

CIMB-Principal Equity Income Fund

Unaudited Interim Report

For The Six Months Financial Period Ended 31 July 2019

CIMB-PRINCIPAL EQUITY INCOME FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019

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INVESTORS' LETTER

Dear Valued Investors,

We have recently announced through the media our collaboration with the Employee Provident Fund ("EPF") that consumers can now invest in our Unit Trust Funds at 0% sales fee*, as part of our offering for the EPF's newly launched i-Invest online platform within the i-Akaun (Member) portal facility.

The online facility enables EPF i-Akaun members to invest in Unit Trust Funds using their EPF savings without needing to complete and submit physical forms and enables them to perform various transactions including purchase, redeem and switch funds - anytime, anywhere.

In today's era of dynamic change, there is a growing need to accommodate the emergence of more tech savvy investors. We're glad to have the opportunity to partner with the EPF and are excited to bring our global experience and expertise to make saving for retirement faster and easier for those who prefer to manage their money, their way. The Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("Principal Malaysia") online platform is just one more tool we offer to help you save enough and have enough in retirement and complements our other methods of investing. To find out more on how you can maximise your retirement savings, please visit www.principal.com.my.

As of July 2019, our Assets under Management ("AUM") stood at RM56.5 billion. Going forward we will be launching a new global Fund with a unique combination that will help cushion the impact of any unforeseen eventualities. We look forward to introducing it to you.

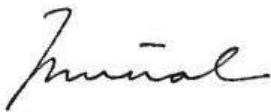
Thank you for your continuous support and allowing us to help you achieve your financial goals and live your best life.

Thank you.

Yours faithfully,

for **Principal Asset Management Berhad**

(*formerly known as CIMB-Principal Asset Management Berhad*)



Munirah Khairuddin
Chief Executive Officer

*The 0% sales fee is subject to change

MANAGER'S REPORT**FUND OBJECTIVE AND POLICY****What is the investment objective of the Fund?**

The Fund aims to provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

Has the Fund achieved its objective?

For the interim period under review, the Fund's total return was 4.89% which outperformed the benchmark by 512 basis points. The Fund has met its objective for the interim period.

What are the Fund investment policy and principal investment strategy?

The Fund may invest between 70% to 98% (both inclusive) of its Net Asset Value ("NAV") in equities and equity related securities in order to gain long-term capital growth; up to 28% of the Fund's NAV in fixed income securities; and at least 2% of the Fund's NAV in liquid assets. The Fund may opt to invest in foreign equities up to a maximum of 70% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business or operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest in a diversified portfolio of high dividend yielding stocks and/or fixed income securities aimed at providing a stable income stream in the form of distributions to investors. The Fund may also opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirement of the Securities Commission Malaysia ("SC") Guidelines.

The Manager has appointed Principal Asset Management (S) Pte Ltd (*formerly known as CIMB-Principal (S) Pte Ltd*), as the Sub-Manager for the foreign investments of this Fund. The Sub-Manager will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions.

Fund category/type

Equity/Income

How long should you invest for?

Recommended between three (3) years to five (5) years or more

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

High

When was the Fund launched?

1 October 2003

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

RM74.10 million (58.69 million units)

What is the Fund's benchmark?

50% Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") Top 100 ("FBM100") Index + 50% Morgan Stanley Capital International ("MSCI") All Country ("AC") Asia ex Japan

Note: The benchmark is for performance comparison only. The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in and its objectives. Unit holders are cautioned that the risk profile of the Fund is higher than the benchmark.

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

Distribution (if any) is expected to be distributed annually, depending on the performance of the Fund and at the Manager's discretion.

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

There was no distribution made for the six months financial period ended 31 July 2019.

PERFORMANCE DATA

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

	31.07.2019	31.07.2018	31.07.2017
	%	%	%
Collective investment schemes	1.69	1.57	0.98
Quoted securities			
- Communication Services	8.18	6.59	5.34
- Consumer Discretionary	11.50	14.68	8.06
- Consumer Staples	4.58	4.63	1.31
- Energy	4.78	7.43	5.12
- Financials	19.22	21.49	25.22
- Health Care	1.16	2.63	-
- Industrials	15.44	12.24	16.53
- Information Technology	6.07	13.62	15.28
- Materials	2.15	3.57	3.01
- Real Estate	12.20	2.84	3.63
- Utilities	4.96	3.67	3.50
Cash and other net assets	8.07	5.04	12.02
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: The Fund has adopted the Global Industry Classification Standard ("GICS") sectors classification

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

	31.07.2019	31.07.2018	31.07.2017
NAV (RM Million)	74.10	70.22	61.62
Units in circulation (Million)	58.69	54.78	46.24
NAV per unit (RM)	1.2626	1.2818	1.3326
	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018	01.02.2017 to 31.07.2017
Highest NAV per unit (RM)	1.2943	1.4611	1.4099
Lowest NAV per unit (RM)	1.2021	1.2535	1.2210
Total return (%)	4.89	(6.32)	16.19
- Capital growth (%)	4.89	(12.59)	9.19
- Income distribution (%)	-	7.18	6.40
Management Expense Ratio ("MER") (%) ^	1.02	1.06	1.15
Portfolio Turnover Ratio ("PTR") (times) #	0.52	0.54	0.66

^ The Fund's MER decreased from 1.06% to 1.02% mainly due to the increase in average NAV during the financial period under review.

The Fund's PTR decreased from 0.54 times to 0.52 times due to increase in average NAV during the financial period under review.

PERFORMANCE DATA (CONTINUED)

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018	01.02.2017 to 31.07.2017		
Date of distribution	-	13.07.2018		24.07.2017	
Gross/Net distribution per unit (sen)	-	9.00		8.50	
	31.07.2019	31.07.2018	31.07.2017	31.07.2016	31.07.2015
	%	%	%	%	%
Annual total return	(1.49)	3.06	22.08	0.13	6.37

(Launch date: 1 October 2003)

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 FEBRUARY 2019 TO 31 JULY 2019)

Local Equity

The FBM Kuala Lumpur Composite Index (“FBMKLCI”) shed by 2.2% in July 2019, extending year-to-date (“YTD”) loss to 3.3%. This was mainly due to the sell down in Public Bank Bhd (-4.8%), Petronas Chemicals Group Bhd (-10.8%), CIMB Group Holdings Bhd (-5.6%), Malayan Banking Bhd (-2.6%) and Sime Darby Plantation Bhd (-6.3%), which was moderated by gains in Genting Malaysia Bhd (+19.4%) and Dialog Group Bhd (+5.8%). Weak petrochemical and crude palm oil (“CPO”) prices, and lower loans growth have been a drag on FBKMLCI’s performance. We expect another mixed set of corporate results in the second quarter of 2019 as weak commodity prices dampen the earnings outlook for the petrochemical and plantation sectors.

Malaysia’s Nikkei Purchasing Managers’ Index (“PMI”) fell to 47.8 in June 2019 versus 48.8 in May 2019, while the industrial production index (“IPI”) increased by 4% year-on-year (“y-o-y”) in May 2019, above consensus’ expectation of 3.5%. June 2019 Consumer Price Index (“CPI”) rose to a 13-month high of 1.5% y-o-y (versus May 2019’s 0.2%) due to previous year low base effect.

Foreign Equity

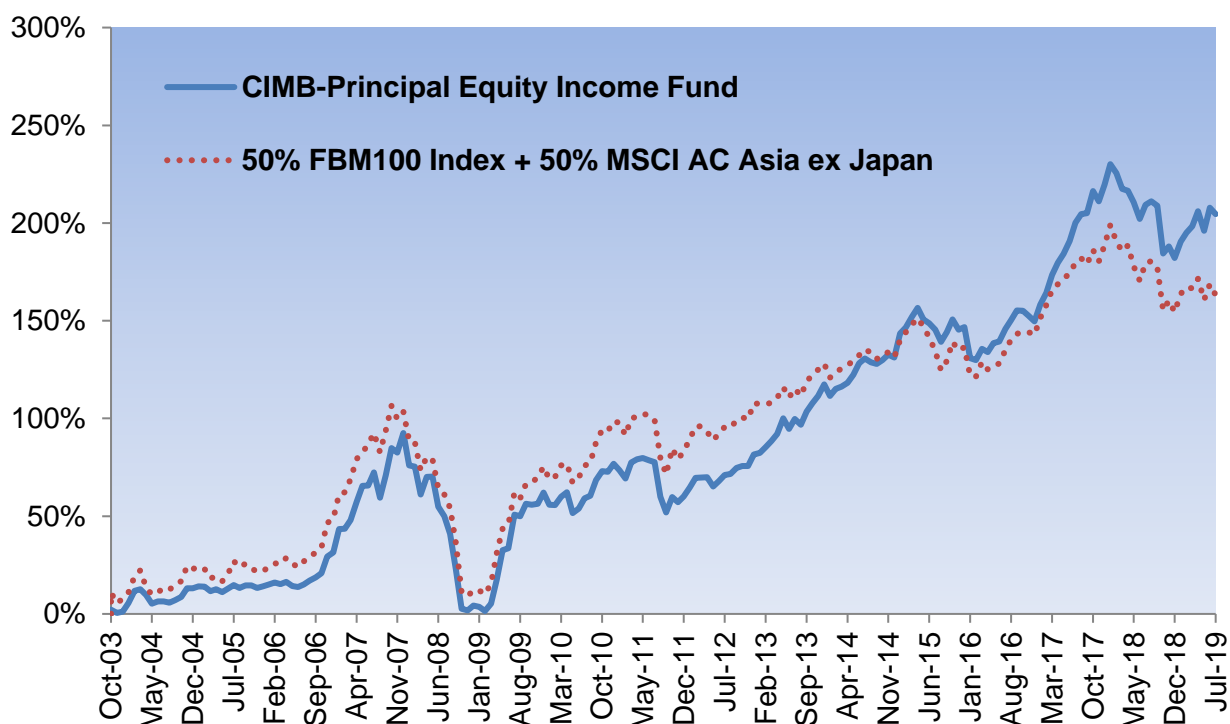
For the financial period under review, the Asia Pacific Ex-Japan stock markets rose moderately. It rose by 3.0% as measured by the MSCI Asia Pacific Ex-Japan Index. While the stock markets appeared largely stable from point to point, it was in fact a volatile period. It initially rose but corrected subsequently. The initial strength in the stock market in Asia could be attributed to stabilising economic data from China, easing trade tensions between the US and China, easing monetary policies among the Asian Central Banks and in a few cases, the return of incumbent business friendly leaders in their respective general elections. This culminated in better conditions for Asian stock markets and currencies.

Unfortunately, the better conditions did not last as the trade talks between the US and China broke down. This was an unexpected turn of event and clearly negative. In addition, earnings projection for Asian companies did not improve as the quarter progressed. Fund flows turned negative resulting in a risk off environment.

FUND PERFORMANCE

	6 months to 31.07.2019	1 year to 31.07.2019	3 years to 31.07.2019	5 years to 31.07.2019	Since inception to 31.07.2019
	%	%	%	%	%
Income	-	-	-	-	-
Capital	4.89	(1.49)	23.95	32.01	204.63
Total Return	4.89	(1.49)	23.95	32.01	204.63
Benchmark	(0.23)	(5.86)	11.98	12.52	163.10
Average Total Return	N/A	(1.49)	7.42	5.71	7.28

The Fund recorded a gain over the past half year due to tactical asset and sector allocation. On a 3-year and 5-year basis, the Fund has gained by 23.95% and 32.01% respectively.



FUND PERFORMANCE (CONTINUED)

Changes in NAV

	31.07.2019	31.01.2019 Audited	Changes %
NAV (RM Million)	74.10	69.22	7.05
NAV/Unit (RM)	1.2626	1.2039	4.88

The Fund's NAV per unit rose by 4.88% and the NAV of the Fund rose by 7.05% in the financial period under review.

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)	31.07.2019	31.01.2019 Audited
Collective investment schemes	1.69	1.80
Quoted securities	90.24	94.04
Cash and other net assets	8.07	4.16
TOTAL	100.00	100.00

As at 31 July 2019, the Fund held 90.24% in quoted securities, 1.69% in collective investment schemes and 8.07% in cash and other net assets. The asset allocation has shifted towards more defensive during the financial period under review.

MARKET OUTLOOK***Local Equity**

We expect another mixed set of corporate results in the second quarter of 2019 as weak commodity prices dampens the earnings outlook for the petrochemical and plantation sectors. That said, there may be some positive surprises too. After a positive surprise in the first quarter of 2019, another strong showing in the second quarter of 2019 (if any) will further restore sentiment in the telecommunications space, particularly for fixed line operators. On the regulatory front, uncertainty is fast receding as the Federal Government is poised to unveil new regulatory frameworks for many regulated industries such as airport, utilities and telecommunications over the next few months. Expectations are rising that incumbents within these industries will not be as severely impacted as previously anticipated.

Foreign Equity

In the near term, the stock markets in Asia is likely to be pressured by the relatively weak economic outlook and the rising geopolitical risk globally. These include the rising risk of further escalation of the trade war between the US and China, rising tensions in the Middle East, Japan-Korea trade spat and the unrest in Hong Kong Special Administrative Region ("S.A.R."), China. We expect these uncertainties to lead to more earnings downgrades in Asia.

However, Central Banks globally are easing monetary policies to support economic growth. The US Federal Reserve (the "Fed") is also stopping the balance sheet from contracting. We also expect China to increase economic stimulus in the near term to shore up their weakening economy. This should help to mitigate downside pressure for equities.

* 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**Local Equity**

We make no changes to our core strategy as we maintain our neutral stance on Malaysia. We will continue with our stock picking and rotational strategy where we will add growth companies with yield support. We will increase the overall beta for portfolio and the preference is to accumulate selective growth stocks in the utilities, basic material, auto, oil and gas, and construction sectors. We remain cautious on the technology sector (which is vulnerable to re-escalation of US-China trade war) and plantation (as muted CPO prices could potentially lead to downward earnings revision).

INVESTMENT STRATEGY (CONTINUED)

Foreign Equity

The Fund will adopt a 2-prong strategy of buying high yield stocks and growth companies in the near term. We like companies with sustainable high yield as we expect the interest rates to head lower and to subsequently stay low for an extended period. At the same time, we expect quality growth stocks with relatively high visibility to see strong investor interest as quality growth becomes scarce as the economic growth slows in the region. Over the longer term, we remain positive on the outlook for Asian equities due to the young and growing population, growing middle class and strong economic growth prospects.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 July 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	13,789	1.59	2.71
5,001 - 10,000	445	3.33	5.67
10,001 - 50,000	902	19.92	33.95
50,001 - 500,000	156	15.32	26.10
500,001 and above	5	18.53	31.57
Total	15,297	58.69	100.00

SOFT COMMISSIONS AND REBATES

Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("the Manager"), as well as the Trustees 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 INCOME FUND**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 10 to 47 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 July 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
13 September 2019

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

We, Universal Trustee (Malaysia) Berhad, being the Trustee of CIMB-Principal Equity Income Fund (the "Fund"), are of the opinion that Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), acting in the capacity of Manager of the Fund, have fulfilled their duties in the following manner for the financial period ended 31 July 2019:

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

For and on behalf of the Trustee,
UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

ONG TEE VANN
Chief Executive Officer

Kuala Lumpur
13 September 2019

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

	Note	01.02.2019 to 31.07.2019 RM	01.02.2018 to 31.07.2018 RM
INCOME/(LOSS)			
Dividend income		1,143,151	1,033,120
Interest income from deposits with licensed financial institutions at amortised cost		29,573	41,025
Net gain/(loss) on financial assets at fair value through profit or loss	9	3,211,563	(4,603,311)
Net foreign exchange (loss)/gain		(35,247)	52,883
Other income	4	22,408	3,066
		<u>4,371,448</u>	<u>(3,473,217)</u>
EXPENSES			
Management fee	5	658,703	625,206
Trustee's and custodian fees	6	51,770	60,102
Audit fee		8,550	5,885
Tax agent's fee		26,111	689
Transaction costs		207,339	239,243
Other expenses		52,700	39,456
		<u>1,005,173</u>	<u>970,581</u>
PROFIT/(LOSS) BEFORE TAXATION		3,366,275	(4,443,798)
Taxation	8	-	(47,898)
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD		<u>3,366,275</u>	<u>(4,491,696)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		1,517,987	1,232,071
Unrealised amount		1,848,288	(5,723,767)
		<u>3,366,275</u>	<u>(4,491,696)</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 JULY 2019**

		31.07.2019	31.01.2019
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	10	6,073,770	5,981,895
Financial assets at fair value through profit or loss	9	68,125,393	66,333,061
Amount due from stockbrokers		-	533,260
Amount due from Manager		134,562	109,357
Amount due from Manager of collective investment schemes			
- Management fee rebate		16,700	5,496
Dividends receivable		66,285	48,768
TOTAL ASSETS		<u>74,416,710</u>	<u>73,011,837</u>
LIABILITIES			
Amount due to stockbrokers		82,120	3,640,714
Amount due to Manager		95,406	31,039
Accrued management fee		114,729	104,635
Amount due to Trustee		3,789	3,456
Distribution payable		1,390	1,390
Other payables and accruals		15,424	14,946
TOTAL LIABILITIES		<u>312,858</u>	<u>3,796,180</u>
NET ASSET VALUE OF THE FUND		<u>74,103,852</u>	<u>69,215,657</u>
EQUITY			
Unit holders' capital		36,115,989	34,594,069
Retained earnings		37,987,863	34,621,588
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>74,103,852</u>	<u>69,215,657</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	<u>58,689,604</u>	<u>57,491,950</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.2626</u>	<u>1.2039</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 JULY 2019**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 February 2019		34,594,069	34,621,588	69,215,657
Movement in unit holders' contributions:				
- Creation of units from applications		7,119,744	-	7,119,744
- Cancellation of units		(5,597,824)	-	(5,597,824)
Total comprehensive income for the financial period		-	3,366,275	3,366,275
Balance as at 31 July 2019		<u>36,115,989</u>	<u>37,987,863</u>	<u>74,103,852</u>
Balance as at 1 February 2018		22,495,231	48,165,473	70,660,704
Movement in unit holders' contributions:				
- Creation of units from applications		18,436,117	-	18,436,117
- Creation of units from distribution		4,326,467	-	4,326,467
- Cancellation of units		(14,050,809)	-	(14,050,809)
Total comprehensive loss for the financial period		-	(4,491,696)	(4,491,696)
Distribution	7	-	(4,664,997)	(4,664,997)
Balance as at 31 July 2018		<u>31,207,006</u>	<u>39,008,780</u>	<u>70,215,786</u>

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

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

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	38,377,239	35,170,287
Purchase of quoted securities	(40,184,988)	(39,135,581)
Dividend income received	1,085,640	859,424
Interest income received from deposits with licensed financial institutions	29,573	41,025
Management fee paid	(648,414)	(627,139)
Management fee rebates received	11,009	29,452
Trustee's and custodian fees paid	(51,437)	(60,165)
Payments for other fees and expenses	(41,721)	(65,097)
Net realised foreign exchange loss	(64,954)	(46,395)
Tax refunded	-	-
Net cash used in operating activities	(1,488,053)	(3,834,189)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	7,094,539	18,752,760
Payments for cancellation of units	(5,533,457)	(13,809,223)
Distribution paid	-	(243,944)
Net cash generated from financing activities	1,561,082	4,699,593
Net increase in cash and cash equivalents	73,029	865,404
Effects of foreign exchange differences	18,846	109,059
Cash and cash equivalents at the beginning of the financial period	5,981,895	3,121,438
Cash and cash equivalents at the end of the financial period	6,073,770	4,095,901
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	3,813,403	1,643,477
Deposits in licensed financial institutions	2,260,367	2,452,424
Cash and cash equivalents at the end of the financial period	6,073,770	4,095,901

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 JULY 2019****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

CIMB-Principal Equity Income Fund (the "Fund") is governed by a Principal Master Deed dated 15 May 2008, a First Supplemental Master Deed dated 25 June 2008, a Third Supplemental Master Deed dated 14 July 2008, an Eighth Supplemental Master Deed dated 14 June 2010, 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") between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager") and Universal Trustee (Malaysia) Berhad (the "Trustee").

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities and equity related securities in order to gain long-term capital growth; up to 28% of the Fund's NAV in fixed income securities; and at least 2% of the Fund's NAV in liquid assets. The Fund may opt to invest in foreign equities up to a maximum of 70% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business or operations in Thailand but listed on the NYSE. The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest in a diversified portfolio of high dividend yielding stocks and/or fixed income securities aimed at providing a stable income stream in the form of distributions to investors. The Fund may also opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirement of the SC Guidelines.

The Manager has appointed Principal Asset Management (S) Pte Ltd (*formerly known as CIMB-Principal (S) Pte Ltd*), as the Sub-Manager for the foreign investments of this Fund. The Sub-Manager will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions.

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 assumptions are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

Standard that is effective:

The Fund has applied the following standard for the first time for the financial period beginning 1 February 2019:

(i) Financial year beginning on/after 1 February 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 February 2019 that have a material effect on the financial statements of the Fund.

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

Investments in collective investment schemes are debt instruments with contractual cash flows that do not represent payments of principal and interest ("SPPI"), and therefore are 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 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, distribution payable, and other payables and accruals as financial liabilities measured at amortised cost.

Recognition and measurement

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

Financial liabilities 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.

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

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 traded market price quoted on Bursa Malaysia Securities Bhd ("Bursa Securities") at the date of the statement of financial position.

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

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or 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 carried at amortised cost using the effective interest method.

Impairment for assets carried at amortised cost

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.

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

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 investments, determined on a weighted average cost basis.

(d) Foreign currencyFunctional and presentation currency

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Foreign currency (continued)**Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in OCI as qualifying cash flow hedges.

(e) Cash and cash equivalents

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

(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) 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.

(h) Transaction costs

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

(i) Other income

Other income represents the Fund's entitlement to management fee rebate derived from the Manager and Manager of the collective investment schemes on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment schemes held.

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

(k) 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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(m) Critical accounting estimates and judgements in applying accounting policies**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the 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 investment objective of the Fund is to provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(ii) Interest rate risk**

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

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

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

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

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

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

(iii) Currency risk

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

(b) Credit risk

Credit risk refers to the risk that a counterparty 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 the 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 collective investment schemes and quoted securities are settled/paid upon delivery using approved stockbrokers.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(c) Liquidity risk**

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

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

(d) Capital risk management

The capital of the Fund is represented by equity consisting of unit holder's 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 holder 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 values 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy

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

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
31.07.2019				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	1,252,660			1,252,660
- Quoted securities	<u>66,872,733</u>	<u>-</u>	<u>-</u>	<u>66,872,733</u>
	<u>68,125,393</u>	<u>-</u>	<u>-</u>	<u>68,125,393</u>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.01.2019				
Audited				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	1,245,891	-	-	1,245,891
- Quoted securities	<u>65,087,170</u>	<u>-</u>	<u>-</u>	<u>65,087,170</u>
	<u>66,333,061</u>	<u>-</u>	<u>-</u>	<u>66,333,061</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 all liabilities are a reasonable approximation of their fair values due to their short term nature.

4. OTHER INCOME

The Fund is entitled to management fee rebate from the Manager and the Manager of collective investment schemes.

For the six months financial period ended 31 July 2019, the rebates are recognised at a rate of 2.00% (31.07.2018: 2.00%) for PT CIMB-Principal Asset Management Indo Domestic Equity Fund and 1.75% (31.07.2018: 1.75%) for PT CIMB-Principal Asset Management SMART Equity Fund, calculated and accrued daily based on the NAV of the collective investment schemes.

5. MANAGEMENT FEE

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

For the six months financial period ended 31 July 2019, the management fee is recognised at a rate of 1.85% per annum (31.07.2018: 1.85% per annum).

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

6. TRUSTEE'S AND CUSTODIAN 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.

The foreign custodian fee (safekeeping fee and transaction fee, including out of pocket charges) is subject to a minimum of USD500 per month per fund and is charged monthly in arrears. The safekeeping fee ranges from a minimum of 0.04% per annum to a maximum of 0.38% per annum of the market value of the respective foreign portfolios, depending on the country invested. The transaction fee is charged for every transaction and the amounts are dependent on the country invested.

For the six months financial period ended 31 July 2019, the Trustee's fee is recognised at a rate of 0.06% per annum (31.07.2018: 0.06% per annum) while the foreign custodian fee is recognised at RM24,537 (31.07.2018: RM39,825).

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

7. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	01.02.2019 to 31.07.2019 RM	01.02.2018 to 31.07.2018 RM
Dividend income	-	57,436
Interest income	-	3,886
Net realised income from disposal of investments	-	51,829
Prior financial period's realised income	-	4,568,100
	-	4,681,251
Less:		
Expenses	-	(16,254)
Net distribution amount	-	4,664,997
Final distribution on 13 July 2018		
Gross/Net distribution per unit (sen)	-	9.00

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

8. TAXATION

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
	RM	RM
Tax charged for the financial period:		
- Withholding tax	<u>-</u>	<u>47,898</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:

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
	RM	RM
Profit/(Loss) before taxation	<u>3,336,275</u>	<u>(4,443,798)</u>
Taxation at Malaysian statutory rate of 24% (31.07.2018: 24%)	807,906	(1,066,512)
Tax effects of:		
- (Income not subject to tax)/Loss not deductible for tax purposes	(1,049,148)	833,572
- Expenses not deductible for tax purposes	79,659	75,358
- Restriction on tax deductible expenses for Unit Trust Funds	161,583	157,582
Income subject to withholding tax	-	300
Effects of foreign tax on foreign taxable income	<u>-</u>	<u>47,598</u>
Taxation	<u><u>-</u></u>	<u><u>47,898</u></u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.07.2019	31.01.2019
	RM	Audited RM
At fair value through profit or loss:		
- Collective investment schemes	1,252,660	1,245,891
- Quoted securities	<u>66,872,733</u>	<u>65,087,170</u>
	<u><u>68,125,393</u></u>	<u><u>66,333,061</u></u>

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
	RM	RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain on disposals	1,382,107	1,228,728
- Unrealised fair value gain/(loss)	<u>1,829,456</u>	<u>(5,832,039)</u>
	<u><u>3,211,563</u></u>	<u><u>(4,603,311)</u></u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019				
COLLECTIVE INVESTMENT SCHEMES				
INDONESIA				
PT. CIMB-Principal Asset Management Indo Domestic Equity Fund	1,943,855	516,914	572,563	0.77
PT. CIMB-Principal Asset Management SMART Equity Fund	<u>2,036,922</u>	<u>694,693</u>	<u>680,097</u>	<u>0.92</u>
TOTAL COLLECTIVE INVESTMENT SCHEMES	<u>3,980,777</u>	<u>1,211,607</u>	<u>1,252,660</u>	<u>1.69</u>
ACCUMULATED UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES		<u>41,053</u>		
TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,252,660</u>		
QUOTED SECURITIES				
CAYMAN ISLANDS				
Consumer Discretionary Alibaba Group Holding Ltd - ADR ⁴	<u>1,789</u>	<u>1,150,355</u>	<u>1,277,797</u>	<u>1.72</u>
TOTAL CAYMAN ISLANDS	<u>1,789</u>	<u>1,150,355</u>	<u>1,277,797</u>	<u>1.72</u>
CHINA				
Financials				
Industrial and Commercial Bank of China Ltd	<u>239,000</u>	<u>670,624</u>	<u>667,678</u>	<u>0.90</u>
Industrials				
Centre Testing International Group Co Ltd - A ¹	<u>185,000</u>	<u>994,382</u>	<u>1,252,774</u>	<u>1.69</u>
TOTAL CHINA	<u>424,000</u>	<u>1,665,006</u>	<u>1,920,452</u>	<u>2.59</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA				
Communication Services				
Tencent Holdings Ltd	10,600	1,698,330	2,057,229	2.78
Consumer Discretionary				
Galaxy Entertainment Group Ltd	25,000	726,302	711,585	0.96
Sands China Ltd	37,200	790,135	747,069	1.01
Shenzhou International Group Holdings Ltd	13,000	709,524	744,845	1.01
Techtronic Industries Co Ltd	43,000	944,051	1,333,853	1.80
	118,200	3,170,012	3,537,352	4.78
Financials				
AIA Group Ltd	39,100	894,420	1,667,317	2.25
Real Estate				
China Resources Land Ltd	58,000	949,834	1,031,798	1.39
Henderson Land Development Co Ltd	64,600	1,417,838	1,387,564	1.87
Link REIT	32,500	1,290,426	1,565,751	2.11
	155,100	3,658,098	3,985,113	5.37
TOTAL HONG KONG, CHINA	323,000	9,420,860	11,247,011	15.18
INDIA				
Energy				
Reliance Industries Ltd	16,952	1,003,746	1,186,216	1.60
Financials				
HDFC Bank Ltd	8,741	828,771	1,180,900	1.59
ICICI Bank Ltd	55,996	1,254,721	1,426,554	1.93
	64,737	2,083,492	2,607,454	3.52
Industrials				
Larsen & Toubro Ltd	7,420	687,962	617,626	0.83
TOTAL INDIA	89,109	3,775,200	4,411,296	5.95

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
INDONESIA				
Consumer Discretionary				
Ace Hardware Indonesia TBK PT	692,900	223,021	374,067	0.50
Consumer Staples				
Gudang Garam TBK PT	17,200	374,015	382,048	0.52
Financials				
Bank Rakyat Indonesia Persero TBK PT	791,600	823,651	1,043,341	1.41
Materials				
Semen Indonesia Persero TBK PT	181,500	633,216	687,490	0.93
Real Estate				
Summarecon Agung TBK PT	1,061,500	377,459	413,789	0.56
TOTAL INDONESIA	2,744,700	2,431,362	2,900,735	3.92
MALAYSIA				
Communication Services				
Astro Malaysia Holdings Bhd	240,100	272,321	348,145	0.47
Axiata Group Bhd	166,900	675,796	839,507	1.13
DiGi.Com Bhd	100,400	460,257	502,000	0.68
TIME dotCom Bhd	77,500	661,835	697,500	0.94
	584,900	2,070,209	2,387,152	3.22
Consumer Discretionary				
Aeon Co (M) Bhd	458,000	714,134	792,340	1.07
Bermaz Auto Bhd	183,500	473,195	467,925	0.63
Genting Bhd	87,500	676,174	601,125	0.81
Genting Malaysia Bhd	381,000	1,248,386	1,474,470	1.99
	1,110,000	3,111,889	3,335,860	4.50

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Consumer Staples				
British American Tobacco (Malaysia) Bhd	11,200	388,745	252,896	0.34
Carlsberg Brewery Malaysia Bhd	16,900	412,168	407,290	0.55
Fraser & Neave Holdings Bhd	15,000	537,066	517,500	0.70
Kuala Lumpur Kepong Bhd	10,000	246,731	236,200	0.32
Nestle (Malaysia) Bhd	2,500	359,874	371,500	0.50
	<u>55,600</u>	<u>1,944,584</u>	<u>1,785,386</u>	<u>2.41</u>
Energy				
Dialog Group Bhd	368,300	1,135,242	1,270,635	1.71
Hibiscus Petroleum Bhd	435,000	461,978	456,750	0.62
Yinson Holdings Bhd	90,700	406,305	630,364	0.85
	<u>894,000</u>	<u>2,003,525</u>	<u>2,357,749</u>	<u>3.18</u>
Financials				
CIMB Group Holdings Bhd	427,426	2,263,766	2,171,324	2.93
Malayan Banking Bhd	307,602	2,833,235	2,660,757	3.59
Public Bank Bhd	40,083	824,650	877,818	1.18
RHB Bank Bhd	235,300	1,288,991	1,294,150	1.75
Syarikat Takaful Malaysia Keluarga Bhd	63,900	386,227	389,790	0.53
	<u>1,074,311</u>	<u>7,596,869</u>	<u>7,393,839</u>	<u>9.98</u>
Health Care				
IHH Healthcare Bhd	149,200	841,793	856,408	1.16
Industrials				
Econpile Holdings Bhd	993,300	548,737	804,573	1.09
Gamuda Bhd	304,200	825,615	1,128,582	1.52
HSS Engineers Bhd	198,700	209,796	210,622	0.28
IJM Corporation Bhd	475,100	906,139	1,106,983	1.49
Lingkaran Trans Kota Holdings Bhd	151,800	748,240	698,280	0.94
Malaysia Airports Holdings Bhd	89,500	682,638	750,905	1.01
Malaysian Resources Corporation Bhd	718,500	666,194	653,835	0.88
MISC Bhd	48,300	300,349	350,175	0.47

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Industrials (continued)				
Pentamaster Corporation Bhd	230,514	622,504	809,104	1.09
Sime Darby Bhd	73,300	171,926	160,527	0.22
TRC Synergy Bhd	885,900	577,402	544,829	0.74
Westports Holdings Bhd	182,000	681,958	728,000	0.98
	<u>4,351,114</u>	<u>6,941,498</u>	<u>7,946,415</u>	<u>10.71</u>
Information Technology				
JHM Consolidation Bhd	464,200	604,702	584,892	0.79
Revenue Group Bhd	18,100	25,642	29,322	0.04
Revenue Group Bhd - Warrant	458,600	323,854	300,383	0.41
Uchi Technologies Bhd	223,400	725,669	607,648	0.82
	<u>1,164,300</u>	<u>1,679,867</u>	<u>1,522,245</u>	<u>2.06</u>
Materials				
Petronas Chemicals Group Bhd	120,700	973,305	904,043	1.22
Real Estate				
IGB REIT	406,500	683,289	780,480	1.05
LBS Bina Group Bhd - Preference Share	25,280	27,808	20,098	0.03
Sime Darby Property Bhd	630,000	666,340	614,250	0.83
Sunway REIT	361,400	652,435	690,274	0.93
UOA Development Bhd	144,000	330,999	299,520	0.40
	<u>1,567,180</u>	<u>2,360,871</u>	<u>2,404,622</u>	<u>3.24</u>
Utilities				
Tenaga Nasional Bhd	266,000	3,713,596	3,676,120	4.96
TOTAL MALAYSIA	<u>11,337,305</u>	<u>33,238,006</u>	<u>34,569,839</u>	<u>46.64</u>
PHILIPPINES				
Industrials				
Megawide Construction Corporation	166,800	238,576	256,705	0.35
TOTAL PHILIPPINES	<u>166,800</u>	<u>238,576</u>	<u>256,705</u>	<u>0.35</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
SINGAPORE				
Communication Services				
NetLink NBN Trust	407,200	1,041,948	1,061,967	1.43
Financials				
DBS Group Holdings Ltd	10,800	742,525	859,962	1.16
Industrials				
Singapore Technologies Engineering Ltd	107,700	1,148,759	1,376,794	1.86
Real Estate				
CapitaLand Ltd	100,400	1,118,220	1,095,796	1.48
Keppel DC REIT	223,000	1,012,321	1,149,710	1.55
	323,400	2,130,541	2,245,506	3.03
TOTAL SINGAPORE	849,100	5,063,773	5,544,229	7.48
SOUTH KOREA				
Consumer Staples				
LG Household & Health Care Ltd	114	511,176	499,709	0.67
Information Technology				
Samsung Electronics Co Ltd	9,234	1,283,544	1,460,307	1.97
TOTAL SOUTH KOREA	9,348	1,794,720	1,960,016	2.64
TAIWAN				
Information Technology				
Taiwan Semiconductor Manufacturing Co Ltd	44,000	1,180,021	1,515,169	2.04
TOTAL TAIWAN	44,000	1,180,021	1,515,169	2.04

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.07.2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
THAILAND				
Consumer Staples				
CP ALL PCL - NVDR ³	<u>62,400</u>	<u>558,207</u>	<u>727,637</u>	<u>0.98</u>
TOTAL THAILAND	<u>62,400</u>	<u>558,207</u>	<u>727,637</u>	<u>0.98</u>
UNITED STATES				
Communication Services				
Autohome Inc - ADR ⁴	<u>1,545</u>	<u>542,585</u>	<u>541,847</u>	<u>0.75</u>
TOTAL UNITED STATES	<u>1,545</u>	<u>542,585</u>	<u>541,847</u>	<u>0.75</u>
TOTAL QUOTED SECURITIES	<u>16,053,096</u>	<u>61,058,671</u>	<u>66,872,733</u>	<u>90.24</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>5,814,062</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>66,872,733</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019				
Audited				
COLLECTIVE				
INVESTMENT SCHEMES				
INDONESIA				
PT. CIMB-Principal Asset Management Indo Domestic Equity Fund	1,943,855	516,914	569,525	0.82
PT. CIMB-Principal Asset Management SMART Equity Fund	2,036,922	694,693	676,366	0.98
TOTAL COLLECTIVE INVESTMENT SCHEMES	3,980,777	1,211,607	1,245,891	1.80
ACCUMULATED UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES		34,284		
TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		1,245,891		
QUOTED SECURITIES				
CAYMAN ISLANDS				
Consumer Discretionary Alibaba Group Holding Ltd - ADR ⁴	1,789	1,150,355	1,234,049	1.78
TOTAL CAYMAN ISLANDS	1,789	1,150,355	1,234,049	1.78
CHINA				
Financials				
Industrial and Commercial Bank of China Ltd	339,000	951,219	1,072,160	1.55
Ping An Insurance Group Co of China Ltd - H ²	24,500	843,595	970,499	1.40
	363,500	1,794,814	2,042,659	2.95
TOTAL CHINA	363,500	1,794,814	2,042,659	2.95

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019 (CONTINUED)				
Audited (continued)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA				
Communication Services				
China Mobile Ltd	16,500	653,041	708,714	1.02
Tencent Holdings Ltd	6,100	770,030	1,101,522	1.59
	<u>22,600</u>	<u>1,423,071</u>	<u>1,810,236</u>	<u>2.61%</u>
Consumer Discretionary				
Galaxy Entertainment Group Ltd	27,000	868,175	760,930	1.10
Haier Electronics Group Co Ltd	15,000	161,337	176,533	0.26
Sands China Ltd	35,600	697,434	693,021	1.00
Shenzhou International Group Holdings Ltd	7,000	355,606	337,382	0.49
	<u>84,600</u>	<u>2,082,552</u>	<u>1,967,866</u>	<u>2.85</u>
Financials				
AIA Group Ltd	39,100	894,420	1,438,643	2.08
HSBC Holdings PLC	12,000	513,503	417,729	0.60
	<u>51,100</u>	<u>1,407,923</u>	<u>1,856,372</u>	<u>2.68</u>
Industrials				
Techtronic Industries Co	43,000	944,051	1,019,975	1.47
Real Estate				
China Resources Land Ltd	42,000	655,500	668,554	0.97
Henderson Land Development Co Ltd	29,000	671,466	672,755	0.97
Link REIT	32,500	1,290,426	1,458,710	2.11
	<u>103,500</u>	<u>2,617,392</u>	<u>2,800,019</u>	<u>4.05</u>
TOTAL HONG KONG, CHINA	<u>304,800</u>	<u>8,474,989</u>	<u>9,454,468</u>	<u>13.66</u>
INDIA				
Consumer Discretionary				
Maruti Suzuki India Ltd	1,277	585,780	488,491	0.71
Energy				
Reliance Industries Ltd	18,633	1,016,947	1,317,052	1.90

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019 (CONTINUED)				
Audited (continued)				
QUOTED SECURITIES (CONTINUED)				
INDIA (CONTINUED)				
Financials				
HDFC Bank Ltd	5,823	471,913	697,625	1.01
ICICI Bank Ltd	19,193	394,030	402,906	0.58
	<u>25,016</u>	<u>865,943</u>	<u>1,100,531</u>	<u>1.59</u>
Industrials				
Larsen & Toubro Ltd	4,057	342,621	307,130	0.45
TOTAL INDIA	<u>48,983</u>	<u>2,811,291</u>	<u>3,213,204</u>	<u>4.65</u>
INDONESIA				
Consumer Discretionary				
Ace Hardware Indonesia TBK PT	692,900	223,021	344,898	0.50
Consumer Staples				
Gudang Garam TBK PT	17,200	374,015	421,275	0.61
Financials				
Bank Rakyat Indonesia Persero TBK PT	560,700	563,682	632,066	0.91
Materials				
Semen Indonesia Persero TBK PT	64,000	219,955	237,519	0.34
Real Estate				
Ciputra Development TBK PT	1,060,100	320,949	302,637	0.44
TOTAL INDONESIA	<u>2,394,900</u>	<u>1,701,622</u>	<u>1,938,395</u>	<u>2.80</u>
MALAYSIA				
Communication Services				
Astro Malaysia Holdings Bhd	304,000	344,797	510,720	0.74
Axiata Group Bhd	246,000	996,081	986,460	1.43
DiGi.Com Bhd	232,600	1,066,293	1,083,916	1.57
	<u>782,600</u>	<u>2,407,171</u>	<u>2,581,096</u>	<u>3.74</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019 (CONTINUED)				
Audited (continued)				
QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Consumer Discretionary				
Bermaz Auto Bhd	303,200	670,246	664,008	0.96
Genting Bhd	195,100	1,507,674	1,353,994	1.96
Genting Malaysia Bhd	254,000	783,973	835,660	1.21
Mynews Holdings Bhd	207,300	348,685	284,001	0.41
UMW Holdings Bhd	132,600	708,987	774,384	1.12
	<u>1,092,200</u>	<u>4,019,565</u>	<u>3,912,047</u>	<u>5.66</u>
Consumer Staples				
British American Tobacco (Malaysia) Bhd	22,300	774,019	854,536	1.23
Fraser & Neave Holdings Bhd	15,000	537,066	509,400	0.74
IOI Corporation Bhd	148,000	673,400	688,200	0.99
Kuala Lumpur Kepong Bhd	27,800	685,912	686,104	0.99
Nestle (Malaysia) Bhd	4,800	690,958	712,800	1.03
QL Resources Bhd	48,500	340,272	327,860	0.47
Sime Darby Plantation Bhd	193,000	996,961	997,810	1.44
	<u>459,400</u>	<u>4,698,588</u>	<u>4,776,710</u>	<u>6.89</u>
Energy				
Dialog Group Bhd	368,300	1,135,242	1,104,900	1.60
Petronas Dagangan Bhd	14,300	376,086	377,234	0.54
Yinson Holdings Bhd	15,100	52,780	61,910	0.09
	<u>397,700</u>	<u>1,564,108</u>	<u>1,544,044</u>	<u>2.23</u>
Financials				
Alliance Bank Malaysia Bhd	79,000	329,294	334,960	0.48
AMMB Holdings Bhd	192,000	872,189	864,000	1.25
CIMB Group Holdings Bhd	382,826	2,209,842	2,151,482	3.11
Hong Leong Bank Bhd	70,500	1,277,942	1,455,120	2.10
Malayan Banking Bhd	322,562	3,047,069	3,077,241	4.45
Public Bank Bhd	149,483	3,075,398	3,704,189	5.35
RHB Bank Bhd	129,400	696,133	702,642	1.01
	<u>1,325,771</u>	<u>11,507,867</u>	<u>12,289,634</u>	<u>17.75</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019 (CONTINUED)				
Audited (continued)				
QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Health Care				
IHH Healthcare Bhd	136,800	799,569	766,080	1.11
Top Glove Corporation Bhd	78,000	279,332	375,960	0.54
	<u>214,800</u>	<u>1,078,901</u>	<u>1,142,040</u>	<u>1.65</u>
Industrials				
Gabungan AQRS Bhd - Warrant	115,225	-	27,078	0.04
Gamuda Bhd	343,900	779,312	949,164	1.37
IJM Corporation Bhd	380,100	682,889	695,583	1.00
Malaysia Airports Holdings Bhd	62,500	499,960	502,500	0.73
MISC Bhd	100,000	621,840	678,000	0.98
Pentamaster Corporation Bhd	49,676	78,133	155,983	0.23
Sime Darby Bhd	169,300	396,355	379,232	0.55
	<u>1,220,701</u>	<u>3,058,489</u>	<u>3,387,540</u>	<u>4.90</u>
Information Technology				
Globetronics Technology Bhd	385,933	645,576	740,991	1.07
Uchi Technologies Bhd	223,400	725,669	574,138	0.83
	<u>609,333</u>	<u>1,371,245</u>	<u>1,315,129</u>	<u>1.90</u>
Materials				
Petronas Chemicals Group Bhd	128,900	1,003,973	1,089,205	1.57
Real Estate				
IGB REIT	406,500	683,289	723,570	1.05
LBS Bina Group Bhd - Preference Shares	25,280	27,808	22,752	0.03
	<u>431,780</u>	<u>711,097</u>	<u>746,322</u>	<u>1.08</u>
Utilities				
Petronas Gas Bhd	8,500	152,389	153,680	0.22
Tenaga Nasional Bhd	191,600	2,807,020	2,471,640	3.57
	<u>200,100</u>	<u>2,959,409</u>	<u>2,625,320</u>	<u>3.79</u>
TOTAL MALAYSIA	<u>6,863,285</u>	<u>34,380,413</u>	<u>35,409,087</u>	<u>51.16</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019 (CONTINUED)				
Audited (continued)				
QUOTED SECURITIES (CONTINUED)				
PHILIPPINES				
Financials				
Bank of the Philippine Islands	56,330	421,421	401,881	0.58
Industrials				
Megawide Construction Corporation	166,800	238,576	235,388	0.34
TOTAL PHILIPPINES	223,130	659,997	637,269	0.92
SINGAPORE				
Financials				
DBS Group Holdings Ltd	13,400	921,281	973,988	1.41
Oversea-Chinese Banking Corporation Ltd	9,900	339,525	346,257	0.50
	23,300	1,260,806	1,320,245	1.91
Industrials				
Singapore Technologies Engineering Ltd	83,200	877,823	940,490	1.36
Information Technology				
Venture Corporation Ltd	13,500	547,876	667,025	0.96
Real Estate				
CapitaLand Mall Trust	108,500	694,150	791,277	1.14
CDL Hospitality Trusts	132,400	688,608	671,881	0.97
Keppel DC REIT	152,800	684,678	668,611	0.97
	393,700	2,067,436	2,131,769	3.08
TOTAL SINGAPORE	513,700	4,753,941	5,059,529	7.31

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019 (CONTINUED)				
Audited (continued)				
QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA				
Consumer Staples				
LG Household & Health Care Ltd	76	337,370	353,632	0.51
Information Technology				
Samsung Electronics Co Ltd	10,259	1,275,961	1,741,502	2.52
TOTAL SOUTH KOREA	10,335	1,613,331	2,095,134	3.03
TAIWAN				
Financials				
CTBC Financial Holding Co Ltd	174,000	449,151	480,120	0.69
Information Technology				
Taiwan Semiconductor Manufacturing Co Ltd	23,000	512,403	677,564	0.98
TOTAL TAIWAN	197,000	961,554	1,157,684	1.67
THAILAND				
Consumer Staples				
CP ALL PCL - NVDR ³	62,400	558,208	635,642	0.92
Financials				
Bangkok Bank PCL - NVDR ³	31,500	832,481	887,313	1.28
TOTAL THAILAND	93,900	1,390,689	1,522,955	2.20

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2019 (CONTINUED)				
Audited (continued)				
QUOTED SECURITIES (CONTINUED)				
UNITED STATES				
Communication Services				
Autohome Inc - ADR ⁴	1,545	542,585	457,820	0.66
Consumer Discretionary				
Huazhu Group Ltd	6,654	860,214	864,917	1.25
TOTAL UNITED STATES	8,199	1,402,799	1,322,737	1.91
TOTAL QUOTED SECURITIES	11,023,521	61,095,795	65,087,170	94.04
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		3,991,375		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		65,087,170		

¹ A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies and are available for purchase to selected foreign institutions through the Qualified Foreign Institutional Investor ("QFII") system.

² H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong exchange.

³ NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand ("SET"). It is a valid security as specified by the United States Securities and Exchange Commission ("SEC") and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

⁴ 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.

10. CASH AND CASH EQUIVALENTS

	31.07.2019	31.01.2019
	RM	Audited RM
Deposits with licensed financial institutions	2,260,367	2,957,280
Bank balances	3,813,403	3,024,615
	<u>6,073,770</u>	<u>5,981,895</u>

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

	31.07.2019	31.01.2019
	%	Audited %
Deposits with licensed financial institutions	<u>3.09</u>	<u>3.45</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 1 day (31.01.2019: 4 days).

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.02.2019 to 31.07.2019	01.02.2018 to 31.01.2019
	No of units	Audited No. of units
At the beginning of the financial period/year	57,491,950	48,011,965
Add : Creation of units from applications	5,681,710	22,707,082
Add : Creation of units from distribution	-	3,449,308
Less : Cancellation of units	(4,484,056)	(16,676,405)
At the end of the financial period/year	<u>58,689,604</u>	<u>57,491,950</u>

12. MANAGEMENT EXPENSE RATIO ("MER")

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
	%	%
MER	<u>1.02</u>	<u>1.06</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 and Services Tax ("GST") on transaction costs and 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 RM71,823,662 (31.07.2018: RM68,151,186).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
PTR (times)	0.52	0.54

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period	= RM36,539,404 (31.07.2018: RM38,998,382)
total disposal for the financial period	= RM37,958,635 (31.07.2018: RM35,212,649)

14. 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 shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to the Manager
CGS-CIMB Securities International Pte Ltd <i>(formerly known as CIMB-GK Securities Pte Ltd)</i>	Fellow related party to the Manager

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

Units held by the Manager and parties related to the Manager

Manager	31.07.2019		31.01.2019	
	No. of units	RM	No. of units	Audited RM
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	279	352	35,129	42,292

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

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
	RM	RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>876</u>	<u>828</u>
Cash placements with licensed financial institution:		
- CIMB Bank Bhd	<u>9,619,000</u>	<u>6,507,000</u>

There are no significant related party balances for the financial period/year, other than those mentioned elsewhere in the financial statements.

15. TRANSACTIONS WITH BROKERS

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Capital Securities (Malaysia) Sdn Bhd	7,085,775	9.52	13,748	9.27
CLSA Securities Malaysia Sdn Bhd	6,425,085	8.63	8,730	5.88
Maybank Investment Bank Bhd	5,392,284	7.24	11,909	8.03
KAF-Seagroatt & Campbell Securities Sdn Bhd	4,837,032	6.50	10,921	7.36
RHB Investment Bank Bhd	4,781,469	6.42	10,781	7.27
Instinet Pacific Ltd	4,768,598	6.41	12,023	8.10
Affin Hwang Investment Bank Bhd	4,502,234	6.05	10,172	6.86
CGS-CIMB Securities Sdn Bhd #	4,039,494	5.43	8,527	5.75
Citigroup Global Markets Ltd	4,016,036	5.39	6,601	4.45
CGS-CIMB Securities International Pte Ltd #	3,425,576	4.60	8,190	5.52
Others	25,175,337	33.81	46,755	31.51
	<u>74,448,920</u>	<u>100.00</u>	<u>148,357</u>	<u>100.00</u>

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Malaysia Sdn Bhd	10,003,174	13.56	22,507	13.43
RHB Investment Bank Bhd	5,942,549	8.05	13,415	8.00
Affin Hwang Investment Bank Bhd	5,034,213	6.82	11,099	6.62
CIMB Investment Bank Bhd #	4,508,753	6.11	10,182	6.07
Credit Suisse (M) Sdn Bhd	4,293,484	5.82	9,732	5.81
CLSA (Hong Kong) Ltd	3,166,711	4.29	9,551	5.70
Maybank Investment Bank Bhd	4,211,925	5.71	9,342	5.57
JP Morgan Securities (Malaysia) Sdn Bhd	3,954,458	5.36	9,068	5.41
CLSA Securities Malaysia Sdn Bhd	3,999,046	5.42	9,050	5.40
KAF-Seagroatt & Campbell Securities Sdn Bhd	3,806,150	5.16	8,565	5.11
Others #	24,860,279	33.70	55,125	32.88
	<u>73,780,742</u>	<u>100.00</u>	<u>167,636</u>	<u>100.00</u>

15. TRANSACTIONS WITH BROKERS (CONTINUED)

- # Included in the transactions are trades conducted with CGS-CIMB Securities Sdn Bhd, CGS-CIMB Securities International Pte Ltd and CIMB Investment Bank Bhd, fellow related parties to the Manager amounting to RM4,039,494 (31.07.2018: Nil), RM3,425,576 (31.07.2018: RM263,605) and Nil (31.07.2018: RM4,508,753) 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.

16. SEGMENT INFORMATION

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

The investment objective of the Fund is to provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of interest income and dividend income earned from investments and gains on the appreciation in the value of investments, which are derived from Ringgit-denominated deposits with licensed financial institutions in Malaysia, quoted securities listed on the Bursa Securities, Malaysia, collective investment schemes and foreign equities of companies domiciled in, listed in, and/or have significant operations in Asia Ex Japan.

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

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 3000

Trustee for the CIMB-Principal Equity Income Fund

Universal Trustee (Malaysia) Berhad (Company No.:17540-D)
No. 1 Jalan Ampang (3rd Floor),
50450 Kuala Lumpur, MALAYSIA.
Tel: (03) 2619 1188
Fax: (03) 2691 3513, (03) 2691 3245

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