

CIMB-Principal Equity Aggressive Fund 1

Unaudited Interim Report

For The Financial Year Ended 31 October 2019

CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 1

UNAUDITED INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2019

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INVESTORS' LETTER

Dear Valued Investors,

Thank you for your continued support and for the confidence that you have placed in us.

Don't miss out on the Private Retirement Schemes ("PRS") Tax Relief for 2019. As you are well aware, you can enjoy personal tax relief for the first RM3,000 per year until 2021, on top of the RM6,000 per year tax relief for the mandatory retirement savings contribution and life insurance premiums. This could be as much as RM840 per year¹ (depending on your tax bracket).

The tax incentive that is available for a period of 10 years, ending year 2021 was specially introduced to encourage you to save more for your retirement.

Why retirement savings is crucial?

1. Longer lifespan

The average Malaysian is expected to live beyond 75 years. The longer you live, the greater the risk of outliving your retirement income.

2. Inflation Challenge

Over the course of time, the impact of inflation can be significant, and it may reduce your purchasing power. Rising costs of living and healthcare are important factors to consider.

3. Inadequacy of Saving

59% of EPF active members in 2016 do not achieve basic savings requirement for retirement. You want to be able to sustain your current lifestyle.

As of October 2019, our Assets under Management ("AUM") stood at RM57.53 billion.

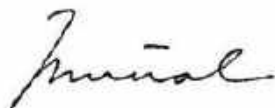
Thank you for your continuous support and allowing us to help you achieve your financial goals and live your best life.

Thank you.

Yours faithfully,

for **Principal Asset Management Berhad**

(formerly known as CIMB-Principal Asset Management Berhad)



Munirah Khairuddin
Chief Executive Officer

¹ www.ppa.my

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide investors with long-term capital growth by investing principally in equities. The Fund also seeks to outperform the Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") Kuala Lumpur Composite Index ("FBMKLCI") benchmark.

Has the Fund achieved its objective?

For the financial period under review, the Fund has achieved its objective of providing long-term capital growth.

What are the Fund investment policy and principal investment strategy?

The Fund will invest between 70% to 98% (both inclusive) of its Net Asset Value ("NAV") in equities and up to a maximum of 30% of its NAV may be invested in warrants and options. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential. The Fund may opt to seek investment exposure via Collective Investment Schemes that is in line with the Fund's objective, subject to the requirement of the Securities Commission ("SC") Guidelines. Liquid assets may also be strategically used if the Manager perceives that the downside risk of the market is high in the short-term.

Fund category/type

Equity/Growth

How long should you invest for?

Recommended five (5) years or more

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

High

When was the Fund launched?

18 August 2004

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

RM59.56 million (92.23 million units)

What is the Fund's benchmark?

FBMKLCI

What is the Fund distribution policy?

The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.

What was the net income distribution for the six months financial period ended 31 October 2019?

The Fund distributed a total net income of RM2.69 million to unit holders for the six months financial period ended 31 October 2019. As a result of distribution, the NAV per unit dropped from RM0.6937 to RM0.6642 on 11 July 2019.

PERFORMANCE DATA

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

	31.10.2019	31.10.2018	31.10.2017
	%	%	%
Quoted securities			
- Construction	0.73	4.33	11.10
- Consumer Products	-	-	1.72
- Consumer Products & Services	15.68	15.45	-
- Energy	12.83	7.26	-
- Finance	-	-	17.06
- Financial Services	25.79	16.87	-
- Health care	1.45	4.34	-
- Industrial Products	-	-	12.78
- Industrial Products & Services	3.96	10.22	-
- Infrastructure Project Companies ("IPC")	-	-	2.28
- Plantation	7.65	0.64	3.13
- Property	-	1.06	-
- Properties	-	-	3.54
- Real Estate Investment Trusts ("REITs")	2.41	-	-
- Technology	8.98	14.92	6.46
- Telecommunications & Media	8.13	1.98	-
- Trading/Services	-	-	40.51
- Transportation & Logistics	3.07	3.37	-
- Utilities	5.48	6.30	-
Cash and other net assets	3.84	13.26	1.42
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: Effective 24 September 2018, Bursa Malaysia has changed its sectoral index and classification.

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

	31.10.2019	31.10.2018	31.10.2017
NAV (RM Million)	59.56	66.24	79.32
Units in circulation (Million)	92.23	98.38	100.85
NAV per unit (RM)	0.6458	0.6751	0.7864
	01.05.2019	01.05.2018	01.05.2017
	to 31.10.2019	to 31.10.2018	to 31.10.2017
Highest NAV per unit (RM)	0.6936	0.7683	0.8295
Lowest NAV per unit (RM)	0.6217	0.6597	0.7490
Total return (%)	0.79	(4.63)	4.39
- Capital growth (%)	(3.49)	(12.11)	(3.35)
- Income distribution (%)	4.44	8.53	8.01
Management Expense Ratio ("MER") (%) ^	0.81	0.82	0.87
Portfolio Turnover Ratio ("PTR") (times) #	0.56	0.64	0.87

^ The Fund's MER slightly decreased to 0.81% from 0.82% due to decrease in expenses during the financial period under review.

The Fund's PTR decreased from 0.64 times to 0.56 times as there was less trading activity during the financial period under review.

PERFORMANCE DATA (CONTINUED)

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

	01.05.2019 to 31.10.2019	01.05.2018 to 31.10.2018	01.05.2017 to 31.10.2017		
Date of distribution	11.07.2019	18.07.2018	18.07.2017		
Gross/Net distribution per unit (sen)	2.95	6.00	6.00		
	31.10.2019	31.10.2018	31.10.2017	31.10.2016	31.10.2015
	%	%	%	%	%
Annual total return	(0.09)	(6.84)	13.84	4.62	(6.02)

(Launch date: 18 August 2004)

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

MARKET REVIEW (1 MAY 2019 TO 31 OCTOBER 2019)

For the financial period under review, the FBMKLCI decreased by 2.70% from 1,642.29 points to 1,597.98 points.

After a relatively calm month in April 2019, FBMKLCI commenced the financial year with a plunge along with regional markets after a statement by US President Donald Trump that there would not be a deal after all for US-China trade negotiation. The fall-out has resulted in global manufacturing purchasing managers' index ("PMI") falling into contraction for the first time since 2012. In addition to external factors, Ringgit Malaysia ("RM") faced additional selling pressure as Malaysia may be dropped from the FTSE World Government Bond Index during September 2019 review.

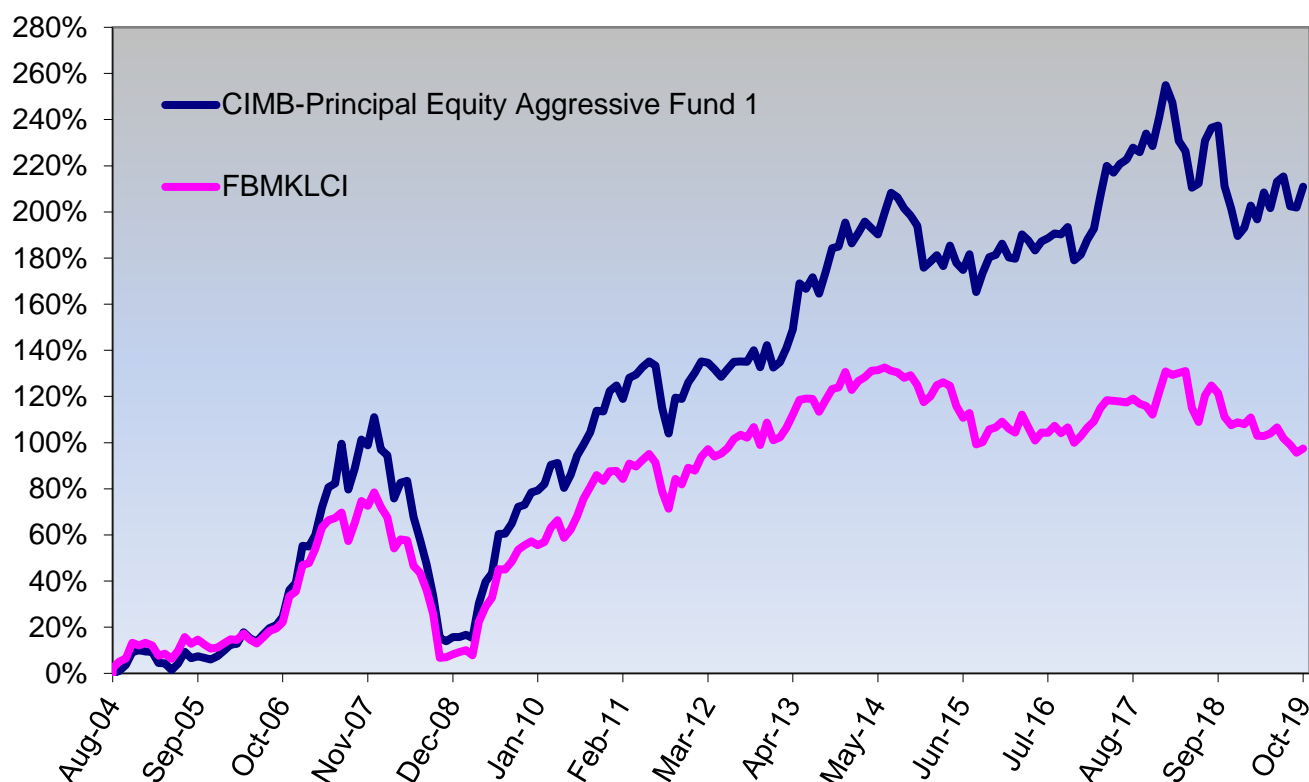
Subsequently, Malaysian equities benefitted from relief rally in June 2019 stemming from expectation of US Federal Reserve (the "Fed") rate cuts and de-escalation of US-China trade war. Domestic factors which also helped to boost the market include dissipating concern over regulatory risk particularly for airport operator Malaysia Airport Holdings Bhd ("MAHB") following the release of the latest consultation paper on the implementation of Regulatory Asset Base ("RAB") framework. We also observed improving investors' risk appetite for small and mid-cap stocks judging by FBM Small Cap Index's gain of 3.6% in June 2019.

However, the rally did not last whereby FBMKLCI shed by 4.22% in July 2019 and August 2019 combined and stayed range bound for the month of September 2019. Subsequently, FBMKLCI suffered a mini-dip due to the breakdown of merger talks in between Axiata Group Bhd and Telenor ASA before staging a rebound. Risk appetite returned on the back of easing US-China trade war concern, and the Fed further monetary easing.

FUND PERFORMANCE

	6 months to 31.10.2019	1 year to 31.10.2019	3 years to 31.10.2019	5 years to 31.10.2019	Since inception to 31.10.2019
	%	%	%	%	%
Income	4.44	4.44	22.43	42.52	123.55
Capital	(3.49)	(4.34)	(13.43)	(26.88)	37.66
Total Return	0.79	(0.09)	5.96	4.19	210.86
Benchmark	(2.70)	(6.51)	(4.45)	(13.86)	97.39
Average Total Return	N/A	(0.09)	1.95	0.82	7.74

For the financial period under review, the Fund gained by 0.79%, which outperforming the benchmark by 3.49%.



Changes in NAV

	31.10.2019	30.04.2019 Audited	Changes %
NAV (RM Million)	59.56	61.63	(3.36)
NAV/Unit (RM)	0.6458	0.6686	(3.41)

During the financial period under review, the NAV per unit decreased by 3.41% due to negative investment 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 period have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.10.2019	30.04.2019 Audited
Quoted securities	96.16	96.58
Cash and other net assets	3.84	3.42
TOTAL	100.00	100.00

Asset allocation was maintained at 96.16% level to capitalise on market opportunities during the financial period under review.

MARKET OUTLOOK*

Risk appetite returned on the back of easing US-China trade war concern, and the Fed further monetary easing. We view Budget 2020 positively as the Government focuses on reinventing Malaysia in the digital space over the medium term by attracting foreign and domestic investments. Various tax incentives have been proposed to attract these investments which are expected to create high-paying jobs, especially those in the manufacturing and technology sectors. In view of the need to spur the domestic economy amid external challenges, the Federal Government has also lowered its fiscal deficit target to 3.2% versus 3.0% earlier. This raises the prospect for resumption of infrastructure spending by the Government with the resumption of mega projects under review such as East Coast Rail Link (“ECRL”) and Pan Borneo Highway. Another positive is the absence of another special dividend from Petroliam Nasional Bhd (“Petronas”) which is a boost to its capital expenditure (“CapEx”) plan in 2020, a clear re-rating catalyst for the domestic oil & gas service providers. Based on our latest estimates, KLCI earnings growth will rebound by 3.7% in 2020 versus a 6.7% contraction in 2019. Despite an unexciting growth prospect, we believe much of the earnings downside risk has been factored in. In fact, we believe there may even be potential earnings upside risk from the financial and plantation sectors.

*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

While we are maintaining a “NEUTRAL” stance on Malaysia, we are turning constructively more positive going into 2020. In view of that, we will be taking a tactical 5% more exposure into high growth mid-small caps companies going into first quarter of 2020, whilst at the same time maintaining the core long term strategy in investing into high dividend yields particularly in REITs, banks, consumer and utilities. We also like to accumulate selective growth stocks on weakness within the construction, oil and gas, and technology sectors. We will remain cautious on highly regulated sectors such as aviation and pharmaceutical but are more positive of the utilities (i.e. energy and water) sector given the clearly articulated reform agenda which are generally beneficial to the incumbents.

UNIT HOLDINGS STATISTICS

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

Size of unit holdings(units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	19,440	1.85	2.01
5,001-10,000	496	3.68	3.99
10,001-50,000	1,377	33.09	35.87
50,001-500,000	467	46.12	50.00
500,001 and above	6	7.49	8.13
Total	21,786	92.23	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 period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 1**

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 unaudited financial statements set out on pages 10 to 34 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 October 2019 and of its financial performance, changes in equity and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the Manager

Principal Asset Management Berhad (Company No.: 304078-K)

(formerly known as CIMB-Principal Asset Management Berhad)

MUNIRAH KHAIRUDDIN

Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA

Director

Kuala Lumpur

12 December 2019

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 1**

We, AMANAHRAYA TRUSTEES BERHAD, HAVE ACTED AS TRUSTEE OF CIMB-Principal Equity Aggressive Fund 1 for the six months financial period ended 31 October 2019. In our opinion, PRINCIPAL ASSET MANAGEMENT BERHAD (*formerly known as CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD*), THE MANAGER, HAS OPERATED AND MANAGED CIMB-Principal Equity Aggressive Fund 1 in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds for the six months financial period ended 31 October 2019.

We are of the opinion that:

- a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirements;
- b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement; and
- c) The distribution of income made by CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 1 as declared by the Manager is appropriate and reflects the investment objective of CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 1.

Yours faithfully,

AMANAHRAYA TRUSTEES BERHAD

HABSAH BINTI BAKAR

Chief Executive Officer

Kuala Lumpur, Malaysia

12 December 2019

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2019**

	Note	01.05.2019 to 31.10.2019 RM	01.05.2018 to 31.10.2018 RM
INCOME/(LOSS)			
Dividend income		952,931	1,115,863
Interest income from deposits with licensed financial institutions		56,953	94,210
Net gain/(loss) on financial assets at fair value through profit or loss	8	129,615	(3,510,589)
		<u>1,139,499</u>	<u>(2,300,516)</u>
EXPENSES			
Management fee	4	452,751	525,646
Trustee's fee	5	18,110	21,026
Transaction costs		186,386	281,675
Audit fee		8,550	8,100
Tax agent's fee		2,000	(3,000)
Other expenses		8,368	15,515
		<u>676,165</u>	<u>848,962</u>
PROFIT/(LOSS) BEFORE TAXATION		463,334	(3,149,478)
Taxation	6	-	-
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD		<u>463,334</u>	<u>(3,149,478)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		2,226,267	(310,379)
Unrealised amount		<u>(1,762,933)</u>	<u>(2,839,099)</u>
		<u>463,334</u>	<u>(3,149,478)</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019**

		31.10.2019	30.04.2019
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	2,690,363	2,365,269
Financial assets at fair value through profit or loss	8	57,274,313	59,576,998
Amount due from stockbrokers		1,091,406	-
Amount due from Manager		24,147	106,231
Dividends receivable		6,795	31,610
TOTAL ASSETS		<u>61,087,024</u>	<u>62,080,108</u>
LIABILITIES			
Amount due to stockbrokers		1,360,623	254,322
Amount due to Manager		70,504	47,539
Accrued management fee		74,682	75,111
Amount due to Trustee		2,987	3,005
Other payables and accruals		14,350	14,735
TOTAL LIABILITIES		<u>1,523,146</u>	<u>394,712</u>
NET ASSET VALUE OF THE FUND		<u>59,563,878</u>	<u>61,685,396</u>
EQUITY			
Unit holders' capital		5,204,954	5,097,785
Retained earnings		54,358,924	56,587,611
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>59,563,878</u>	<u>61,685,396</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	10	<u>92,226,222</u>	<u>92,169,667</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6458</u>	<u>0.6692</u>

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2019**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 May 2019		5,097,785	56,587,611	61,685,396
Movements in unit holders' contributions:				
- Creation of units from applications		2,177,207	-	2,177,207
- Creation of units from distribution		2,645,536	-	2,645,536
- Cancellation of units		(4,715,574)	-	(4,715,574)
Total comprehensive income for the financial period		-	463,334	463,334
Distribution	7	-	(2,692,021)	(2,692,021)
Balance as at 31 October 2019		<u>5,204,954</u>	<u>54,358,924</u>	<u>59,563,878</u>
Balance as at 1 May 2018		4,329,120	66,011,670	70,340,790
Movements in unit holders' contributions:				
- Creation of units from applications		5,731,009	-	5,731,009
- Creation of units from distribution		5,382,437	-	5,382,437
- Cancellation of units		(6,407,069)	-	(6,407,069)
Total comprehensive income for the financial period		-	(3,149,478)	(3,149,478)
Distribution	7	-	(5,473,500)	(5,473,500)
Balance as at 31 October 2018		<u>9,035,497</u>	<u>57,388,692</u>	<u>66,424,189</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2019**

	01.05.2019 to 31.10.2019	01.05.2018 to 31.10.2018
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	33,421,819	43,965,087
Purchase of quoted securities	(31,161,010)	(43,410,970)
Interest income received from deposits with licensed financial institutions	56,953	94,210
Dividend income received	976,075	1,120,093
Management fee paid	(453,180)	(525,701)
Trustee's fee paid	(18,128)	(21,028)
Payments for other fees and expenses	(17,632)	(38,374)
Net cash generated from operating activities	<u>2,804,897</u>	<u>1,183,317</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	2,259,291	5,761,380
Payments for cancellation of units	(4,692,609)	(6,490,120)
Distribution paid	(46,485)	(91,063)
Net cash used in financing activities	<u>(2,479,803)</u>	<u>(819,803)</u>
Net increase in cash and cash equivalents	325,094	363,514
Cash and cash equivalents at the beginning of the financial period	<u>2,365,269</u>	<u>8,990,989</u>
Cash and cash equivalents at the end of the financial period	<u>2,690,363</u>	<u>9,354,503</u>
<u>Cash and cash equivalents comprised of</u>		
Deposits with licensed financial institutions	38,130	133,696
Bank balances	<u>2,652,233</u>	<u>9,220,807</u>
Cash and cash equivalents at the end of the financial period	<u>2,690,363</u>	<u>9,354,503</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2019****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

CIMB-Principal Equity Aggressive Fund 1 (the "Fund") was constituted pursuant to a Deed dated 12 August 2004, a First Supplemental Master Deed dated 25 June 2008, a Second Supplemental Master Deed dated 25 June 2008, a Third Supplemental Master Deed dated 14 July 2008, a Thirteenth Supplemental Master Deed dated 26 June 2012 and an Eighteenth Supplemental Master Deed dated 25 March 2015 (collectively referred to as the "Deeds"), made between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager") and AmanahRaya Trustees Berhad (the "Trustee").

The Fund will invest between 70% to 98% (both inclusive) of its NAV in equities and up to a maximum of 30% of its NAV may be invested in warrants and options. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential. The Fund may also seek investment exposure via Collective Investment Scheme that is in line with the Fund's objective, subject to the requirement of the SC Guidelines. Liquid assets may also be strategically used if the Manager perceives that the downside risk of the market is high in the short-term.

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

The Manager, is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia's leading universal banking groups. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Standard that is effective and relevant:

The Fund has applied the following amendments for the first time for the financial period beginning 1 May 2019:

(i) Financial period beginning on/after 1 May 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 ("OCI") 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.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 May 2019 that have a material effect on the financial statements of the Fund.

(b) Financial assets and financial liabilities

Classification

The Fund classifies its financial assets in the following measurement categories:

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

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

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager and dividends receivable 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 other financial liabilities.

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

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

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

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

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

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

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

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

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.

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

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

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

The Fund measures credit risk and expected credit loss (“ECL”) using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any ECL. Management 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 management 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 period.

(c) Income recognition

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

Interest income from deposits with licensed financial institutions is recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

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

(d) Functional and presentation currency

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Cash and cash equivalents**

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

(f) Taxation

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

Withholding taxes on investment income from investments are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

(g) Transaction costs

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

(h) Amount due from/to stockbrokers

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

These amounts are 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 ECL 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 ECL. 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) Distribution

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Unit holders' capital**

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

(k) Critical accounting estimates and judgements in applying accounting policies

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

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

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

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide investors with long-term capital growth by investing principally in equities. The Fund also seeks to outperform the FBMKLCI benchmark.

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

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

(a) Market risk**(i) Price risk**

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

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

(ii) Interest rate risk

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

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(b) Credit risk**

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

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

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

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

(c) Liquidity risk

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

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

(d) Capital risk management

The capital of the fund is represented by equity consisting of unit holders' capital and retained earnings. 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.10.2019				
Financial assets at fair value through profit or loss				
- Quoted securities	<u>57,274,313</u>	<u>-</u>	<u>-</u>	<u>57,274,313</u>
30.04.2019				
Audited				
Financial assets at fair value through profit or loss				
- Quoted securities	<u>59,576,998</u>	<u>-</u>	<u>-</u>	<u>59,576,998</u>

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

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

4. MANAGEMENT FEE

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

For the six months financial period ended 31 October 2019, the management fee is recognised at a rate of 1.50% per annum (31.10.2018: 1.50% per annum).

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

5. TRUSTEE'S FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of up to 0.06% per annum calculated daily based on the NAV of the Fund.

For the six months financial period ended 31 October 2019, the Trustee's fee is recognised at a rate of 0.06% per annum (31.10.2018: 0.06% per annum).

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

6. TAXATION

	01.05.2019 to 31.10.2019 RM	01.05.2018 to 31.10.2018 RM
Tax charged for the financial period:		
- Current taxation	<u>-</u>	<u>-</u>

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

	01.05.2019 to 31.10.2019 RM	01.05.2018 to 31.10.2018 RM
Profit/(Loss) before taxation	<u>463,334</u>	<u>(3,149,478)</u>
Taxation at Malaysian statutory rate of 24% (31.10.2018: 24%)	111,200	(755,875)
Tax effects of:		
(Investment income not subject to tax)/Investment loss not deductible for tax purposes	(273,480)	552,124
Expenses not deductible for tax purposes	50,275	72,590
Restriction on tax deductible expenses for Unit Trust Funds	<u>112,005</u>	<u>131,161</u>
Taxation	<u>-</u>	<u>-</u>

7. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	01.05.2019 to 31.10.2019 RM	01.05.2018 to 31.10.2018 RM
Dividend income	400,433	210,519
Interest income	14,564	9,568
Net realised gain on disposal of quoted securities	905,146	642,683
Prior financial periods' realised income	<u>1,657,573</u>	<u>4,701,785</u>
	2,977,716	5,564,555
Less:		
Expenses	<u>(285,695)</u>	<u>(91,055)</u>
Net distribution amount	<u>2,692,021</u>	<u>5,473,500</u>
Final distribution on 11 July 2019		
Gross/Net distribution per unit (sen)	<u>2.95</u>	<u>-</u>
Final distribution on 18 July 2018		
Gross/Net distribution per unit (sen)	<u>-</u>	<u>6.00</u>

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current and prior financial periods' realised income.

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

There are unrealised losses of RM1,762,933 arising during the financial period (31.10.2018: RM2,839,099).

There are no accumulated unrealised losses as at the end of each financial period.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.10.2019 RM	30.04.2019 Audited RM
At fair value through profit or loss:		
- Quoted securities	<u>57,274,313</u>	<u>59,576,998</u>
	01.05.2019 to 31.10.2019 RM	01.05.2018 to 31.10.2018 RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	1,892,548	(671,491)
- Unrealised fair value loss	<u>(1,762,933)</u>	<u>(2,839,098)</u>
	<u>129,615</u>	<u>(3,510,589)</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2019				
QUOTED SECURITIES				
Construction				
IJM Corporation Bhd	133,200	296,591	286,380	0.48
TRC Synergy Bhd	313,800	209,509	150,624	0.25
	<u>447,000</u>	<u>506,100</u>	<u>437,004</u>	<u>0.73</u>
Consumer Products & Services				
Berjaya Food Bhd	649,300	958,889	967,457	1.62
Bermaz Auto Bhd	634,100	1,434,796	1,445,748	2.43
DRB-Hicom Bhd	734,200	1,589,923	1,857,526	3.12
Genting Bhd	52,000	367,635	302,120	0.51
Genting Malaysia Bhd	623,700	2,551,978	2,002,077	3.36
Sime Darby Plantation Bhd	562,600	2,919,480	2,762,366	4.64
	<u>3,255,900</u>	<u>9,822,701</u>	<u>9,337,294</u>	<u>15.68</u>
Energy				
Dayang Enterprise Holdings Bhd	151,700	191,743	295,815	0.50
Dialog Group Bhd	811,700	2,159,867	2,824,716	4.74
Sapura Energy Bhd	5,528,700	1,693,550	1,465,105	2.46
Serba Dinamik Holdings Bhd	99,900	363,279	416,583	0.70
Wah Seong Corp Bhd	451,600	478,385	501,276	0.84
Yinson Holdings Bhd	309,800	1,573,444	2,140,718	3.59
	<u>7,353,400</u>	<u>6,460,268</u>	<u>7,644,213</u>	<u>12.83</u>
Financial Services				
CIMB Group Holdings Bhd	1,101,842	6,054,574	5,784,671	9.71
Hong Leong Bank Bhd	132,200	2,181,652	2,276,484	3.82
Malayan Banking Bhd	560,916	5,168,600	4,823,878	8.10
Public Bank Bhd	64,000	1,439,957	1,299,200	2.18
RHB Bank Bhd	128,468	721,784	738,691	1.24
Syarikat Takaful Malaysia Keluarga Bhd	70,100	395,110	440,929	0.74
	<u>2,057,526</u>	<u>15,961,677</u>	<u>15,363,853</u>	<u>25.79</u>
Health Care				
Duopharma Biotech Bhd	452,070	499,814	605,774	1.02
Top Glove Corporation Bhd	59,000	282,161	256,650	0.43
	<u>511,070</u>	<u>781,975</u>	<u>862,424</u>	<u>1.45</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2019 (Continued)				
QUOTED SECURITIES (CONTINUED)				
Industrial Products & Services				
Chemical Co. Malaysia Bhd	323,466	529,837	494,903	0.83
HSS Engineers Bhd	169,000	164,283	136,890	0.23
Petronas Chemicals Group Bhd	39,600	334,747	295,812	0.50
Press Metal Aluminium Holdings Bhd	207,100	1,005,419	985,796	1.66
Uchi Technologies Bhd	160,500	433,315	442,980	0.74
	<u>899,666</u>	<u>2,467,601</u>	<u>2,356,381</u>	<u>3.96</u>
Plantation				
FGV Holdings Bhd	1,945,121	1,650,685	2,139,633	3.59
IOI Corporation Bhd	416,600	1,844,344	1,820,542	3.06
Kuala Lumpur Kepong Bhd	27,500	595,911	595,650	1.00
	<u>2,389,221</u>	<u>4,090,940</u>	<u>4,555,825</u>	<u>7.65</u>
REITs				
Axis REIT	779,400	1,425,474	1,340,568	2.25
Sunway REIT	52,900	101,039	95,749	0.16
	<u>832,300</u>	<u>1,526,513</u>	<u>1,436,317</u>	<u>2.41</u>
Technology				
D&O Green Technologies Bhd	778,700	586,750	584,025	0.98
Inari Amertron Bhd	289,100	599,247	569,527	0.96
I-STONE Group Bhd	1,923,918	323,812	461,740	0.78
JHM Consolidation Bhd	1,223,300	1,433,915	1,626,989	2.73
Pentamaster Corporation Bhd	252,412	395,207	1,163,619	1.95
Revenue Group Bhd	558,500	740,356	938,280	1.58
	<u>5,025,930</u>	<u>4,079,287</u>	<u>5,344,180</u>	<u>8.98</u>
Telecommunications & Media				
Astro Malaysia Holdings Bhd	1,078,300	1,691,425	1,455,705	2.44
Axiata Group Bhd	458,652	2,109,420	1,972,204	3.31
Telekom Malaysia Bhd	376,800	1,413,046	1,416,768	2.38
	<u>1,913,752</u>	<u>5,213,891</u>	<u>4,844,677</u>	<u>8.13</u>
Transportation & Logistics				
Malaysia Airports Holdings Bhd	140,300	1,070,418	1,111,176	1.87
Malaysian Resources Corporation Bhd	967,900	877,748	716,246	1.20
	<u>1,108,200</u>	<u>1,948,166</u>	<u>1,827,422</u>	<u>3.07</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.10.2019 (Continued)				
QUOTED SECURITIES (CONTINUED)				
Utilities				
Tenaga Nasional Bhd	<u>235,550</u>	<u>3,257,619</u>	<u>3,264,723</u>	<u>5.48</u>
TOTAL QUOTED SECURITIES	<u>26,029,515</u>	<u>56,116,738</u>	<u>57,274,313</u>	<u>96.16</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,157,575</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>57,274,313</u>		
30.04.2019				
Audited				
QUOTED SECURITIES				
Construction				
Gabungan AQRS Bhd	<u>68,900</u>	<u>102,406</u>	<u>103,350</u>	<u>0.17</u>
Consumer Products & Services				
Berjaya Food Bhd	731,500	1,080,282	1,302,070	2.11
Bermaz Auto Berhad	634,100	1,434,796	1,521,840	2.47
DRB-Hicom Bhd	753,800	1,525,738	1,643,284	2.66
Genting Bhd	497,700	3,530,288	3,503,808	5.68
Genting Malaysia Bhd	876,900	3,611,094	2,788,542	4.52
Sime Darby Bhd	<u>715,900</u>	<u>1,408,015</u>	<u>1,660,888</u>	<u>2.69</u>
	<u>4,209,900</u>	<u>12,590,213</u>	<u>12,420,432</u>	<u>20.13</u>
Energy				
Dialog Group Bhd	912,500	2,369,121	2,938,250	4.76
Sapura Energy Bhd	792,400	244,614	257,530	0.42
Serba Dinamik Holdings Bhd	329,800	1,199,292	1,378,564	2.23
Uzma Bhd	320,100	324,677	284,889	0.46
Yinson Holdings Bhd	<u>409,200</u>	<u>1,612,125</u>	<u>1,980,528</u>	<u>3.22</u>
	<u>2,764,000</u>	<u>5,749,829</u>	<u>6,839,761</u>	<u>11.09</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2019 (Continued)				
Audited (Continued)				
QUOTED SECURITIES				
(CONTINUED)				
Financial Services				
CIMB Group Holdings Bhd	533,103	3,090,907	2,809,453	4.55
Malayan Banking Bhd	283,016	2,723,370	2,617,898	4.24
Public Bank Bhd	64,000	1,439,957	1,440,000	2.33
RHB Bank Bhd	382,300	2,147,149	2,278,508	3.69
Syarikat Takaful Malaysia Keluarga Bhd	145,600	820,656	883,792	1.44
	<u>1,408,019</u>	<u>10,222,039</u>	<u>10,029,651</u>	<u>16.25</u>
Health Care				
Duopharma Biotech Bhd	460,883	509,026	649,845	1.05
KPJ Healthcare Bhd	562,200	600,427	550,956	0.89
Top Glove Corporation Bhd	579,000	2,769,002	2,819,730	4.58
	<u>1,602,083</u>	<u>3,878,455</u>	<u>4,020,531</u>	<u>6.52</u>
Industrial Products & Services				
Chemical Company of Malaysia Bhd	355,666	582,581	771,795	1.25
HSS Engineers Bhd	184,000	178,864	204,240	0.33
Pecca Group Bhd	349,400	302,334	377,352	0.61
Uchi Technologies Bhd	160,500	433,315	457,425	0.74
	<u>1,049,566</u>	<u>1,497,094</u>	<u>1,810,812</u>	<u>2.93</u>
Plantation				
FGV Holdings Bhd	2,249,500	1,908,990	2,811,875	4.56
IOI Corporation Bhd	235,900	1,076,336	1,063,909	1.72
Sime Darby Plantation Bhd	562,600	2,919,480	2,903,016	4.71
	<u>3,048,000</u>	<u>5,904,806</u>	<u>6,778,800</u>	<u>10.99</u>
Property				
Malaysian Resources Corporation Bhd	994,300	897,053	1,024,129	1.66
Sime Darby Property Bhd	563,100	603,390	625,041	1.01
	<u>1,557,400</u>	<u>1,500,443</u>	<u>1,649,170</u>	<u>2.67</u>
REIT				
Axis REIT	499,700	900,415	884,469	1.43

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.04.2019 (Continued)				
Audited (Continued)				
QUOTED SECURITIES				
(CONTINUED)				
Technology				
Frontken Corporation Bhd	159,700	70,648	220,386	0.36
JHM Consolidation Bhd	1,154,800	1,350,471	1,466,596	2.38
MI Technovation Bhd	591,700	1,040,308	1,313,574	2.13
Pentamaster Corporation Bhd	445,208	1,045,608	1,923,299	3.12
Revenue Group Bhd	201,500	126,139	270,010	0.44
	<u>2,552,908</u>	<u>3,633,174</u>	<u>5,193,865</u>	<u>8.43</u>
Telecommunications & Media				
Astro Malaysia Holdings Bhd	1,011,000	1,594,949	1,465,950	2.38
Axiata Group Bhd	195,361	824,398	775,583	1.26
	<u>1,206,361</u>	<u>2,419,347</u>	<u>2,241,533</u>	<u>3.64</u>
Transportation & Logistics				
Malaysia Airports Holdings Bhd	91,400	620,277	697,382	1.13
MISC Bhd	218,600	1,474,665	1,508,340	2.45
	<u>310,000</u>	<u>2,094,942</u>	<u>2,205,722</u>	<u>3.58</u>
Utilities				
Tenaga Nasional Bhd	439,650	6,163,327	5,398,902	8.75
TOTAL QUOTED SECURITIES	<u>20,716,487</u>	<u>56,656,490</u>	<u>59,576,998</u>	<u>96.58</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>2,920,508</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>59,576,998</u>		

9. CASH AND CASH EQUIVALENTS

	31.10.2019	30.04.2019
	RM	Audited RM
Deposits with licensed financial institutions	2,652,233	2,345,212
Bank balances	38,130	20,057
	<u>2,690,363</u>	<u>2,365,269</u>

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

	31.10.2019	30.04.2019
	%	Audited %
Deposits with licensed financial institutions	<u>3.20</u>	<u>3.30</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 1 day (30.04.2019: 1 day).

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.05.2019 to 31.10.2019	01.05.2018 to 30.04.2019
	No. of units	Audited No. of units
At the beginning of the financial period/year	92,169,667	91,565,804
Add : Creation of units from applications	3,355,903	17,299,962
Add : Creation of units from distribution	3,983,042	7,654,205
Less: Cancellation of units	<u>(7,282,390)</u>	<u>(24,350,304)</u>
At the end of the financial period/year	<u>92,226,222</u>	<u>92,169,667</u>

11. MANAGEMENT EXPENSE RATIO ("MER")

	01.05.2019 to 31.10.2019	01.05.2018 to 31.10.2018
	%	%
MER	<u>0.81</u>	<u>0.82</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee's fee
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses excluding withholding tax
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM59,915,832 (31.10.2018: RM69,596,186).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.05.2019 to 31.10.2019	01.05.2018 to 31.10.2018
PTR (times)	0.56	0.64

PTR is based on the following calculation:

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

where:

total acquisition for the financial period = RM32,180,850 (31.10.2018: RM44,504,613)
total disposal for the financial period = RM34,613,149 (31.10.2018: RM44,968,356)

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTIES 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 shareholder of the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager

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

Units held by the Manager and parties related to the Manager

Manager	31.10.2019		30.04.2019	
	No. of units	RM	No. of units	Audited RM
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	43,330	27,983	51,023	34,145

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

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

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

	01.05.2019 to 31.10.2019 RM	01.05.2018 to 31.10.2018 RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Islamic Bank Bhd	19,285	17,305
Cash placements with licensed financial institution:		
- CIMB Islamic Bank Bhd	105,015,000	53,257,500
	31.10.2019 RM	30.04.2019 Audited RM
<u>Significant related party balances</u>		
Bank balances:		
- CIMB Islamic Bank Bhd	38,130	20,057

14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the six months financial period ended 31 October 2019 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Maybank Investment Bank Bhd	10,181,311	15.28	22,646	17.53
CLSA Securities (M) Sdn Bhd	8,923,347	13.39	17,188	13.31
RHB Investment Bank Bhd	8,379,189	12.58	18,890	14.63
UBS Securities (M) Sdn Bhd	8,192,663	12.30	8,257	6.39
KAF-Seagroatt & Campbell Securities Sdn Bhd	7,885,838	11.84	17,766	13.76
Macquarie Capital Securities (M) Sdn Bhd	6,798,452	10.21	12,659	9.80
Affin Hwang Investment Bank Bhd	5,360,408	8.05	12,109	9.38
JP Morgan Securities (M) Sdn Bhd	3,785,103	5.68	4,903	3.80
Hong Leong Investment Bank Bhd	2,266,215	3.40	5,242	4.06
CGS-CIMB Securities Sdn Bhd #	1,709,586	2.57	3,292	2.55
Others	3,135,029	4.70	6,200	4.79
	<u>66,617,141</u>	<u>100.00</u>	<u>129,152</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for the six months financial period ended 31 October 2018 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CLSA Securities (M) Sdn Bhd	12,593,516	14.39	28,256	13.71
RHB Investment Bank Bhd	11,673,999	13.34	26,438	12.82
Affin Hwang Investment Bank Bhd	10,806,474	12.35	37,692	18.28
CIMB Investment Bank Bhd #	10,561,089	12.07	23,176	11.24
KAF Seagroatt & Campbell Securities Sdn Bhd	8,512,679	9.73	19,224	9.33
Macquarie Capital Securities (M) Sdn Bhd	7,590,376	8.67	17,238	8.36
JP Morgan Securities (M) Sdn Bhd	7,272,041	8.31	16,547	8.03
Credit Suisse Securities (M) Sdn Bhd	7,218,730	8.25	16,328	7.92
Maybank Investment Bank Bhd	6,070,239	6.94	13,482	6.54
Hong Leong Investment Bank Bhd	2,348,866	2.68	2,380	1.15
Others	2,882,027	3.27	5,388	2.62
	<u>87,530,036</u>	<u>100.00</u>	<u>206,149</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd and CIMB Investment Bank Bhd, fellow related parties to the Manager amounting to RM1,709,586 (31.10.2018: Nil) and Nil (31.10.2018: RM10,561,089) respectively. The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related party.

DIRECTORY

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