | 475,704 | 2,599,322 | 2,748,425 | 14.18 |
| CAYMAN ISLANDS | | | | |
| Consumer Products | | | | |
| Alibaba Group Holding Ltd | 3,999 | 612,211 | 729,618 | 3.77 |
| TOTAL CAYMAN ISLANDS | 3,999 | 612,211 | 729,618 | 3.77 |
| CHINA | | | | |
| Finance | | | | |
| Industrial and Commercial Bank of China Ltd - H ³ | 699,000 | 492,538 | 512,033 | 2.64 |
| Ping An Insurance Group Company of China Ltd - H ³ | 44,500 | 372,761 | 498,313 | 2.57 |
| | 743,500 | 865,299 | 1,010,346 | 5.21 |

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 (CONTINUED) | | | | |
| Industrials | | | | |
| Centre Testing International Co Ltd | 113,100 | 147,178 | 148,265 | 0.77 |
| Hangzhou Hikvision Digital Technology Co Ltd | 45,987 | 242,999 | 240,251 | 1.24 |
| | <u>159,087</u> | <u>390,177</u> | <u>388,516</u> | <u>2.01</u> |
| TOTAL CHINA | <u>902,587</u> | <u>1,255,476</u> | <u>1,398,862</u> | <u>7.22</u> |
| HONG KONG | | | | |
| Consumer Products | | | | |
| Galaxy Entertainment Group Ltd | 60,000 | 483,513 | 408,557 | 2.11 |
| Haier Electronics Group Co Ltd | 94,000 | 276,106 | 273,033 | 1.41 |
| Sands China Ltd | 48,800 | 232,042 | 245,256 | 1.27 |
| Shenzhou International Group Holdings Ltd | 17,000 | 207,682 | 227,834 | 1.18 |
| Techtronic Industries Co Ltd | 88,000 | 447,670 | 591,369 | 3.05 |
| | <u>307,800</u> | <u>1,647,013</u> | <u>1,746,049</u> | <u>9.02</u> |
| Finance | | | | |
| AIA Group Ltd | 66,800 | 390,952 | 665,057 | 3.43 |
| China Resources Land Ltd | 86,000 | 320,916 | 385,651 | 1.99 |
| Henderson Land Development Co Ltd | 46,000 | 267,667 | 292,423 | 1.51 |
| | <u>198,800</u> | <u>979,535</u> | <u>1,343,131</u> | <u>6.93</u> |
| Industrials | | | | |
| Sunny Optical Technology Group Co Ltd | 19,700 | 241,202 | 235,283 | 1.22 |
| REITs | | | | |
| Link REIT | 50,000 | 484,545 | 584,744 | 3.02 |
| Technology | | | | |
| Tencent Holdings Ltd | 14,200 | 489,282 | 653,054 | 3.37 |
| TOTAL HONG KONG | <u>590,500</u> | <u>3,841,577</u> | <u>4,562,261</u> | <u>23.56</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) | | | | |
| INDIA | | | | |
| Energy | | | | |
| Reliance Industries Ltd | 36,121 | 519,679 | 711,903 | 3.68 |
| Finance | | | | |
| Godrej Properties Ltd | 11,572 | 143,185 | 136,039 | 0.70 |
| IndusInd Bank Ltd | 9,012 | 224,908 | 231,914 | 1.20 |
| | 20,584 | 368,093 | 367,953 | 1.90 |
| TOTAL INDIA | 56,705 | 887,772 | 1,079,856 | 5.58 |
| INDONESIA | | | | |
| Consumer Products | | | | |
| Ace Hardware Indonesia Tbk PT | 814,600 | 60,327 | 101,794 | 0.53 |
| Gudang Garam Tbk PT | 52,600 | 283,039 | 307,232 | 1.59 |
| Mitra Adiperkasa Tbk PT | 610,900 | 27,185 | 41,601 | 0.21 |
| | 1,478,100 | 370,551 | 450,627 | 2.33 |
| Finance | | | | |
| Bank Rakyat Indonesia Tbk PT | 1,331,900 | 317,720 | 385,236 | 1.99 |
| Ciputra Development Tbk PT | 2,499,400 | 184,153 | 175,466 | 0.91 |
| | 3,831,300 | 501,873 | 560,702 | 2.90 |
| Industrials | | | | |
| Semen Indonesia Persero Tbk PT | 130,300 | 114,448 | 127,608 | 0.66 |
| Telecommunications | | | | |
| Telekomunikasi Tbk PT | 489,000 | 134,296 | 135,601 | 0.70 |
| TOTAL INDONESIA | 5,928,700 | 1,121,168 | 1,274,538 | 6.59 |
| PHILIPPINES | | | | |
| Finance | | | | |
| Bank Of Philippine Islands | 102,910 | 184,670 | 164,765 | 0.85 |

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) | | | | |
| PHILIPPINES (CONTINUED) | | | | |
| Industrials | | | | |
| Megawide Construction Corporation | 472,800 | 122,639 | 193,291 | 1.00 |
| TOTAL PHILIPPINES | 575,710 | 307,309 | 358,056 | 1.85 |
| SINGAPORE | | | | |
| Finance | | | | |
| Capitaland Ltd | 73,100 | 196,146 | 196,917 | 1.02 |
| DBS Group Holdings Ltd | 22,800 | 356,917 | 424,547 | 2.19 |
| | 95,900 | 553,063 | 621,464 | 3.21 |
| Industrials | | | | |
| Singapore Technologies Engineering Ltd | 156,900 | 390,512 | 433,080 | 2.24 |
| Venture Corporation Ltd | 29,100 | 257,781 | 385,291 | 1.99 |
| | 186,000 | 648,293 | 818,371 | 4.23 |
| REITs | | | | |
| CapitaLand Mall Trust | 164,700 | 249,258 | 289,297 | 1.49 |
| CDL Hospitality Trusts | 347,900 | 460,826 | 418,520 | 2.16 |
| Keppel DC REIT | 341,500 | 367,583 | 378,056 | 1.95 |
| | 854,100 | 1,077,667 | 1,085,873 | 5.60 |
| TOTAL SINGAPORE | 1,136,000 | 2,279,023 | 2,525,708 | 13.04 |
| SOUTH KOREA | | | | |
| Consumer Products | | | | |
| Samsung Electronics Co Ltd | 20,399 | 673,106 | 802,191 | 4.15 |
| TOTAL SOUTH KOREA | 20,399 | 673,106 | 802,191 | 4.15 |
| TAIWAN | | | | |
| Finance | | | | |
| CTBC Financial Holding Co Ltd | 471,000 | 297,596 | 312,490 | 1.61 |

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) | | | | |
| TAIWAN (CONTINUED) | | | | |
| Technology | | | | |
| Taiwan Semiconductor Manufacturing Co Ltd | 61,000 | 418,150 | 485,851 | 2.51 |
| TOTAL TAIWAN | 532,000 | 715,746 | 798,341 | 4.12 |
| THAILAND | | | | |
| Consumer Products | | | | |
| CP ALL PCL - NVDR ¹ | 135,000 | 282,339 | 318,195 | 1.64 |
| Finance | | | | |
| Bangkok Bank PCL | 42,000 | 267,134 | 274,137 | 1.42 |
| TOTAL THAILAND | 177,000 | 549,473 | 592,332 | 3.06 |
| UNITED STATES | | | | |
| Consumer Products | | | | |
| Autohome Inc | 2,045 | 169,118 | 214,970 | 1.11 |
| Huazhu Group Ltd | 8,405 | 245,883 | 354,187 | 1.83 |
| | 10,450 | 415,001 | 569,157 | 2.94 |
| Finance | | | | |
| HDFC Bank Ltd | 4,164 | 286,231 | 482,649 | 2.49 |
| ICICI Bank Ltd - ADR ² | 9,680 | 100,378 | 110,933 | 0.57 |
| | 13,844 | 386,609 | 593,582 | 3.06 |
| TOTAL UNITED STATES | 24,294 | 801,610 | 1,162,739 | 6.00 |

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) | | | | |
| TOTAL QUOTED SECURITIES | <u>10,423,598</u> | 15,643,793 | <u>18,032,927</u> | <u>93.12</u> |
| ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>2,389,134</u> | | |
| TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>18,032,927</u> | | |
| 2018 COLLECTIVE INVESTMENT SCHEMES | | | | |
| CIMB-Principal Indo Domestic Equity Fund | 7,566,094 | 485,844 | 537,971 | 2.17 |
| CIMB-Principal Smart Equity Fund | <u>2,589,552</u> | <u>209,460</u> | <u>207,617</u> | <u>0.84</u> |
| TOTAL COLLECTIVE INVESTMENT SCHEMES | <u>10,155,646</u> | 695,304 | <u>745,588</u> | <u>3.01</u> |
| ACCUMULATED UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>50,284</u> | | |
| TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>745,588</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 | | | | |
| AUSTRALIA | | | | |
| Basic Materials | | | | |
| BHP Billiton Ltd | 39,625 | 749,143 | 860,653 | 3.47 |
| BlueScope Steel Ltd | 41,626 | 366,728 | 483,626 | 1.95 |
| | <u>81,251</u> | <u>1,115,871</u> | <u>1,344,279</u> | <u>5.42</u> |
| Industrials | | | | |
| Boral Ltd | 89,068 | 416,406 | 510,212 | 2.06 |
| Cleanaway Waste Management Ltd | 223,016 | 252,909 | 248,119 | 1.00 |
| | <u>312,084</u> | <u>669,315</u> | <u>758,331</u> | <u>3.06</u> |
| TOTAL AUSTRALIA | <u>393,335</u> | <u>1,785,186</u> | <u>2,102,610</u> | <u>8.48</u> |
| CAYMAN ISLANDS | | | | |
| Consumer Products | | | | |
| Alibaba Group Holdings Ltd | 6,552 | 853,635 | 1,202,554 | 4.84 |
| TOTAL CAYMAN ISLANDS | <u>6,552</u> | <u>853,635</u> | <u>1,202,554</u> | <u>4.84</u> |
| CHINA | | | | |
| Consumer Products | | | | |
| Midea Group Co Ltd | 64,430 | 339,803 | 559,628 | 2.25 |
| Finance | | | | |
| China Vanke Co Ltd - H ³ | 91,000 | 255,706 | 415,112 | 1.67 |
| Industrial & Commercial Bank of China Ltd - H ³ | 1,166,000 | 795,421 | 999,896 | 4.03 |
| Ping An Insurance Group Co of China Ltd - H ³ | 66,500 | 448,593 | 676,185 | 2.72 |
| | <u>1,323,500</u> | <u>1,499,720</u> | <u>2,091,193</u> | <u>8.42</u> |
| Industrials | | | | |
| Anhui Conch Cement Co Ltd - H ³ | 84,000 | 329,467 | 457,569 | 1.84 |
| Beijing Oriental Yuhong Waterproof Technology Co Ltd | 59,995 | 380,472 | 392,383 | 1.58 |
| Hangzhou Hikvision Digital Technology Co Ltd | 111,982 | 515,575 | 736,672 | 2.97 |
| | <u>255,977</u> | <u>1,225,514</u> | <u>1,586,624</u> | <u>6.39</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 (CONTINUED) | | | | |
| TOTAL CHINA | 1,643,907 | 3,065,037 | 4,237,445 | 17.06 |
| HONG KONG | | | | |
| Consumer Products | | | | |
| Brilliance China Automotive Holdings Ltd | 56,000 | 107,481 | 116,881 | 0.47 |
| China Mengniu Dairy Co Ltd | 160,000 | 443,728 | 548,420 | 2.21 |
| Galaxy Entertainment Group Ltd | 84,000 | 672,826 | 762,615 | 3.07 |
| Techtronic Industries Co Ltd | 65,000 | 304,867 | 378,918 | 1.53 |
| Xinyi Glass Holdings Co Ltd | 170,000 | 241,490 | 256,040 | 1.03 |
| | <u>535,000</u> | <u>1,770,392</u> | <u>2,062,874</u> | <u>8.31</u> |
| Finance | | | | |
| AIA Group Ltd | 73,800 | 431,920 | 624,404 | 2.52 |
| HSBC Holdings Ltd | 22,400 | 243,500 | 211,213 | 0.85 |
| | <u>96,200</u> | <u>675,420</u> | <u>835,617</u> | <u>3.37</u> |
| Industrials | | | | |
| AAC Technologies Holdings Inc. | 18,500 | 353,330 | 333,792 | 1.34 |
| Sunny Optical Technology Group Co Ltd | 18,000 | 360,882 | 332,340 | 1.34 |
| | <u>36,500</u> | <u>714,212</u> | <u>666,132</u> | <u>2.68</u> |
| Technology | | | | |
| Tencent Holdings Ltd | 24,500 | 679,497 | 1,278,695 | 5.15 |
| TOTAL HONG KONG | 692,200 | 3,839,521 | 4,843,318 | 19.51 |
| INDIA | | | | |
| Energy | | | | |
| Reliance Industries Ltd | 26,990 | 362,739 | 365,812 | 1.47 |
| Finance | | | | |
| IndusInd Bank Ltd | 11,331 | 292,279 | 312,607 | 1.26 |
| TOTAL INDIA | 38,321 | 655,018 | 678,419 | 2.73 |

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) | | | | |
| INDONESIA | | | | |
| Consumer Products | | | | |
| Ace Hardware Indonesia Tbk PT | 1,013,900 | 75,092 | 98,222 | 0.40 |
| Mitra Adiperkasa Tbk PT | 269,900 | 120,107 | 152,848 | 0.62 |
| | <u>1,283,800</u> | <u>195,199</u> | <u>251,070</u> | <u>1.02</u> |
| Finance | | | | |
| Bank Mandiri Persero Tbk PT | 406,000 | 249,395 | 226,968 | 0.91 |
| TOTAL INDONESIA | <u>1,689,800</u> | <u>444,594</u> | <u>478,038</u> | <u>1.93</u> |
| MALAYSIA | | | | |
| Finance | | | | |
| CIMB Group Holdings Bhd | 263,346 | 389,182 | 490,279 | 1.97 |
| Industrials | | | | |
| Malaysia Airports Holdings Bhd | 215,800 | 345,368 | 494,518 | 1.99 |
| Sime Darby Bhd | 348,200 | 228,515 | 238,024 | 0.96 |
| V.S. Industry Bhd | 374,800 | 174,388 | 230,004 | 0.93 |
| | <u>938,800</u> | <u>748,271</u> | <u>962,546</u> | <u>3.88</u> |
| Trading/Services | | | | |
| Bermaz Auto Bhd | 514,100 | 259,070 | 287,534 | 1.16 |
| TOTAL MALAYSIA | <u>1,716,246</u> | <u>1,396,523</u> | <u>1,740,359</u> | <u>7.01</u> |
| PHILIPPINES | | | | |
| Basic Materials | | | | |
| D&L Industries Inc | 837,900 | 184,978 | 185,596 | 0.75 |
| Industrials | | | | |
| Megawide Construction Corporation | 472,800 | 122,640 | 185,264 | 0.75 |
| TOTAL PHILIPPINES | <u>1,310,700</u> | <u>307,618</u> | <u>370,860</u> | <u>1.50</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 | | | | |
| Energy | | | | |
| Keppel Corp Ltd | 43,300 | 243,814 | 256,887 | 1.04 |
| Finance | | | | |
| City Developments Ltd | 58,200 | 461,891 | 577,697 | 2.33 |
| DBS Group Holdings Ltd | 49,600 | 776,451 | 1,041,472 | 4.19 |
| Venture Corp Ltd | 58,700 | 519,992 | 1,259,888 | 5.07 |
| | 166,500 | 1,758,334 | 2,879,057 | 11.59 |
| TOTAL SINGAPORE | 209,800 | 2,002,148 | 3,135,944 | 12.63 |
| SOUTH KOREA | | | | |
| Basic Materials | | | | |
| Lotte Chemical Corp | 583 | 252,420 | 237,287 | 0.96 |
| Consumer Products | | | | |
| Samsung Electronics Co Ltd | 388 | 597,685 | 897,556 | 3.61 |
| TOTAL SOUTH KOREA | 971 | 850,105 | 1,134,843 | 4.57 |
| TAIWAN | | | | |
| Finance | | | | |
| CTBC Financial Holding Co Ltd | 471,000 | 297,601 | 342,836 | 1.38 |
| CTBC Financial Holding Co Ltd - Preference Share | 4,177 | 8,338 | 8,748 | 0.04 |
| | 475,177 | 305,939 | 351,584 | 1.42 |
| Industrials | | | | |
| AirTac International Group | 15,000 | 203,421 | 258,539 | 1.04 |
| Hon Hai Precision Industry Co Ltd | 79,000 | 253,312 | 247,916 | 1.00 |
| Silergy Corp | 10,000 | 151,265 | 223,174 | 0.90 |
| | 104,000 | 607,998 | 729,629 | 2.94 |

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) | | | | |
| TAIWAN (CONTINUED) | | | | |
| Technology | | | | |
| Taiwan Semiconductor Manufacturing Co Ltd | 103,000 | 677,012 | 875,273 | 3.52 |
| TOTAL TAIWAN | 682,177 | 1,590,949 | 1,956,486 | 7.88 |
| THAILAND | | | | |
| Consumer Products | | | | |
| CP All PCL - NVDR ¹ | 189,500 | 385,465 | 534,529 | 2.15 |
| Erawan Group PCL - NVDR ¹ | 1,298,500 | 203,041 | 332,975 | 1.35 |
| | 1,488,000 | 588,506 | 867,504 | 3.50 |
| Finance | | | | |
| TMB Bank PLC - NVDR ¹ | 2,365,000 | 217,546 | 194,067 | 0.78 |
| TOTAL THAILAND | 3,853,000 | 806,052 | 1,061,571 | 4.28 |
| UNITED STATES | | | | |
| Finance | | | | |
| HDFC Bank Ltd | 3,512 | 224,061 | 346,881 | 1.40 |
| TOTAL UNITED STATES | 3,512 | 224,061 | 346,881 | 1.40 |
| TOTAL QUOTED SECURITIES | 12,240,521 | 17,820,447 | 23,289,328 | 93.82 |
| ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | 5,468,881 | | |
| TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | 23,289,328 | | |

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

¹ 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.

² 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.

³ H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong exchange.

9. CASH AND CASH EQUIVALENTS

| | 2019 | 2018 |
|---------------|----------------|----------------|
| | USD | USD |
| Bank balances | <u>751,467</u> | <u>742,382</u> |

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

| | 2019 | 2018 |
|----------------|--------------------------|--------------------------|
| | No. of units | No. of units |
| Class SGD (i) | 10,757,480 | 12,192,106 |
| Class USD (ii) | <u>6,477,948</u> | <u>7,335,858</u> |
| | <u><u>17,235,428</u></u> | <u><u>19,527,964</u></u> |

(i) Class SGD

| | 2019 | 2018 |
|--|--------------------------|--------------------------|
| | No. of units | No. of units |
| At the beginning of the financial year | 12,192,106 | 10,593,791 |
| Add: Creation of units from applications | 623,213 | 2,954,035 |
| Less: Cancellation of units | <u>(2,057,839)</u> | <u>(1,355,720)</u> |
| At the end of the financial year | <u><u>10,757,480</u></u> | <u><u>12,192,106</u></u> |

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

(ii) Class USD

| | <u>2019</u> | <u>2018</u> |
|--|-------------------------|-------------------------|
| | No. of units | No. of units |
| At the beginning of the financial year | 7,335,858 | 5,656,289 |
| Add: Creation of units from applications | 84,942 | 2,126,042 |
| Less: Cancellation of units | <u>(942,852)</u> | <u>(446,473)</u> |
| At the end of the financial year | <u><u>6,477,948</u></u> | <u><u>7,335,858</u></u> |

11. MANAGEMENT EXPENSE RATIO (“MER”)

| | 2019 | 2018 |
|-----|-------------|-------------|
| | % | % |
| MER | <u>1.65</u> | <u>1.68</u> |

MER is derived from the following calculation:

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

| | | |
|---|---|--|
| A | = | Management fee (including management fee rebate) |
| B | = | Trustee’s and custodian fees |
| C | = | Audit fee |
| D | = | Tax agent’s fee |
| E | = | Other expenses excluding Goods & Services Tax (“GST”) on transaction costs |
| F | = | Average NAV of the Fund calculated on a daily basis |

The average NAV of the Fund for the financial year ended 31 March 2019 calculated on a daily basis is USD21,048,393 (31.03.2018: USD19,918,730).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

| | 2019 | 2018 |
|-------------|-------------|-------------|
| PTR (times) | <u>0.88</u> | <u>0.81</u> |

PTR is derived based on the following calculation:

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

where:

| | | |
|--|---|-------------------------------------|
| Total acquisition for the financial year | = | USD17,360,499 (2018: USD17,988,326) |
| Total disposal for the financial year | = | USD19,552,953 (2018: USD14,380,841) |

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 |
| 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 Manager |
| CIMB Securities (S) Pte. Ltd. | 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> | <u>USD</u> |
| Manager | | |
| Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i> | | |
| - Class SGD | 5 | 5 |
| - Class USD | 43 | 59 |
| | <u>43</u> | <u>66</u> |

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

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

There were no significant related party transactions and balances during each of the financial year.

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 USD | Percentage of total trades % | Brokerage fees USD | Percentage of total brokerage fees % |
|--|------------------------|---------------------------------------|--------------------------|--|
| J.P. Morgan Securities LLC | 4,370,511 | 11.84 | 1,311 | 1.75 |
| Credit Suisse (Hong Kong) Ltd | 3,943,218 | 10.68 | 8,727 | 11.63 |
| Citigroup Global Markets Ltd | 3,904,537 | 10.58 | 7,475 | 9.96 |
| Sanford C. Bernstein & Co., LLC | 3,727,612 | 10.10 | 8,306 | 11.07 |
| CLSA Ltd | 3,333,933 | 9.03 | 8,265 | 11.01 |
| DBS Vickers Securities (Singapore) Pte Ltd | 2,419,279 | 6.55 | 5,432 | 7.24 |
| Instinet Pacific Ltd | 1,620,862 | 4.39 | 4,213 | 5.61 |
| Morgan Stanley Ltd | 1,548,210 | 4.19 | 3,871 | 5.16 |
| China International Capital Corp Ltd | 1,527,581 | 4.14 | 4,100 | 5.46 |
| Shenwan Hongyuan Singapore Pte Ltd | 1,513,237 | 4.10 | 2,270 | 3.02 |
| Others # | 9,002,313 | 24.40 | 21,091 | 28.09 |
| | <u>36,911,293</u> | <u>100.00</u> | <u>75,061</u> | <u>100.00</u> |

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 % |
|--|------------------------|---------------------------------------|--------------------------|--|
| Instinet Singapore Services Pte Ltd | 3,564,523 | 11.01 | 8,366 | 11.22 |
| Citigroup Global Markets Ltd | 3,375,120 | 10.43 | 5,448 | 7.31 |
| Sanford C. Bernstein & Co., LLC | 3,225,126 | 9.96 | 8,323 | 11.16 |
| Credit Suisse (Hong Kong) Ltd | 3,157,664 | 9.76 | 8,285 | 11.11 |
| CLSA Hong Kong Ltd | 2,912,469 | 9.00 | 8,425 | 11.30 |
| Macquarie Securities Singapore Pte Ltd | 2,612,852 | 8.07 | 7,353 | 9.86 |
| DBS Vickers Securities (Singapore) Pte Ltd | 2,428,462 | 7.50 | 5,158 | 6.92 |
| J.P. Morgan Securities Singapore Pte Ltd | 2,336,384 | 7.22 | 5,066 | 6.79 |
| China International Capital Corp Ltd | 1,458,277 | 4.51 | 3,170 | 4.25 |
| Morgan Stanley Ltd | 901,085 | 2.78 | 2,253 | 3.02 |
| Others # | 6,397,204 | 19.76 | 12,716 | 17.06 |
| | <u>32,369,166</u> | <u>100.00</u> | <u>74,563</u> | <u>100.00</u> |

14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Included in the transactions are trades conducted with CIMB Securities (S) Pte. Ltd. and CIMB Investment Bank Bhd, fellow related parties to the Manager amounting to USD974,123 (2018: USD601,020) and USD298,702 (2018: USD474,229) 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 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 dividend income earned from investments and gains on the appreciation in the value of investments, which are derived from collective investment schemes and quoted securities of companies domiciled in, listed in and/or have significant operations in countries in the 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 the following changes in accounting policies as disclosed in Note 2(b) and adjustments to the financial position 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 | | Carrying amount | | | |
|--|------------------------|-----------------|------------------------|-----------------------|---------------------|-----------------|
| | Original (MFRS 139) | New (MFRS 9) | Original (MFRS 139) | Reclassif -cations | Remeasu- rements | New (MFRS 9) |
| | | | RM | RM | RM | RM |
| Assets | | | | | | |
| Cash and cash equivalents | Loans and receivables | Amortised cost | 742,382 | - | - | 742,382 |
| Quoted securities | FVTPL | FVTPL | 23,289,328 | - | - | 23,289,328 |
| Collective investment schemes | FVTPL | FVTPL | 745,588 | - | - | 745,588 |
| Amount due from stockbrokers | Loans and receivables | Amortised cost | 112,804 | - | - | 112,804 |
| Amount due from Manager | Loans and receivables | Amortised cost | 9,895 | - | - | 9,895 |
| Amount due from Manager of collective investment schemes | Loans and receivables | Amortised cost | 16,225 | - | - | 16,225 |
| Dividends receivable | Loans and receivables | Amortised cost | 35,656 | - | - | 35,656 |
| Other receivable | Loans and receivables | Amortised cost | 3,019 | - | - | 3,019 |
| Liabilities | | | | | | |
| Amount due to stockbrokers | Amortised cost | Amortised cost | 91,179 | - | - | 91,179 |
| Accrued management fee | Amortised cost | Amortised cost | 30,930 | - | - | 30,930 |
| Amount due to Trustee | Amortised cost | Amortised cost | 1,070 | - | - | 1,070 |
| Other payables and accruals | Amortised cost | Amortised cost | 8,326 | - | - | 8,326 |

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

Principal Asset Management Berhad (Company No.: 304078-K)
(formerly known as CIMB-Principal Asset Management Berhad)
10th Floor, Bangunan CIMB,
Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur,
MALAYSIA.
Tel: (03) 2084 8888

Website

www.principal.com.my

E-mail address

service@principal.com.my

General investment enquiries

(03) 7718 3100

Trustee for the CIMB-Principal Dynamic Growth Fund

HSBC (Malaysia) Trustee Berhad (Company No.: 001281-T)
13th Floor, Bangunan HSBC, South Tower,
No. 2, Leboh Ampang,
50100 Kuala Lumpur,
MALAYSIA.
Tel: (03) 2075 7800
Fax: (03) 2179 6511

Auditors of the Fund and of the Manager

PricewaterhouseCoopers (Company No. AF: 1146)
Level 10, 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral,
PO Box 10192, 50706 Kuala Lumpur, MALAYSIA.
Tel: (03) 2173 1188
Fax: (03) 2173 1288

Principal Asset Management Berhad (304078-K)
(formerly known as CIMB-Principal Asset Management Berhad)

Enquiries:

Customer Care Centre
(603)7718 3000

Email
service@principal.com.my

Website
www.principal.com.my