

# CIMB-Principal Global Income Fund

Annual Report

For The Financial Year Ended 31 May 2019

**CIMB-PRINCIPAL GLOBAL INCOME FUND**  
**FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

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## INVESTORS' LETTER

Dear Valued Investor,

Thank you for your continued support and for the confidence that you have placed in us. Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("Principal Malaysia") has achieved RM55.6 billion in Asset under Management ("AUM") as of May 2019.

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

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

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

Effective 1 April 2019, we have appointed Amanie Advisors Sdn Bhd ("Amanie") as our new Shariah advisor. Amanie is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. It is a registered Shariah advisory company for Islamic unit trust with the Securities Commission Malaysia ("SC"). Amanie was established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah Principles.

Thank you.

Yours faithfully,  
for **Principal Asset Management Berhad**  
(*formerly known as CIMB-Principal Asset Management Berhad*)



**Munirah Khairuddin**  
Chief Executive Officer

## MANAGER'S REPORT

### FUND OBJECTIVE AND POLICY

#### What is the investment objective of the Fund?

The Fund aims to provide income and moderate capital growth through investments in one collective investment scheme, which invests primarily in a diversified portfolio of high yielding debt securities.

#### Has the Fund achieved its objective?

For the financial year under review, the Fund has performed in line with its objectives as stated under the Fund Performance section

#### What are the Fund investment policy and principal investment strategy?

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. AllianceBernstein Fonds Commun de Placement ("AB FCP I") Global High Yield Portfolio ("Target Fund"). The Fund may also invest in liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its Net Asset Value ("NAV") in the Target Fund; a portfolio established on 22 September 1997 under the AB FCP I. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

The Fund will be actively rebalanced from time to time to meet sales and redemptions transactions. This is to enable a proper and efficient management of the Fund. As this is a feeder fund that invests predominantly in the Target Fund, we do not intend to take temporary defensive position for the Fund during adverse market, economic and/or any other conditions. This is to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market conditions. However, the Target Fund Investment Adviser may take temporary defensive position when deemed necessary.

#### Information on the Target Fund:

Company	: AB FCP I, a mutual investment fund ( <i>fonds commun de placement</i> ) organized under the laws of the Grand Duchy of Luxembourg
Investment Manager	: AllianceBernstein L.P.
Management Company	: AllianceBernstein (Luxembourg) S.à r.l.
Regulatory authority	: Commission de Surveillance du Secteur Financier

#### **Base Currency**

US Dollar ("USD")

#### **Fund category/type**

Feeder Fund/Income & Growth

#### **How long should you invest for?**

Recommended three (3) years or more

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

High

#### **When was the Fund launched?**

Class AUD-Hedged ("AUD-H"), GBP-Hedged ("GBP-H"), MYR-Hedged ("MYR-H"), SGD-Hedged ("SGD-H") and USD

11 October 2017

Class EUR-Hedged (EUR-H), HKD-Hedged ("HKD-H") and RMB-Hedged ("RMB-H")

2 July 2018

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What was the size of the Fund as at 31 May 2019?**

USD18.98 million (40.15 million units)

**What is the Fund's benchmark?**

As the Fund feeds into the Target Fund, the Fund compares to the Target Fund for performance comparison purpose.

Note: Please note that the Target Fund is benchmark unconstrained, i.e. it will be managed without reference to any specific benchmark.

**What is the Fund distribution policy?**

Quarterly, depending on the availability of realised income and/or realised gains and at discretion of the Manager.

**What was the net income distribution for the financial year ended to 31 May 2019?**

The Fund distributed a total net income of USD0.73 million to unit holders for the financial year ended 31 May 2019.

Date	NAV per unit (before distribution) USD	NAV per unit (after distribution) USD
<u>23 May 2019</u>		
Class AUD-H	1.0058	0.9991
Class GBP-H	0.9868	0.9418
Class HKD-H	1.0256	1.0250
Class MYR-H	0.9726	0.9651
Class SGD-H	0.9857	0.9706
Class USD	0.9893	0.9786
<u>22 November 2018</u>		
Class GBP-H	0.9475	0.9425
Class MYR-H	0.9537	0.9487
Class SGD-H	0.9529	0.9499
Class USD	0.9638	0.9438

**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the financial year/period are as follows:

	<b>31.05.2019</b>	<b>31.05.2018</b>
	%	%
Collective investment scheme	98.17	98.91
Cash and other net assets	1.83	1.09
	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the financial year/period are as follows:

	<b>31.05.2019</b>	<b>11.10.2017 (date of launch) to 31.05.2018</b>
NAV (USD million)		
- Class AUD-H	1.72	4.64
- Class EUR-H	0.21	-
- Class GBP-H	5.40	8.34
- Class HKD-H	0.05	-
- Class MYR-H	5.79	6.52
- Class RMB-H	0.00	-
- Class SGD-H	3.61	5.39
- Class USD	2.20	2.92
Units in circulation (million)		
- Class AUD-H	2.49	6.18
- Class EUR-H	0.20	-
- Class GBP-H	4.55	6.41
- Class HKD-H	0.37	-
- Class MYR-H	25.16	26.19
- Class RMB-H	0.00	-
- Class SGD-H	5.13	7.34
- Class USD	2.25	2.95
NAV per unit (USD)		
- Class AUD-H	0.6911	0.7508
- Class EUR-H	1.0953	-
- Class GBP-H	1.1850	1.3019
- Class HKD-H	0.1305	-
- Class MYR-H	0.2301	0.2490
- Class RMB-H	0.1516	-
- Class SGD-H	0.7045	0.7344
- Class USD	0.9773	0.9877
Highest NAV per unit (USD)		
- Class AUD-H	0.7608	0.8295
- Class EUR-H	1.1635	-
- Class GBP-H	1.3133	1.4511
- Class HKD-H	0.1321	-
- Class MYR-H	0.2498	0.2637
- Class RMB-H	0.1579	-
- Class SGD-H	0.7374	0.7799
- Class USD	0.9961	1.0194

**PERFORMANCE DATA (CONTINUED)**

Performance details of the Fund for the financial year/period are as follows (continued):

	<b>31.05.2019</b>	<b>11.10.2017 (date of launch) to 31.05.2018</b>
Lowest NAV per unit (USD)		
- Class AUD-H	0.6651	0.7427
- Class EUR-H	1.0636	-
- Class GBP-H	1.1636	1.2982
- Class HKD-H	0.1235	-
- Class MYR-H	0.2222	0.2360
- Class RMB-H	0.1499	-
- Class SGD-H	0.6778	0.7281
- Class USD	0.9244	0.9144
Total return (%)		
- Class AUD-H	(7.05)	(0.75)
- Class EUR-H	-	-
- Class GBP-H	(5.15)	(2.13)
- Class HKD-H	-	-
- Class MYR-H	(2.49)	(0.91)
- Class RMB-H	-	-
- Class SGD-H	(1.59)	(1.79)
- Class USD	2.15	(1.22)
Capital growth (%)		
- Class AUD-H	(8.45)	(0.75)
- Class EUR-H	-	-
- Class GBP-H	(8.31)	(2.13)
- Class HKD-H	-)	-
- Class MYR-H	(7.97)	(0.91)
- Class RMB-H	-	-
- Class SGD-H	(5.06)	(1.79)
- Class USD	(1.03)	(1.22)
Income distribution (%)		
- Class AUD-H	1.40	-
- Class EUR-H	-	-
- Class GBP-H	3.16	-
- Class HKD-H	-	-
- Class MYR-H	5.48	-
- Class RMB-H	-	-
- Class SGD-H	3.47	-
- Class USD	3.18	-
Management Expense Ratio ("MER") (%) ^	0.57	0.50
Portfolio Turnover Ratio ("PTR") (times) #	0.32	0.68

^ The Fund's MER increased from 0.50% to 0.57% due to an increase in other expenses during the financial year under review.

# For the financial year under review, the Fund's PTR decreased from 0.68 times to 0.32 times as there were less trading activities carried out within the reporting year.



PERFORMANCE DATA (CONTINUED)

	31.05.2019	11.10.2017 (date of launch) to 31.05.2018
<b>Distribution on 23 May 2019</b>		
Gross/Net distribution per unit (cent)		
- Class AUD-H	0.67	-
- Class GBP-H	4.50	-
- Class HKD-H	0.06	-
- Class MYR-H	0.75	-
- Class SGD-H	1.51	-
- Class USD	1.07	-
<b>Distribution on 22 November 2018</b>		
Gross/Net distribution per unit (cent)		
- Class GBP-H	0.50	-
- Class MYR-H	0.50	-
- Class SGD-H	0.30	-
- Class USD	2.00	-
	<b>1 year to 31.05.2019</b>	<b>Since inception to 31.05.2018 %</b>
Annual total return		
- Class AUD-H	(7.05)	(0.75)
- Class GBP-H	(5.15)	(2.13)
- Class MYR-H	(2.49)	(0.91)
- Class SGD-H	(1.59)	(1.79)
- Class USD	2.15	(1.22)
(Launch date: 11 October 2017)		
		<b>Since inception to 31.05.2019</b>
- Class EUR-H		(6.56)
- Class HKD-H		2.89
- Class RMB-H		(2.48)
(Launch date: 2 July 2018)		

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

**MARKET REVIEW (1 JUNE 2018 TO 31 MAY 2019)**

In June 2018, fixed-income markets had mixed performance in June 2018, as trade tensions continued to mount and the USD strengthened further. Developed-market treasury yields were little changed, flattening modestly outside of the eurozone, where receding political concerns in Italy caused yields to rally. US high yield rebounded on strong US economic data, while global and European high-yield markets lagged amid subdued appetite for risk. The US High Yield Index posted positive absolute returns of 0.40% in the month. Sector performance was largely positive, with energy being the best performer (up 0.77%).

In July 2018, fixed-income markets had mostly positive performance in July 2018, amid upbeat macroeconomic data and receding global growth fears, and despite continued uncertainty around rising trade tensions. Spread sectors rebounded as the earnings season got off to a strong start. The US High Yield Index posted positive absolute returns of 1.09% in the month. Performance was positive across all sectors, with communications up the most, returning 1.48%.

**MARKET REVIEW (1 JUNE 2018 TO 31 MAY 2019) (CONTINUED)**

Fixed-income markets had mixed performance in August 2018. Spread sectors had varying absolute returns but generally underperformed relative to duration-matched treasuries. Investment-grade corporates and US high yield rallied on the back of strong corporate earnings in the US. The US High Yield Index posted positive absolute returns of 0.74% in the month of 21. Sector performance was almost universally positive, with Transportation up the most, returning 1.71%.

Fixed-income sectors had mixed absolute performance in September 2018, though spread sectors generally outperformed duration-matched treasuries as appetite for risk returned to the marketplace. High yield rallied on continued US economic strength and a temporary decrease in risk surrounding Italian budget discussions. Emerging market (“EM”) debt ended its recent run of underperformance, helped by a weaker USD and despite some mixed developments in the global trade space. Treasury yields rose across the board in the US (where the Federal Reserve (the “Fed”) hiked rates, as expected), and moved in differing directions across other developed markets.

Most fixed-income sectors had negative performance in October 2018, and spread sectors lagged duration-matched treasuries, as volatility resurfaced due to continued trade disputes, rising interest rates, and signs that the global growth story may be more vulnerable than expected. The Standard & Poor's (“S&P”) 500 Index declined sharply, marking its worst monthly performance in over seven years, while the Dow Jones experienced its third-largest single-day drop ever. Investment-grade corporates and high yield sold off as well. Risk-off sentiment was due to weaker-than-expected earnings reports (especially in the technology sector), disappointing forward guidance, and a slowdown in global Purchasing Managers' Index and Institute for Supply Management data. The selloff in high yield, rise in US interest rates and a stronger USD weighed on EM debt sectors.

Fixed-income markets posted mixed-to-negative returns in November 2018. Risk assets generally decreased in absolute terms and lagged duration-sensitive assets. US high yield sold off on the back of weaker-than-expected earnings and outlooks in the country, while European high yield suffered under weaker data prints in the region and uncertainty regarding Brexit and the Italian budget discussions. EM debt performance varied, as falling oil prices weighed on hard-currency sovereigns and corporate debt, while local-currency debt was buoyed by a weaker USD.

Performance varied across fixed income markets in December 2018, as investors witnessed extreme volatility in the final month of the year amid a more challenging global growth environment. Outside of high yield, spread sectors generally delivered positive absolute returns, but underperformed duration-matched treasuries. High yield continued to sell off on a continuation of negative oil-price action, poor corporate earnings guidance and fourth-quarter outlooks, and broad risk-off sentiment. Despite the drop in the price of crude, EM debt rebounded, helped by the somewhat weaker USD and a rally in US Treasury (“UST”) yields. Developed-market treasuries performed well in the flight to quality.

Fixed-income sectors started the year off with strong performance in 2019, as risk appetite returned to the marketplace. Both investment-grade and high-yield credit rebounded in the risk-on environment, buoyed further in the US by a robust start to the corporate earnings season. EM continued to rally, as oil prices snapped back from December 2018 lows and the USD weakened against most EM and developed-market currencies. Dovish signals from the Fed and several other major Central Banks also helped boost returns across the asset class. Developed-Market Government bond yields fell, particularly in Europe, where weak economic data generally pushed yields lower.

Bond markets had broadly positive returns in February 2019, against a backdrop of easing trade tensions and continued dovish commentary from the the Fed. A continuation of the risk-on sentiment that began 2019 buoyed investment-grade and high-yield credit, with US high yield posting its strongest yearly start in almost two decades. The Bloomberg Barclays US Corporate High Yield Index posted absolute returns of 1.66% in the month, with sector performance that was universally positive.

**MARKET REVIEW (1 JUNE 2018 TO 31 MAY 2019) (CONTINUED)**

Fixed-income markets generally performed well in March 2019, as global Central Banks telegraphed a more dovish tone amid signs of slowing growth, and investors optimistically viewed the ongoing trade negotiations between the US and China. Within risk assets, a strong showing from both US and European investment-grade credit outpaced the positive returns of high yield. The Bloomberg Barclays US Corporate High Yield Index returned 0.94% in the month. Sector performance was positive across the board, led by banking, which was up 1.98%.

First-quarter risk appetite continued into April 2019, driving generally positive performance across fixed-income markets, with most sectors now having almost completely retraced the sell-off at the end of last year. Despite global growth concerns, market sentiment was buttressed by dovish central banks, tentative signs of stabilizing Chinese data and optimism regarding US-China trade progress. (However, at the beginning of May 2019, President Trump announced that he would impose tariffs on Chinese imports, triggering some market weakness). High-yield and investment-grade credit markets continued to rally. US credit benefited from stronger-than-expected earnings, while European credit was buoyed by the overall risk-on atmosphere.

Fixed-income markets had mixed performance in May 2019, as renewed trade tensions weighed on risk assets the brunt of which was absorbed by equity markets and oil prices. High-yield bonds suffered their largest setback of 2019, while developed-market treasury rates rallied in the risk-off environment, as investors grew more uncertain about the macro picture. Curves generally flattened, as long ends dropped more than shorter maturities the exception being Italy, where disagreement with the European Union ("EU") regarding the country's budget drove yields higher.

**FUND PERFORMANCE**

**1 year to 31.05.2019**

	<b>Class AUD-H</b>	<b>Class EUR-H</b>	<b>Class GBP-H</b>	<b>Class HKD-H</b>	<b>Class MYR-H</b>	<b>Class RMB-H</b>	<b>Class SGD-H</b>	<b>Class USD</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>-</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	1.40	-	3.16	-	5.48	-	3.47	3.18
Capital	(8.45)	-	(8.31)	-	(7.97)	-	(5.06)	(1.03)
Total Return	(7.05)	-	(5.15)	-	(2.49)	-	(1.59)	2.15
Benchmark	-	-	-	-	-	-	-	-
Average								
Total Return	(7.05)	-	(5.15)		(2.49)	-	(1.59)	2.15

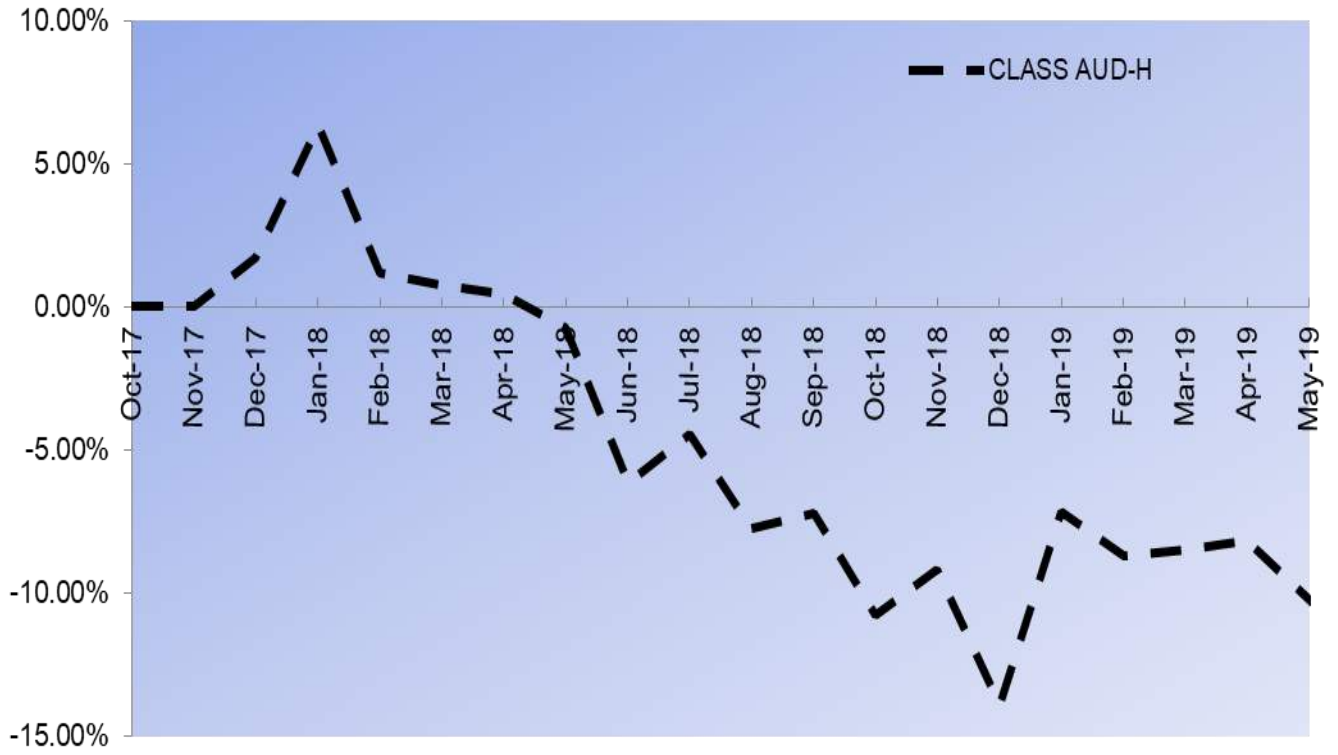
**Since inception to 31.05.2019**

	<b>Class AUD-H</b>	<b>Class EUR-H</b>	<b>Class GBP-H</b>	<b>Class HKD-H</b>	<b>Class MYR-H</b>	<b>Class RMB-H</b>	<b>Class SGD-H</b>	<b>Class USD</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	1.40	-	3.16	3.59	5.48	-	3.47	3.18
Capital	(11.64)	(6.56)	9.50	(0.70)	(2.97)	(2.48)	(5.52)	(2.28)
Total Return	(10.25)	(6.56)	(6.34)	2.89	2.51	(2.48)	(2.05)	0.90
Benchmark	-	-	-	-	-	-	-	-
Average								
Total Return	(6.38)	(7.15)	(4.12)	3.16	1.87	(2.71)	(1.26)	0.55

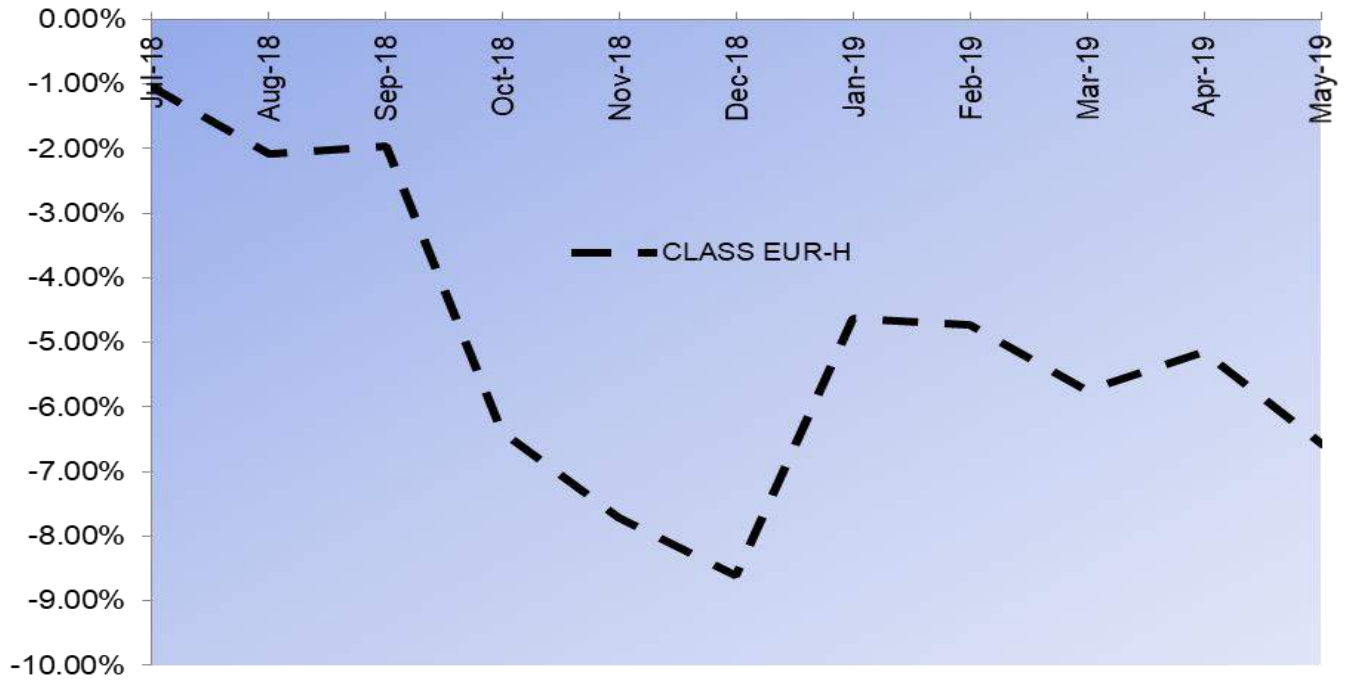
For the financial year under review, all classes posted negative returns with the exception of Class USD. Class AUD-H, Class GBP-H, Class MYR-H and Class SGD-H decreased by 7.05%, 5.15%, 2.49% and 1.59% respectively while Class USD increased by 2.15%. The Fund has no benchmark for performance comparison.

FUND PERFORMANCE (CONTINUED)

CLASS AUD-H

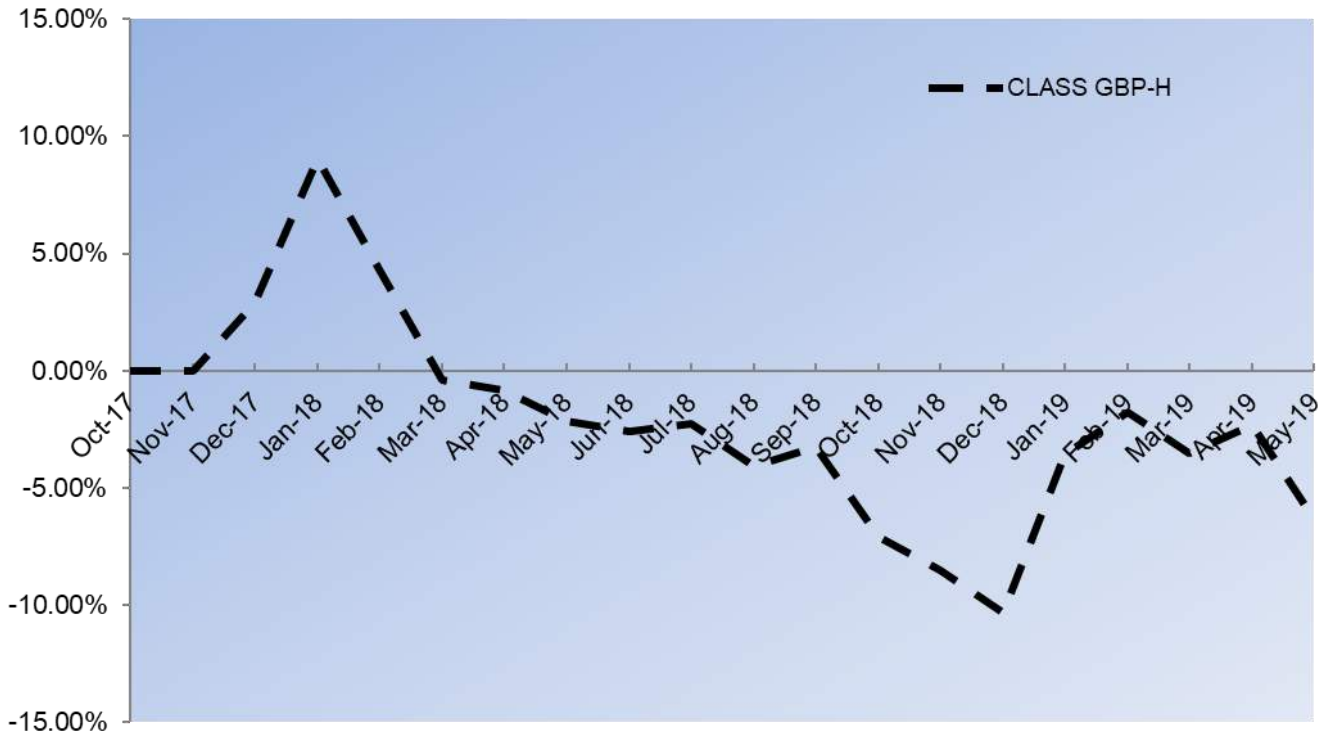


CLASS EUR-H

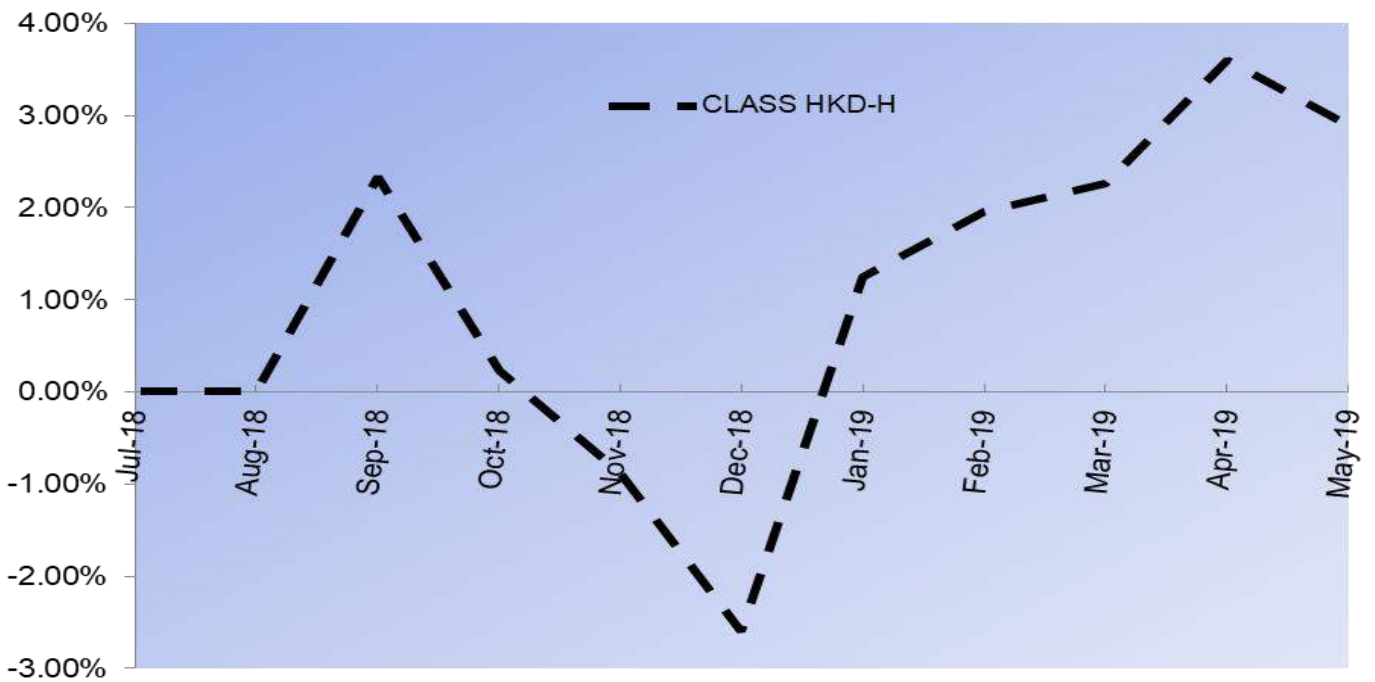


FUND PERFORMANCE (CONTINUED)

CLASS GBP-H

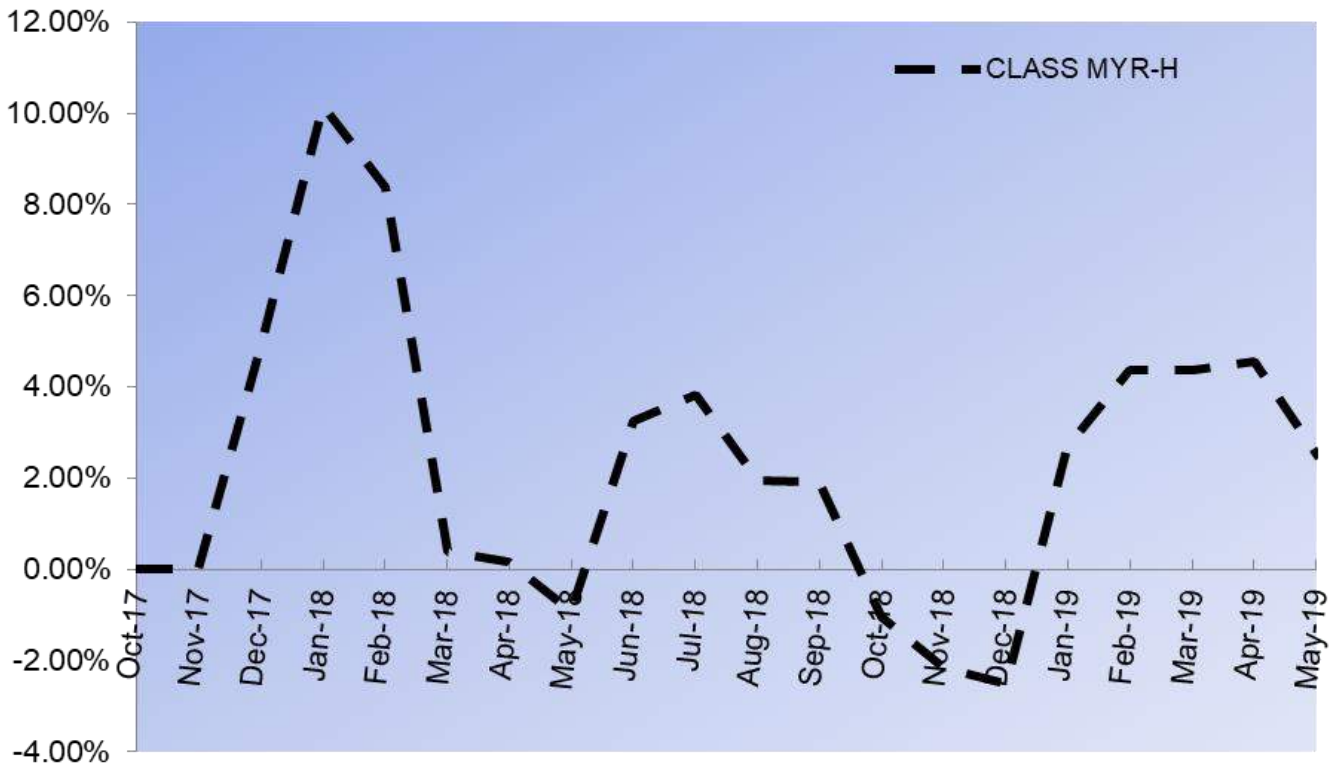


CLASS HKD-H

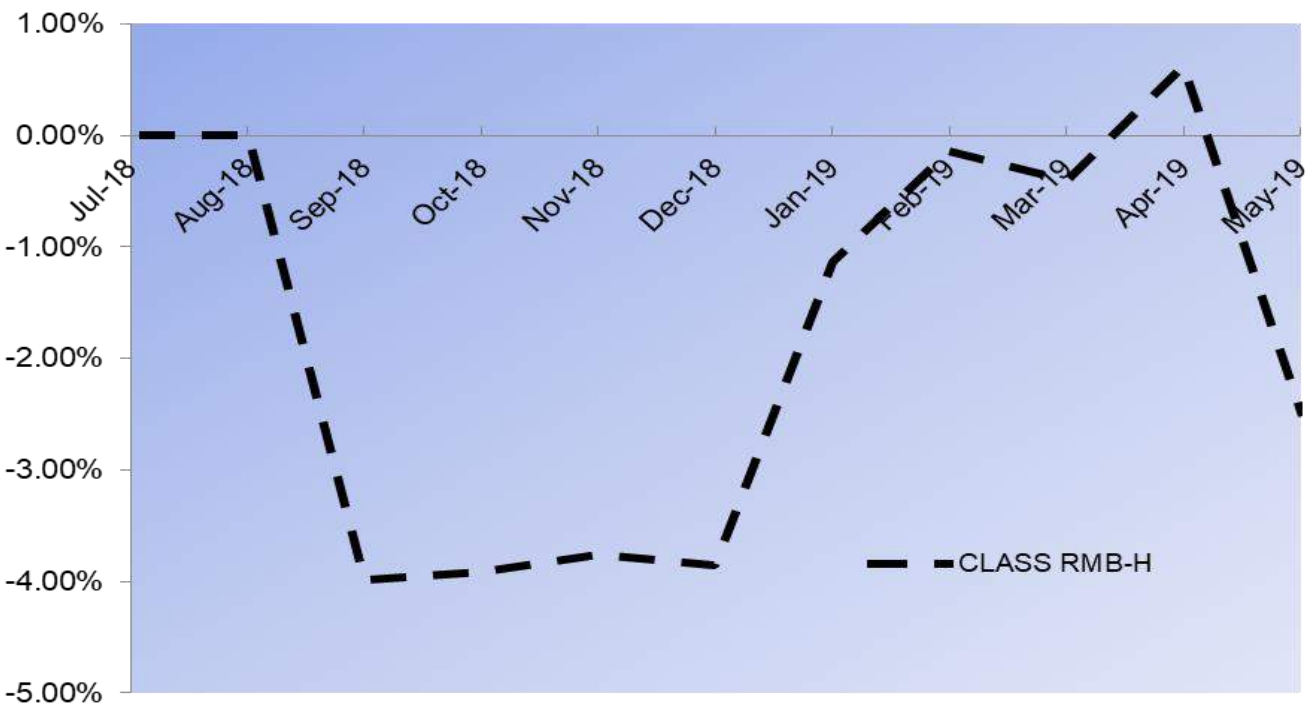


FUND PERFORMANCE (CONTINUED)

CLASS MYR-H

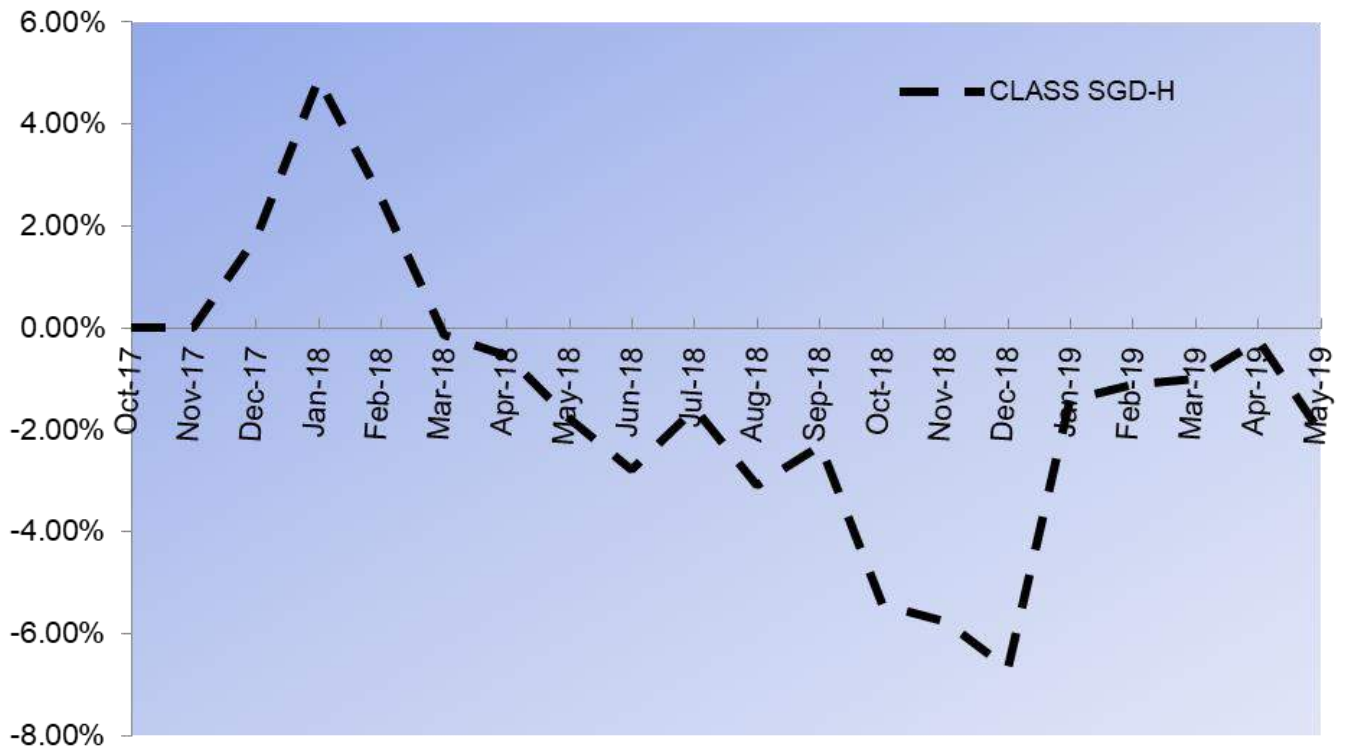


CLASS RMB-H

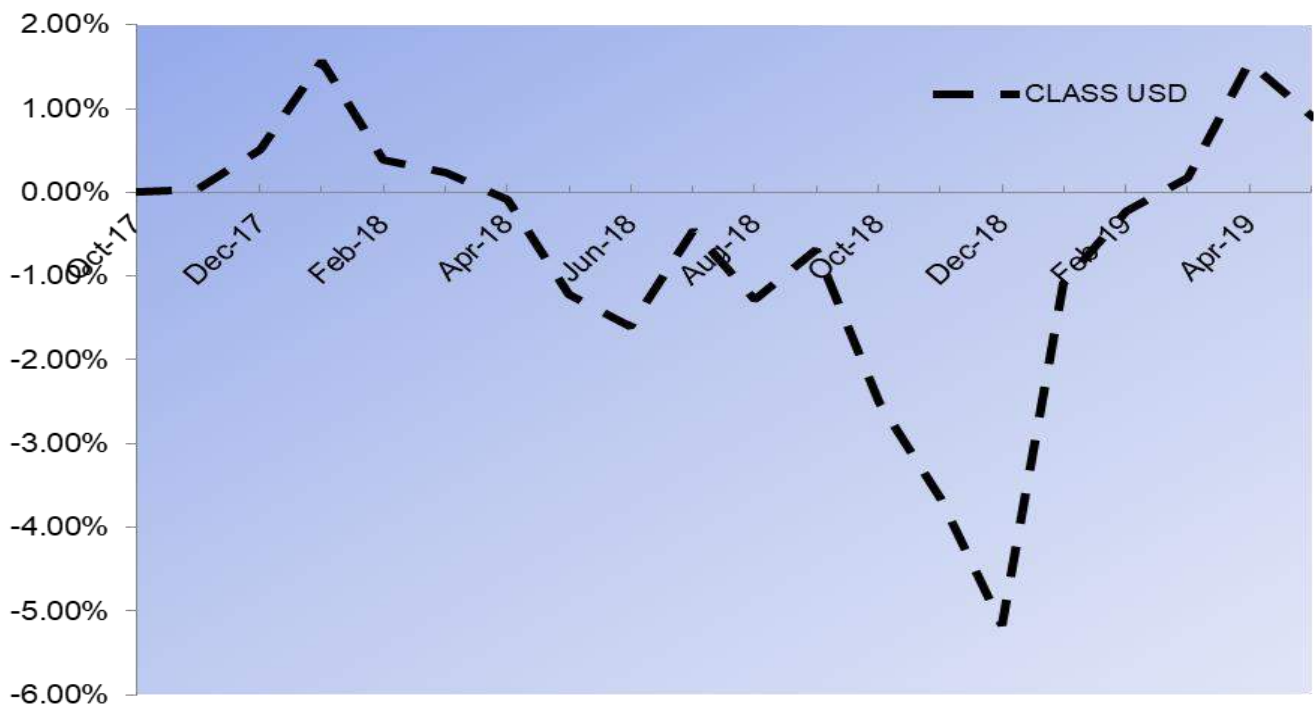


FUND PERFORMANCE (CONTINUED)

CLASS SGD-H



CLASS USD



**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV**

**CLASS AUD-H**

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>Changes %</b>
NAV (USD Million)	1.72	4.64	(62.93)
NAV/Unit (USD)	0.6911	0.7508	(7.95)

**CLASS EUR-H**

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>Changes %</b>
NAV (USD Million)	0.21	-	>100.00
NAV/Unit (USD)	1.0953	-	>100.00

**CLASS GBP-H**

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>Changes %</b>
NAV (USD Million)	5.40	8.34	(35.25)
NAV/Unit (USD)	1.1850	1.3019	(8.98)

**CLASS HKD-H**

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>Changes %</b>
NAV (USD Million)	0.05	-	>100.00
NAV/Unit (USD)	0.1305	-	>100.00

**CLASS MYR-H**

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>Changes %</b>
NAV (USD Million)	5.79	6.52	(11.20)
NAV/Unit (USD)	0.2301	0.2490	(7.59)

**CLASS RMB-H**

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>Changes %</b>
NAV (USD Million)	0.00	-	>100.00
NAV/Unit (USD)	0.1516	-	>100.00

**CLASS SGD-H**

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>Changes %</b>
NAV (USD Million)	3.61	5.39	(33.02)
NAV/Unit (USD)	0.7045	0.7344	(4.07)

**CLASS USD**

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>Changes %</b>
NAV (USD Million)	2.20	2.92	(24.66)
NAV/Unit (USD)	0.9773	0.9877	(1.05)



**FUND PERFORMANCE (CONTINUED)****Changes in NAV (continued)**

The Fund recorded outflows from redemptions over the financial year under review for five out of the eight classes - Class AUD-H, Class GBP-H, Class MYR-H, Class SGD-H and Class USD. Class AUD-H lost the most by (62.93%) in its total NAV, followed by Class GBP-H (35.25%), Class SGD-H (33.02%), Class USD (24.66%) and Class MYR-H (11.20%).

At the time of reporting, Class MYR-H has the largest total NAV which stood at USD 5.79 million.

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

**PORTFOLIO STRUCTURE****Asset allocation**

<b>(% of NAV)</b>	<b>31.05.2019</b>	<b>31.05.2018</b>
Collective investment scheme	98.17	98.91
Cash and other net assets	1.83	1.09
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The Fund was fully invested during the financial year/period under review. A minimal level of cash and other net assets was maintained primarily for redemption purposes.

**MARKET OUTLOOK\***

The renewal of global trade tensions represents a key risk to global growth and asset prices. Worse still, the recent trade spat (and abrupt reversal) with Mexico illustrates that the trade war can spread beyond the US and China, while the Huawei Technologies (M) Sdn Bhd dispute hints at a broader conflict between the world's two largest economies. The strategic conflict between China and the West is likely to overshadow the investment landscape for years to come.

The US economy had a unique year in 2018. It continued to perform very strongly and was insulated from growth concerns globally. This allowed the Fed to hike rates four times, while other central banks kept rates on hold. This divergence created a negative dynamic - especially for EM-related risk - in which US rates increased and the USD rose, while growth softened globally. In 2019, we expect to see a convergence of the US with other markets. Softer/trend-like growth in the US (particularly in light of recent labor and inflation data) has started to become evident. This most likely keeps the Fed not only on hold, but potentially moving towards an easing bias - a marked difference from 2018.

\* 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**

The Fund will continue to remain fully invested in the Target Fund with minimal cash kept for liquidity purposes.

## UNIT HOLDINGS STATISTICS

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

## CLASS AUD-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	-	-
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	2	0.45	18.07
500,001 and above	2	2.04	81.93
<b>Total</b>	<b>5</b>	<b>2.49</b>	<b>100.00</b>

## CLASS EUR-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	1	0.03	15.00
50,001 - 500,000	1	0.17	85.00
500,001 and above	-	-	-
<b>Total</b>	<b>3</b>	<b>0.20</b>	<b>100.00</b>

## CLASS GBP-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	2	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	1	0.02	0.66
50,001 - 500,000	-	-	-
500,001 and above	2	4.53	99.34
<b>Total</b>	<b>5</b>	<b>4.55</b>	<b>100.00</b>

## CLASS HKD-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	2	0.37	100.00
500,001 and above	-	-	-
<b>Total</b>	<b>3</b>	<b>0.37</b>	<b>100.00</b>

## UNIT HOLDINGS STATISTICS (CONTINUED)

## CLASS MYR-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	2	0.42	1.67
500,001 and above	4	24.74	98.33
<b>Total</b>	<b>7</b>	<b>25.16</b>	<b>100.00</b>

## CLASS RMB-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	100.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	-	-	-
500,001 and above	-	-	-
<b>Total</b>	<b>1</b>	<b>0.00</b>	<b>100.00</b>

## CLASS SGD-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	3	0.24	4.68
500,001 and above	2	4.89	95.32
<b>Total</b>	<b>6</b>	<b>5.13</b>	<b>100.00</b>

## CLASS USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.01
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	2	0.16	7.10
500,001 and above	2	2.09	92.89
<b>Total</b>	<b>5</b>	<b>2.25</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL GLOBAL INCOME FUND**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 24 to 59 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 May 2019 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

For and on behalf of the Manager

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

**MUNIRAH KHAIRUDDIN**  
Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
16 July 2019

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

We have acted as Trustee of CIMB-Principal Global Income Fund (the "Fund") for the financial year ended 31 May 2019. To the best of our knowledge, Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), has operated and managed the Fund in accordance with the following:-

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

During this financial year, a total distribution of 0.67 cent per unit (gross) for Class AUD-Hedged, 5.00 cent per unit (gross) for Class GBP-Hedged, 0.06 cent per unit (gross) for Class HKD-Hedged, 1.25 cent per unit (gross) for Class MYR-Hedged, 1.81 cent per unit (gross) for Class SGD-Hedged and 3.07 cent per unit (gross) for Class USD respectively have been distributed to the unit holders of the Fund. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
16 July 2019

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL GLOBAL INCOME FUND**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

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

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 May 2019, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 24 to 59.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

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

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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



**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL GLOBAL INCOME FUND (CONTINUED)****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**Auditors' responsibilities for the audit of the financial statements

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

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

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

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

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

**OTHER MATTERS**

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

**PRICEWATERHOUSECOOPERS PLT**

LLP0014401-LCA & AF 1146

Chartered Accountants

Kuala Lumpur

16 July 2019

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

	Note	2019 USD	11.10.2017 (date of launch) to 31.05.2018 USD
<b>LOSS</b>			
Dividend income		1,613,967	885,857
Interest income from deposit with licensed financial institution		-	57
Net loss on financial assets at fair value through profit or loss	9	(1,144,964)	(1,177,127)
Net loss on derivatives at fair value through profit or loss	11	(1,311,285)	(1,793)
Net foreign exchange loss		(1,121)	(1,632)
Other income	4	260,090	121,518
		<u>(583,313)</u>	<u>(173,120)</u>
<b>EXPENSES</b>			
Management fee	5	374,536	209,120
Trustee's fee	6	9,079	5,070
Audit fee		2,432	2,136
Tax Agent's fee		1,113	900
Other expenses		2,907	13,437
		<u>390,067</u>	<u>230,663</u>
<b>LOSS BEFORE FINANCE COST AND TAXATION</b>		(973,380)	(403,783)
Finance costs (excluding decrease in net assets attributable to unit holders):			
- Class AUD-H		(16,102)	-
- Class GBP-H		(234,292)	-
- Class HKD-H		(219)	-
- Class MYR-H		(304,211)	-
- Class SGD-H		(95,301)	-
- Class USD		(75,697)	-
	7	<u>(725,822)</u>	<u>-</u>
<b>LOSS BEFORE TAXATION</b>		(1,699,202)	(403,783)
Taxation	8	-	-
<b>DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>(1,699,202)</u>	<u>(403,783)</u>
Decrease in net assets attributable to unit holders is made up as follows:			
Realised amount		(1,543,979)	899,187
Unrealised amount		(155,223)	(1,302,970)
		<u>(1,699,202)</u>	<u>(403,783)</u>

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

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

	Note	2019 USD	2018 USD
<b>ASSETS</b>			
Cash and cash equivalents	10	15,290	150,520
Financial assets at fair value through profit or loss	9	18,635,732	27,512,529
Amount due from Manager of collective investment scheme			
- Management fee rebate		47,731	24,409
- Sale of collective investment scheme		700,000	-
Amount due from Manager		163,180	56,729
Derivative assets at fair value through profit of loss	11	25,665	-
Dividends receivable		-	310,343
<b>TOTAL ASSETS</b>		<u>19,587,598</u>	<u>28,054,530</u>
<b>LIABILITIES</b>			
Amount due to Manager of collective investment scheme			
- Purchase of collective investment scheme		-	1,142
Amount due to Manager		5,430	52,245
Accrued management fee		27,149	39,213
Amount due to Trustee		658	951
Amount due to dealer		260,061	-
Derivative liabilities at fair value through profit of loss	11	-	139,617
Distributions payable		306,287	-
Other payables and accruals		4,572	5,640
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>604,157</u>	<u>238,808</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>18,983,441</u>	<u>27,815,722</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>18,983,441</u>	<u>27,815,722</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- Class AUD-H		1,718,347	4,638,948
- Class EUR-H		213,317	-
- Class GBP-H		5,396,258	8,344,706
- Class HKD-H		47,812	-
- Class MYR-H		5,790,790	6,522,518
- Class RMB-H		152	-
- Class SGD-H		3,616,045	5,392,697
- Class USD		2,200,720	2,916,853
		<u>18,983,441</u>	<u>27,815,722</u>

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2019 (CONTINUED)**

	Note	2019 USD	2018 USD
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class AUD-H		2,486,390	6,178,374
- Class EUR-H		194,744	-
- Class GBP-H		4,553,486	6,409,422
- Class HKD-H		366,355	-
- Class MYR-H		25,164,066	26,186,648
- Class RMB-H		1,000	-
- Class SGD-H		5,132,677	7,342,137
- Class USD		2,251,649	2,952,971
	<b>12</b>	40,150,367	49,069,552
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- Class AUD-H		0.6911	0.7508
- Class EUR-H		1.0953	-
- Class GBP-H		1.1850	1.3019
- Class HKD-H		0.1305	-
- Class MYR-H		0.2301	0.2490
- Class RMB-H		0.1516	-
- Class SGD-H		0.7045	0.7344
- Class USD		0.9773	0.9877
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- Class AUD-H		AUD0.9976	AUD 0.9901
- Class EUR-H		EUR0.9830	-
- Class GBP-H		GBP0.9403	GBP 0.9769
- Class HKD-H		HKD1.0231	-
- Class MYR-H		RM0.9638	RM 0.9909
- Class RMB-H		RMB1.0510	-
- Class SGD-H		SGD0.9693	SGD 0.9822
- Class USD		USD0.9773	USD 0.9877

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

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

	<b>2019 USD</b>	<b>11.10.2017 (date of launch) to 31.05.2018 USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD</b>	27,815,722	-
Movement due to units created and cancelled during the financial year/period:		
- Creation of units from applications		
- Class AUD-H	214,330	4,775,011
- Class EUR-H	217,851	-
- Class GBP-H	390,709	8,644,477
- Class HKD-H	46,937	-
- Class MYR-H	550,116	6,747,189
- Class RMB-H	150	-
- Class SGD-H	162,515	5,527,570
- Class USD	316,520	2,964,178
	<u>1,899,128</u>	<u>28,658,425</u>
- Creation of units from distributions		
- Class AUD-H	11,130	-
- Class GBP-H	55,166	-
- Class HKD-H	106	-
- Class MYR-H	189,405	-
- Class SGD-H	19,245	-
- Class USD	30,568	-
	<u>305,620</u>	<u>-</u>
- Cancellation of units		
- Class AUD-H	(2,844,342)	-
- Class GBP-H	(2,719,806)	(55,034)
- Class MYR-H	(1,000,588)	(374,704)
- Class SGD-H	(1,738,682)	(4,366)
- Class USD	(1,034,409)	(4,816)
	<u>(9,337,827)</u>	<u>(438,920)</u>
Decrease in net assets attributable to unit holders during the financial year/period	<u>(1,699,202)</u>	<u>(403,783)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD</b>	<u>18,983,441</u>	<u>27,815,722</u>

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

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

	Note	2019 USD	11.10.2017 (date of launch) to 31.05.2018 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of collective investment scheme		10,450,035	400,000
Purchase of collective investment scheme		(1,495,034)	(29,088,472)
Dividend income received		-	575,514
Interest received from deposits with licensed financial institutions		-	57
Management fee rebate received		236,768	97,109
Management fee paid		(386,600)	(169,907)
Trustee's fees paid		(9,372)	(4,119)
Payments for other fees and expenses		(7,519)	(10,875)
Net realised foreign exchange gain/(loss)		259,293	(1,693)
Net realized (loss)/gain on forward foreign currency contracts		(1,476,567)	137,824
<b>Net cash generated from/(used in) operating activities</b>		<u>7,571,004</u>	<u>(28,064,562)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		1,852,313	28,710,670
Payments for cancellation of units		(9,444,278)	(495,649)
Distributions		(113,915)	-
<b>Net cash (used in)/generated from financing activities</b>		<u>(7,705,880)</u>	<u>28,215,021</u>
Net (decrease)/increase in cash and cash equivalents		(134,876)	150,459
Effect of foreign exchange differences		(354)	61
Cash and cash equivalents at the beginning of the financial year/period		<u>150,520</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year/period	<b>10</b>	<u>15,290</u>	<u>150,520</u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		<u>15,290</u>	<u>150,520</u>
Cash and cash equivalents at the end of the financial year/period	<b>10</b>	<u>15,290</u>	<u>150,520</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

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

CIMB-Principal Global Income Fund (the “Fund”) is governed by a Principal Deed dated 9 October 2017 (the “Deed”), made between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. AllianceBernstein Luxembourg SARL-AB FCP I - Global High Yield Portfolio (the “Target Fund”). The Fund may also invest in liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund; a portfolio established on 22 September 1997 under the AB FCP I. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

The Fund will be actively rebalanced from time to time to meet sales and redemptions transactions. This is to enable a proper and efficient management of the Fund. As this is a feeder fund that invests predominantly in the Target Fund, we do not intend to take temporary defensive position for the Fund during adverse market, economic and/or any other conditions. This is to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market conditions. However, the Target Fund Investment Adviser may take temporary defensive position when deemed necessary.

Company	: AB FCP I, a mutual investment fund ( <i>fonds commun de placement</i> ) organized under the laws of the Grand Duchy of Luxembourg
Investment Manager	: AllianceBernstein L.P.
Management Company	: AllianceBernstein (Luxembourg) S.à r.l.
Regulatory authority	: Commission de Surveillance du Secteur Financier

All investments are subjected to the Securities Commission Malaysia (“SC”) Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, SC requirements, the Deed, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS and International IFRS.

The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

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

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

Standard that is effective:

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

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

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

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

### (a) Basis of preparation (continued)

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

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

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

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

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

#### Financial year beginning on/after 1 June 2019

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

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

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

### (b) Financial assets and financial liabilities

#### Classification

Up to 31 May 2018, the Fund designates its investment in collective investment scheme as financial assets at fair value through profit or loss at inception.

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

Derivatives are financial assets/liabilities at fair value through profit or loss categorised as held for trading unless they are designated hedges (Note 2(k)).

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

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

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

The Fund classifies amount due to Manager of collective investment scheme, amount due to Manager, accrued management fee, amount due to Trustee, amount due to dealer, distributions payable and other payables and accruals as other financial liabilities.

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Investments in collective investment scheme and derivatives of the Fund are debt instruments with contractual cash flows that do not represent solely payment of principal and interest, and therefore are classified as fair value through profit or loss.

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

The Fund classifies amount due to Manager of collective investment scheme, amount due to Manager, accrued management fee, amount due to Trustee, amount due to dealer, distributions 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.

Financial liabilities, within the scope of MFRS 139 up to 31 May 2018 and MFRS 9 from 1 June 2018, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

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

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

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

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

Impairment for assets carried at amortised costs

Up to 31 May 2018, for assets carried at amortised cost, the Fund assesses at the end of the reporting year/period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

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

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

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

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

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Other income**

Management fee rebate is derived from the Manager and the Manager of the collective investment scheme on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment scheme held.

**(e) Foreign currency****Functional and presentation currency**

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

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

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

**Transactions and balances**

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

**(f) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances.

**(g) Taxation**

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(i) Amount due from/to Manager of collective investment scheme**

Amount due from and amount due to Manager of collective investment scheme represent receivables for collective investment scheme sold and payables for collective investment scheme purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and, up to 31 May 2018, subsequently measured at amortised cost using the effective interest method, less provision for impairment for amount due from Manager of collective investment scheme. A provision for impairment of amount due from Manager of collective investment scheme is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant Manager of collective investment scheme. Significant financial difficulties of the Manager of collective investment scheme, probability that the Manager of collective investment scheme will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from Manager of collective investment scheme is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

From 1 June 2018, these amounts are subsequently measured at amortised cost. At each reporting date, the Fund measures the loss allowance on amounts due from manager of collective investment scheme at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the Manager of collective investment scheme, probability that the Manager of collective investment scheme 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.

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

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

The Fund issues cancellable units, in eight classes of units, known respectively as the Class AUD-H, Class EUR-H, Class GBP-H, Class HKD-H, Class MYR-H, Class RMB-H, Class SGD-H and Class USD, which are cancelled at the unit holder's option do not have identical features subject to restrictions as stipulated in the Information Memorandum and SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

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

**(k) Derivative financial instruments**

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

The Fund's derivative financial instruments comprise forward foreign exchange contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the date of statements of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held-for-trading and accounted for in accordance with the accounting policy set out in Note 2(b).

**(l) Distribution**

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



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) 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.

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

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

However, the Manager is of the opinion that in applying these accounting policies, no significant judgment was required.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
<b>2019</b>			
Cash and cash equivalents (Note 10)	-	15,290	15,290
Collective investment scheme (Note 9)	18,635,732	-	18,635,732
Amount due from Manager of collective investment scheme			
- Management fee rebate	-	47,731	47,731
- Sale of collective investment scheme	-	700,000	700,000
Amount due from Manager	-	163,180	163,180
Derivative assets at fair value through profit of loss	25,665	-	25,665
	18,661,397	926,201	19,587,598

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

<b>2018</b>	<b>Financial assets at fair value through profit or loss USD</b>	<b>Loans and receivables USD</b>	<b>Total USD</b>
Cash and cash equivalents (Note 10)	-	150,520	150,520
Collective investment scheme (Note 9)	27,512,529	-	27,512,529
Amount due from Manager of collective investment scheme			
- Management fee rebate	-	24,409	24,409
Amount due from Manager	-	56,729	56,729
Dividends receivable	-	310,343	310,343
	<u>27,512,529</u>	<u>542,001</u>	<u>28,054,530</u>

All current liabilities are financial liabilities which are carried at amortised cost (except derivatives liabilities at fair value through profit or loss).

The Fund aims to provide income and moderate capital growth through investments in one collective investment scheme, which invests primarily in a diversified portfolio of high yielding debt securities.

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deed and SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

#### (a) Market risk

##### (i) Price risk

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

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

	<b>2019 RM</b>	<b>2018 RM</b>
Financial assets at fair value through profit or loss:		
- Collective investment scheme	<u>18,635,732</u>	<u>27,512,529</u>

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

(a) Market risk (continued)

(i) Price risk (continued)

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

% Change in price of quoted securities	Market value RM	Impact on profit or loss/NAV RM
<b>2019</b>		
-5%	17,703,945	(931,787)
0%	18,635,732	-
5%	<u>19,567,519</u>	<u>931,787</u>
<b>2018</b>		
-5%	26,136,903	(1,375,626)
0%	27,512,529	-
5%	<u>28,888,155</u>	<u>1,375,626</u>

(ii) Currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus USD based on considerations of economic fundamentals such as profit rate differentials, balance of payments position, debt levels, and technical chart considerations.

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

	Cash & cash equivalents USD	Amount due from Manager USD	Derivative assets at fair value through profit or loss USD	Total USD
<b>Financial assets</b>				
<b>2019</b>				
AUD	558	50,438	12,930	63,926
EUR	1,115	-	(115)	1,000
GBP	1,067	-	(8,377)	(7,310)
HKD	128	-	28	156
MYR	3,181	76,846	7,509	87,536
RMB	144	-	-	144
SGD	341	-	13,690	14,031
	<u>6,534</u>	<u>127,284</u>	<u>25,665</u>	<u>159,483</u>

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

(a) Market risk

(ii) Currency risk (continued)

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

			Cash & cash equivalents USD	Amount due from Manager USD	Total USD	
<b>Financial assets</b>						
<b>2018</b>						
AUD			654	-	654	
GBP			3,958	-	3,958	
MYR			251	56,729	56,980	
SGD			729	-	729	
			<u>5,592</u>	<u>56,729</u>	<u>62,321</u>	
	Amount due to Manager USD	Distributions payable USD	Amount due to dealer USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
<b>Financial liabilities</b>						
<b>2019</b>						
AUD	656	5,001	29,892	-	1,718,347	1,753,896
EUR	-	-	-	-	213,317	213,317
GBP	3,659	154,183	(158,663)	-	5,396,258	5,395,437
HKD	-	113	-	-	47,812	47,925
MYR	1,115	69,516	(45,998)	3,972	5,790,790	5,819,395
RMB	-	-	-	-	152	152
SGD	-	62,304	(63,227)	-	3,616,045	3,615,122
	<u>5,430</u>	<u>291,117</u>	<u>(237,996)</u>	<u>3,972</u>	<u>16,782,721</u>	<u>16,845,244</u>
		Derivative liabilities at fair value through profit or loss USD	Amount due to Manager USD	Net assets attributable to unit holders USD	Total USD	
<b>Financial liabilities</b>						
<b>2018</b>						
AUD		18,250	-	4,638,948	4,657,198	
GBP		(3,097)	-	8,344,706	8,341,609	
MYR		106,312	52,245	6,522,518	6,681,075	
SGD		18,152	-	5,392,697	5,410,849	
		<u>139,617</u>	<u>52,245</u>	<u>24,898,869</u>	<u>25,090,731</u>	

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

(a) Market risk

(ii) Currency risk (continued)

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

	Change in foreign exchange rate %	Impact on profit or loss NAV USD
<b>2019</b>		
AUD	+/- 5	+/- 84,499
EUR	+/- 5	+/- 10,616
GBP	+/- 5	+/- 270,137
HKD	+/- 5	+/- 2,388
MYR	+/- 5	+/- 286,593
RMB	+/- 5	-
SGD	+/- 5	+/- 180,055
		<u>+/- 834,288</u>
		<u>+/- 834,288</u>
	Change in foreign exchange rate %	Impact on profit or loss NAV USD
<b>2018</b>		
AUD	+/- 5	+/- 232,827
GBP	+/- 5	+/- 416,883
MYR	+/- 5	+/- 331,205
SGD	+/- 5	+/- 270,506
		<u>+/- 1,251,421</u>
		<u>+/- 1,251,421</u>

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

(b) Credit risk

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

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

The following table sets out the credit risk concentration of the Fund at the end of the reporting year/period:

	Cash and cash equivalents USD	Amount due from Manager of collective investment scheme USD	Amount due from Manager USD	Derivative assets at fair value through profit or loss USD	Total USD
<b>2019</b>					
Finance					
- HSBC Bank Bhd (AAA)	15,290	-	-	25,665	40,955
Others					
- Not Rated	-	747,731	163,180	-	910,911
	<u>15,290</u>	<u>747,731</u>	<u>163,180</u>	<u>25,665</u>	<u>951,866</u>

	Cash and cash equivalents USD	Amount due from Manager of collective investment scheme USD	Amount due from Manager USD	Dividends receivable USD	Total USD
<b>2018</b>					
Finance					
- HSBC Bank Bhd (AAA)	150,520	-	-	-	150,520
Others					
- Not Rated	-	24,409	56,729	310,343	391,481
	<u>150,520</u>	<u>24,409</u>	<u>56,729</u>	<u>310,343</u>	<u>542,001</u>

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

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

#### (c) Liquidity risk

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

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

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

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
<b>2019</b>			
Amount due to Manager	5,430	-	5,430
Accrued management fee	27,149	-	27,149
Amount due to Trustee	658	-	658
Amount due to dealer	260,061	-	260,061
Distributions payable	306,287		306,287
Other payables and accruals	-	4,572	4,572
Net assets attributable to unit holders *	<u>18,983,441</u>	<u>-</u>	<u>18,983,441</u>
<b>Contractual undiscounted cash flows</b>	<u><u>19,583,026</u></u>	<u><u>4,572</u></u>	<u><u>19,587,598</u></u>
<b>2018</b>			
Amount due to Manager of collective investment scheme	1,142	-	1,142
Amount due to Manager	52,245	-	52,245
Accrued management fee	39,213	-	39,213
Amount due to Trustee	951	-	951
Derivative liabilities at fair value through profit or loss	-	139,617	139,617
Other payables and accruals	2,408	3,232	5,640
Net assets attributable to unit holders *	<u>27,815,722</u>	<u>-</u>	<u>27,815,722</u>
<b>Contractual undiscounted cash flows</b>	<u><u>27,911,681</u></u>	<u><u>142,849</u></u>	<u><u>28,054,530</u></u>

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

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

#### (d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of USD18,983,441 (2018: USD27,815,722). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### (e) Fair value estimation

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

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

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

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

#### (i) Fair value hierarchy

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

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

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

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

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



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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>2019</b>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	18,635,732	-	-	18,635,732
- Derivative assets - forward foreign currency contracts	-	25,665	-	25,665
	<u>18,635,732</u>	<u>25,665</u>	<u>-</u>	<u>18,661,397</u>
<b>2018</b>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	27,512,529	-	-	27,512,529
Financial liabilities at fair value through profit or loss:				
- Derivative liabilities - forward foreign currency contracts	-	(139,617)	-	(139,617)

Investments whose values are based on quoted market prices in active markets and are therefore classified within Level 1, include collective investment scheme. The Fund does not adjust the quoted prices for these instruments.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(e) Fair value estimation (continued)****(i) Fair value hierarchy (continued)**

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

- (ii) The carrying values of cash and cash equivalents, amount due from Manager of collective income scheme, 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. OTHER INCOME**

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

For the financial year ended 31 May 2019, other income is recognised at a rate of 1.15% per annum (For the financial period from 11 October 2017 (date of launch) to 31 May 2018 : 1.15% per annum) calculated and accrued daily based on the NAV of the collective investment scheme.

**5. MANAGEMENT FEE**

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

For the financial year ended 31 May 2019, the management fee is recognised at a rate of 1.65% per annum (For the financial period from 11 October 2017 (date of launch) to 31 May 2018 : 1.65% per annum) for each class.

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

**6. TRUSTEE'S FEE**

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

For the financial year ended 31 May 2019, the Trustee's fee is recognised at the rate of 0.04% per annum (For the financial period from 11 October 2017 (date of launch) to 31 May 2018 : 0.04% per annum) for each class.

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

7. FINANCE COST

Distributions to unit holders are derived from the following sources:

	2019 USD	11.10.2017 (date of launch) to 31.05.2018 USD
Dividend income	881,764	-
	<u>881,764</u>	<u>-</u>
Less:		
Expenses	(155,942)	-
Net distribution amount	<u>725,822</u>	<u>-</u>
<b>Distribution on 23 May 2019</b>		
Gross/Net distribution per unit (cent)		
- Class AUD-H	0.67	-
- Class GBP-H	4.50	-
- Class HKD-H	0.06	-
- Class MYR-H	0.75	-
- Class SGD-H	1.51	-
- Class USD	<u>1.07</u>	<u>-</u>
<b>Distribution on 22 November 2018</b>		
Gross/Net distribution per unit (cent)		
- Class GBP-H	0.50	-
- Class MYR-H	0.50	-
- Class SGD-H	0.30	-
- Class USD	<u>2.00</u>	<u>-</u>

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

During the financial year ended 31 May 2019, the Fund incurred unrealised loss of USD155,223 (For the financial period from 11 October 2017 (date of launch) to 31 May 2018: USD1,302,970)

As at 31 May 2019, the Fund has accumulated unrealised loss of USD1,458,193 (For the financial period from 11 October 2017 (date of launch) to 31 May 2018: USD1,302,970).

**8. TAXATION**

	<b>2019 USD</b>	<b>11.10.2017 (date of launch) to 31.05.2018 USD</b>
Tax charged for the financial year/period:		
- Current taxation	<u>-</u>	<u>-</u>

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

	<b>2019 USD</b>	<b>11.10.2017 (date of launch) to 31.05.2018 USD</b>
Loss before taxation	<u>(1,699,202)</u>	<u>(403,783)</u>
Taxation at Malaysian statutory rate of 24% (2018: 24%)	(407,808)	(96,908)
Tax effects of:		
- Loss not deductible for tax purposes	139,996	41,549
- Expenses not deductible for tax purposes	177,319	1,623
- Restriction on tax deductible expenses for Wholesale Funds	<u>90,493</u>	<u>53,736</u>
Taxation	<u>-</u>	<u>-</u>

**9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2019 USD</b>	<b>2018 USD</b>
At fair value through profit or loss:		
- Collective investment scheme	<u>18,635,732</u>	<u>27,512,529</u>

	<b>2019 USD</b>	<b>11.10.2017 (date of launch) to 31.05.2018 USD</b>
Net loss on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(817,653)	(13,713)
- Unrealised fair value loss	<u>(327,311)</u>	<u>(1,163,414)</u>
	<u>(1,144,964)</u>	<u>(1,177,127)</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2019</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
AllianceBernstein Luxembourg SARL-AB FCP I – Global High Yield Portfolio	<u>1,508,966</u>	<u>20,126,457</u>	<u>18,635,732</u>	<u>98.17</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b><u>1,508,966</u></b>	<b><u>20,126,457</u></b>	<b><u>18,635,732</u></b>	<b><u>98.17</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(1,490,725)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>18,635,732</u></b>		
Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2018</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
AllianceBernstein Luxembourg SARL-AB FCP I - Global High Yield Portfolio	<u>2,129,453</u>	<u>28,675,943</u>	<u>27,512,529</u>	<u>98.91</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b><u>2,129,453</u></b>	<b><u>28,675,943</u></b>	<b><u>27,512,529</u></b>	<b><u>98.91</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(1,163,414)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>27,512,529</u></b>		

10. CASH AND CASH EQUIVALENTS

	2019 USD	2018 USD
Bank balances	<u>15,290</u>	<u>150,520</u>

11. DERIVATIVE ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 USD	2018 USD
Forward foreign currency contracts	<u>25,665</u>	<u>(139,617)</u>

As at 31 May 2019, there are total of 9 outstanding USD/Australian Dollar (“AUD”), USD/Euro (“EUR”), USD/Great Britain Pound (“GBP”), USD/Hong Kong Dollar (“HKD”), USD/Malaysian Ringgit (“MYR”) and USD/Singapore Dollar (“SGD”) forward foreign currency contracts (2018: there were total of 4 outstanding USD/GBP, USD/MYR, USD/SGD and USD/AUD forward foreign currency contracts). The notional principal amount of the outstanding forward foreign currency contracts amounted to USD17,165,322 (2018: USD25,091,231).

The forward foreign currency contracts are entered into during the financial year/period to minimise the risk of foreign currency exposure between the USD and the AUD, EUR, GBP, HKD, MYR, and SGD for the Fund (2018: between the USD and the AUD, GBP, MYR, and SGD).

As the Fund has not adopted hedge accounting during the financial year/period, any changes in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income during the period.

Net fair value loss on derivative assets/liabilities at fair value through profit or loss:

	2019 USD	11.10.2017 (date of launch) to 31.05.2018 USD
Net realised (loss)/gain on forward foreign currency contracts	(1,476,567)	137,824
Net unrealised gain/(loss) on forward foreign currency contracts	<u>165,282</u>	<u>(139,617)</u>
	<u>(1,311,285)</u>	<u>(1,793)</u>

12. NUMBER OF UNITS IN CIRCULATION (UNITS)

	<b>2019</b>	<b>11.10.2017 (date of launch) to 31.05.2018</b>
	<b>No. of units</b>	<b>No. of units</b>
- Class AUD-H (i)	2,486,390	6,178,374
- Class EUR-H (ii)	194,744	-
- Class GBP-H (iii)	4,553,486	6,409,422
- Class HKD-H (iv)	366,355	-
- Class MYR-H (v)	25,164,066	26,186,648
- Class RMB-H (vi)	1,000	-
- Class SGD-H (vii)	5,132,677	7,342,137
- Class USD (viii)	2,251,649	2,952,971
	<u>40,150,367</u>	<u>49,069,552</u>

(i) Class AUD-H

	<b>2019</b>	<b>11.10.2017 (date of launch) to 31.05.2018</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year/date of launch	6,178,374	-
Add: Creation of units from applications	305,734	6,178,374
Add: Creation of units from distributions	16,178	-
Less: Cancellation of units	(4,013,896)	-
At the end of the financial year/period	<u>2,486,390</u>	<u>6,178,374</u>

(ii) Class EUR-H

	<b>02.07.2018 (date of launch) to 31.05.2019</b>
	<b>No. of units</b>
At the beginning of the financial year/date of launch	-
Add: Creation of units from applications	194,744
Add: Creation of units from distributions	-
Less: Cancellation of units	-
At the end of the financial year/period	<u>194,744</u>

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

(iii) Class GBP-H

	<b>2019</b>	<b>11.10.2017 (date of launch) to 31.05.2018</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year/date of launch	6,409,422	-
Add: Creation of units from applications	310,374	6,449,102
Add: Creation of units from distributions	46,154	-
Less: Cancellation of units	(2,212,464)	(39,680)
At the end of the financial year/period	<u>4,553,486</u>	<u>6,409,422</u>

(iv) Class HKD-H

		<b>02.07.2018 (date of launch) to 31.05.2019</b>
		<b>No. of units</b>
At the beginning of the financial year/date of launch		-
Add: Creation of units from applications		365,541
Add: Creation of units from distributions		814
Less: Cancellation of units		-
At the end of the financial year/period		<u>366,355</u>

(v) Class MYR-H

	<b>2019</b>	<b>11.10.2017 (date of launch) to 31.05.2018</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year/date of launch	26,186,648	-
Add: Creation of units from applications	2,323,591	27,648,622
Add: Creation of units from distributions	828,470	-
Less: Cancellation of units	(4,174,643)	(1,461,974)
At the end of the financial year/period	<u>25,164,066</u>	<u>26,186,648</u>



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

(vi) Class RMB-H

	<b>02.07.2018</b> <b>(date of launch)</b> <b>to 31.05.2019</b>
	<b>No. of units</b>
At the beginning of the financial year/date of launch	-
Add: Creation of units from applications	1,000
Add: Creation of units from distributions	-
Less: Cancellation of units	-
At the end of the financial year/period	<u>1,000</u>

(vii) Class SGD-H

	<b>2019</b>	<b>11.10.2017</b> <b>(date of launch)</b> <b>to 31.05.2018</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year/date of launch	7,342,137	-
Add: Creation of units from applications	225,074	7,347,970
Add: Creation of units from distributions	27,463	-
Less: Cancellation of units	(2,461,997)	(5,833)
At the end of the financial year/period	<u>5,132,677</u>	<u>7,342,137</u>

(viii) Class USD

	<b>2019</b>	<b>11.10.2017</b> <b>(date of launch)</b> <b>to 31.05.2018</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year/date of launch	2,952,971	-
Add: Creation of units from applications	321,614	2,957,837
Add: Creation of units from distributions	32,072	-
Less: Cancellation of units	(1,055,008)	(4,866)
At the end of the financial year/period	<u>2,251,649</u>	<u>2,952,971</u>

13. MANAGEMENT EXPENSE RATIO (“MER”)

	2019 %	11.10.2017 (date of launch) to 31.05.2018 %
MER	<u>0.57</u>	<u>0.50</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 fee
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year/period calculated on a daily basis is USD22,729,210 (2018: USD21,695,060).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	2019	11.10.2017 (date of launch) to 31.05.2018
PTR (times)	<u>0.32</u>	<u>0.68</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year/period = USD3,418,202 (2018: USD29,089,656)

total disposal for the financial year/period = USD11,150,000 (2018: USD413,713)

**15. 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) Limited	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 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
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the Manager

Units held by the Manager and parties related to the Manager

	<b>2019</b>		<b>2018</b>	
	<b>No. of units</b>	<b>USD</b>	<b>No. of units</b>	<b>USD</b>
<b>Manager</b>				
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>				
- Class AUD-H	65	45	117	88
- Class EUR-H	1	1	-	-
- Class GBP-H	1	1	-	-
- Class HKD-H	1	1	-	-
- Class MYR-H	1,136	261	193	48
- Class RMB-H	1,000	152	-	-
- Class SGD-H	317	223	50	37
- Class USD	220	215	241	238
	<b>2,741</b>	<b>899</b>	<b>601</b>	<b>411</b>

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.

Other than those disclosed elsewhere in the financial statements, there are no significant related party transactions and balances for the financial year/period.

**16. TRANSACTIONS WITH BROKERS/DEALERS**

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

<b>Brokers/Dealers</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>
AllianceBernstein (Luxembourg) S.à r.l.	<u>12,806,626</u>	<u>100.00</u>

Details of transactions with the broker/dealer for the financial period from 11 October 2017(date of launch) to 31 May 2018 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>
AllianceBernstein (Luxembourg) S.à r.l.	<u>29,503,369</u>	<u>100.00</u>

**17. 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 provide income and moderate capital growth through investments in one collective investment scheme, which invests primarily in a diversified portfolio of high yielding debt securities. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of dividend income earned from investments and gains on the appreciation in the value of investments, which is derived from collective investment scheme of companies domiciled in, listed in and/or have significant operations in countries in Luxembourg.

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

**18. MFRS 9 FINANCIAL INSTRUMENTS**

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

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

	Measurement category		Original (MFRS 139) RM	Carrying amount		New (MFRS 9) RM
	Original (MFRS 139)	New (MFRS 9)		Reclassi- fications RM	Remeasu- rements RM	
<b>Assets</b>						
Cash and cash equivalents	Loans and receivables	Amortised cost	150,520	-	-	150,520
Investment in collective investment scheme	FVTPL	FVTPL	27,512,529	-	-	27,512,529
Amount due from Manager of collective investment scheme - Management fee rebate	Loans and receivables	Amortised cost	24,409	-	-	24,409
Amount due from Manager	Loans and receivables	Amortised cost	56,729	-	-	56,729
Dividends receivable	Loans and receivables	Amortised cost	310,343	-	-	310,343

**18. MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)**

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

	Measurement category		Original (MFRS 139) RM	Carrying amount		New (MFRS 9) RM
	Original (MFRS 139)	New (MFRS 9)		Reclassi- fications RM	Remeasu- rements RM	
<b>Liabilities</b>						
Amount due to Manager of collective investment scheme - Purchase of collective investment scheme	Amortised cost	Amortised cost	1,142	-	-	1,142
Amount due to Manager	Amortised cost	Amortised cost	52,245	-	-	52,245
Accrued management fee	Amortised cost	Amortised cost	39,213	-	-	39,213
Amount due to Trustee	Amortised cost	Amortised cost	951	-	-	951
Derivative liabilities at fair value through profit of loss	FVTPL	FVTPL	139,617	-	-	139,617
Other payables and accruals	Amortised cost	Amortised cost	5,640	-	-	5,640

**19. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 16 July 2019.

## DIRECTORY

### Head office of the Manager

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

### Website

[www.principal.com.my](http://www.principal.com.my)

### E-mail address

[service@principal.com.my](mailto:service@principal.com.my)

### General investment enquiries

(03) 7718 3000

### Trustee for the CIMB-Principal Global Income Fund

HSBC (Malaysia) Trustee Berhad (Company No.: 001281-T)  
13<sup>th</sup> Floor, Bangunan HSBC, South Tower,  
No. 2, Leboh Ampang,  
50100 Kuala Lumpur,  
MALAYSIA.  
Tel: (03) 2075 7800  
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### Auditors of the Fund and of the Manager

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