

CIMB-Principal Global Titans Fund

Unaudited Interim Report

For The Six Months Financial Period Ended 30 September 2019

CIMB-PRINCIPAL GLOBAL TITANS FUND

UNAUDITED INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

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INVESTORS' LETTER

Dear Valued Investors,

We have recently launched two new funds – Principal Global Real Estate Fund and Principal Greater Bay Fund in our effort to help you diversify your investments portfolios. These funds will enable you to have the opportunity to increase your investment potential in generating income and capital appreciation with diversified global portfolios.

The Principal Greater Bay Fund seeks investment opportunities in equities of companies which benefit from the development of the Greater Bay Area which includes Hong Kong, Macau, Shenzhen, and Guangdong to achieve capital appreciation over the medium to long term. It provides a variety of asset classes, namely the China A and H shares, focusing on large and/or mid-capitalisation companies in equities from sectors under the Benchmark Index, which includes but not limited to technology, financials and consumer sector.

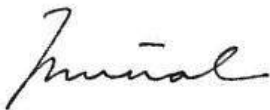
Principal Global Real Estate Fund, the dynamic real estate strategy is different from anything currently available in the market. The unique combination of real estate equity and fixed income securities helps cushion the impact of any unforeseen eventualities.

The Principal Global Real Estate Fund intends to increase investor investment potential, while limiting their downside exposure. This unique combination allows investors to benefit from the growing popularity of Real Estate Investment Trusts ("REITs") have experienced in recent years for their strong performance in low interest rate and volatile global market conditions; and from Commercial Mortgage-backed Securities ("CMBS"), historically known for strong yields without additional risk exposure. Talk to your consultant today to know more how you can further diversify your portfolios with these funds.

As of September 2019, our Assets under Management ("AUM") stood at RM57.06 billion. Thank you for your continuous support and allowing us to help you achieve your financial goals and live your best life.

Thank you.

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



Munirah Khairuddin
Chief Executive Officer

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

The Fund aims to grow the value of Unit holders' investments over the medium to long-term in an equity fund that invests in the global titans market of the US, Europe and Japan with an exposure to the Malaysian equities market to balance any short term volatilities.

Has the Fund achieved its objective?

Yes, the Fund has grown steadily over the long-term and delivered an acceptable rate of return.

What are the Fund investment policy and principal investment strategy?

The Fund will invest at least 50% of its Net Asset Value ("NAV") in at least three (3) collective investment schemes, subject to a maximum of 98% of its NAV. The Fund may invest in Malaysian securities but only up to 50% of its NAV. The Fund seeks to give investors a broad exposure to three (3) major global developed markets. This will be achieved by investing in collective investment schemes which invest into these three (3) markets (US, Europe and Japan). The Fund will at all times be invested in the collective investment schemes, each covering separate geographic regions thus providing diversification and allowing a greater spread of risk. The allocation between the collective investment schemes is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular collective investment schemes. This enables, the Fund to exploit the investment opportunities provided by developed economies, which are not found in the emerging markets ("EM").

The investment management function of this Fund has been delegated to Principal Asset Management (Singapore) Pte Ltd (*formerly known as CIMB-Principal Asset Management (Singapore) Pte Ltd*) ("Principal (S)") with the approval of the Securities Commission Malaysia ("SC"). Principal (S) will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions.

Fund category/type

Equity/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 MYR

18 July 2005

Class USD

25 January 2017

What was the size of the Fund as at 30 September 2019?

RM352.63 million (517.37 million units)

What is the Fund's benchmark?

A composite comprising 42% Standard & Poor's 500 ("S&P 500") Index + 36% Morgan Stanley Capital International ("MSCI") Europe Index + 12% MSCI Japan Index + 10% CIMB Bank 1-Month Fixed Deposit Rate

Note: The benchmark is customized as such to align it closer to the structure of the portfolio and the objective of the Fund. Thus, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

Given the Fund's investment objective, the Fund is not expected to pay any distribution. However, the Manager has the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund. The Manager also has the right to make provisions for reserves in respect of distribution of the Class.

What was the net income distribution for the six months financial period ended 30 September 2019?

There was no distribution made for the six months financial period ended 30 September 2019.

PERFORMANCE DATA

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

	30.09.2019	30.09.2018	30.09.2017
	%	%	%
Collective investment schemes	90.33	90.31	93.32
Cash and other net assets	9.67	9.69	6.68
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	30.09.2019	30.09.2018	30.09.2017
NAV (RM Million)			
- Class MYR	349.98	445.61	493.83
- Class USD	2.65	6.01	1.11
Units in circulation (Million)			
- Class MYR	516.79	654.40	770.16
- Class USD	0.58	1.30	0.26
NAV per unit (RM)			
- Class MYR	0.6772	0.6809	0.6412
- Class USD	4.5823	4.6075	4.3390
	01.04.2019 to 30.09.2019	01.04.2018 to 30.09.2018	01.04.2017 to 30.09.2017
Highest NAV per unit (RM)			
- Class MYR	0.6852	0.6829	0.9343
- Class USD	4.6370	4.6211	4.3367
Lowest NAV per unit (RM)			
- Class MYR	0.6363	0.6055	0.6181
- Class USD	4.3061	4.0978	4.2250
Total return (%)			
- Class MYR	5.86	11.64	4.00
- Class USD	3.20	4.21	-
Capital growth (%)			
- Class MYR	5.86	11.64	(3.78)
- Class USD	3.20	4.21	-
Income distribution (%)			
- Class MYR	-	-	8.07
- Class USD	-	-	-
Management Expense Ratio ("MER") (%) ^	0.44	0.50	0.43
Portfolio Turnover Ratio ("PTR") (times) #	0.19	0.23	0.34

^ The Fund's MER decreased from 0.50% to 0.44% due to decrease in expenses during the financial period under review.

The Fund's PTR has fallen to 0.19 times from 0.23 times in the previous year, as the Fund has experienced less portfolio changes this year than last year.

PERFORMANCE DATA (CONTINUED)

	01.04.2019 to 30.09.2019	01.04.2018 to 30.09.2018	01.04.2017 to 30.09.2017
Date of distribution	-	-	25.04.2017
Gross/Net distribution per unit (sen)	-	-	5.00

	30.09.2019	30.09.2018	30.09.2017	30.09.2016	30.09.2015
	%	%	%	%	%
Annual total return	(0.56)	6.26	19.90	(0.91)	30.49
- Class MYR					

(Launch date: 18 July 2005)

	30.09.2019	30.09.2018	Since inception to 30.09.2017
	%	%	%
Annual total return	(1.73)	8.35	11.37
- Class USD			

(Launch date: 25 January 2017)

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

MARKET REVIEW (1 APRIL 2019 TO 30 SEPTEMBER 2019)

During the financial period under review, the US market as represented by the S&P Index returned 4.86% in US Dollar (“USD”) terms, MSCI Europe rose by 1.99% in USD terms, while MSCI Japan rose by 3.33% in USD terms. The US Central Bank, the US Federal Reserve (the “Fed”), began to reduce its policy rate in July 2019, and by September 2019 had reduced rates by a total of 50 basis points (“bps”) to 2.00%. It had also indicated its intention to resume balance sheet expansion, echoing the dovish stance of its European and Japanese counterpart, the European Central Bank (“ECB”) and Bank of Japan (“BoJ”). Meanwhile, the trade dispute between US and China resulted in markets taking a risk-averse stance, sending equity prices lower while pushing long bond yields to historic lows. A truce in September 2019 followed by hopes of progress towards a Phase 1 settlement in trade talks between the two economic leaders sent equities on a recovery path. Uncertainty remains as global economic growth, as evidenced by the Purchasing Managers’ Index (“PMI”), continues to fall. Manufacturing PMI had fallen into contractionary phase, mildly supported by the service sector which remain in mild expansion.

FUND PERFORMANCE

Class MYR

	6 months to 30.09.2019	1 year to 30.09.2019	3 years to 30.09.2019	5 years to 30.09.2019	Since inception to 30.09.2019
	%	%	%	%	%
Income	-	-	8.07	14.38	14.38
Capital	5.86	(0.56)	17.19	43.14	99.91
Total Return	5.86	(0.56)	26.69	63.82	128.81
Benchmark	6.31	1.85	29.15	65.41	140.87
Average Total Return	N/A	(0.56)	8.21	10.38	6.00

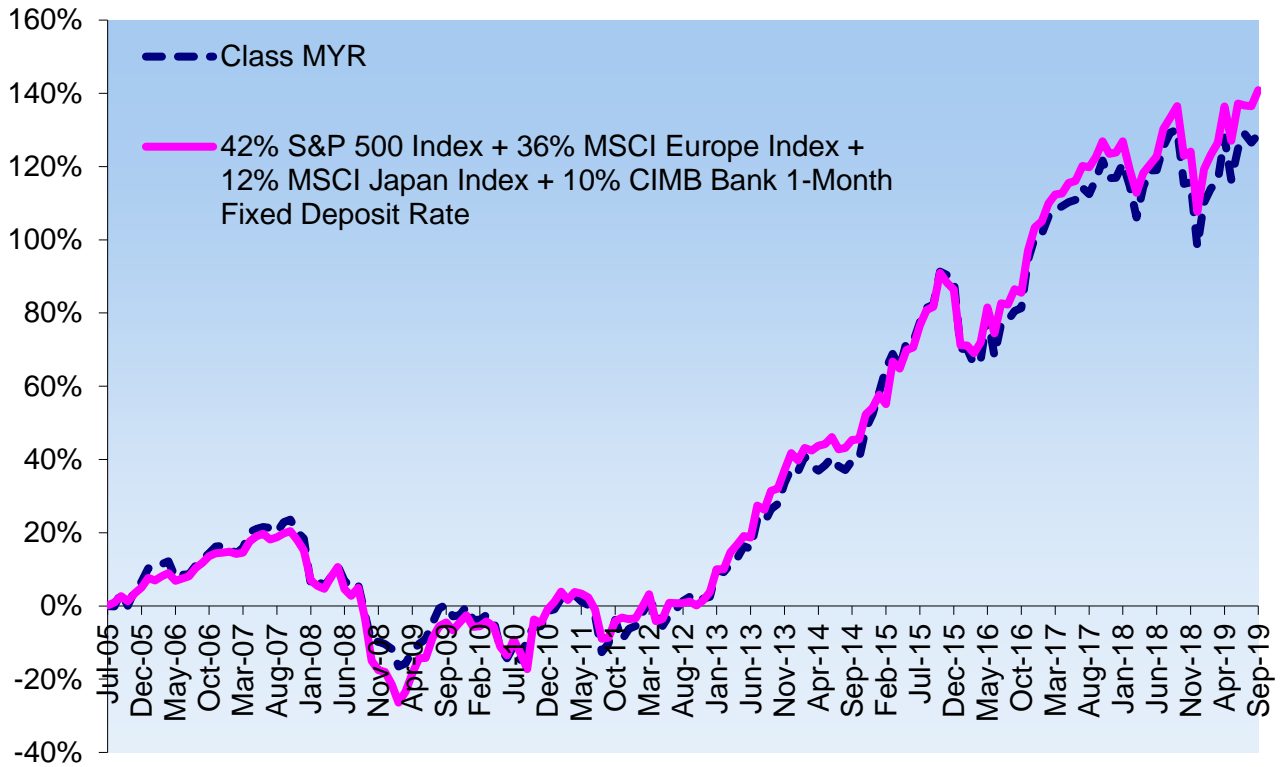
Class USD

	6 months to 30.09.2019	1 year to 30.09.2019	Since inception to 30.09.2019
	%	%	%
Income	-	-	-
Capital	3.20	(1.73)	9.44
Total Return	3.20	(1.73)	9.44
Benchmark	3.66	0.67	12.55
Average Total Return	N/A	(1.73)	3.42

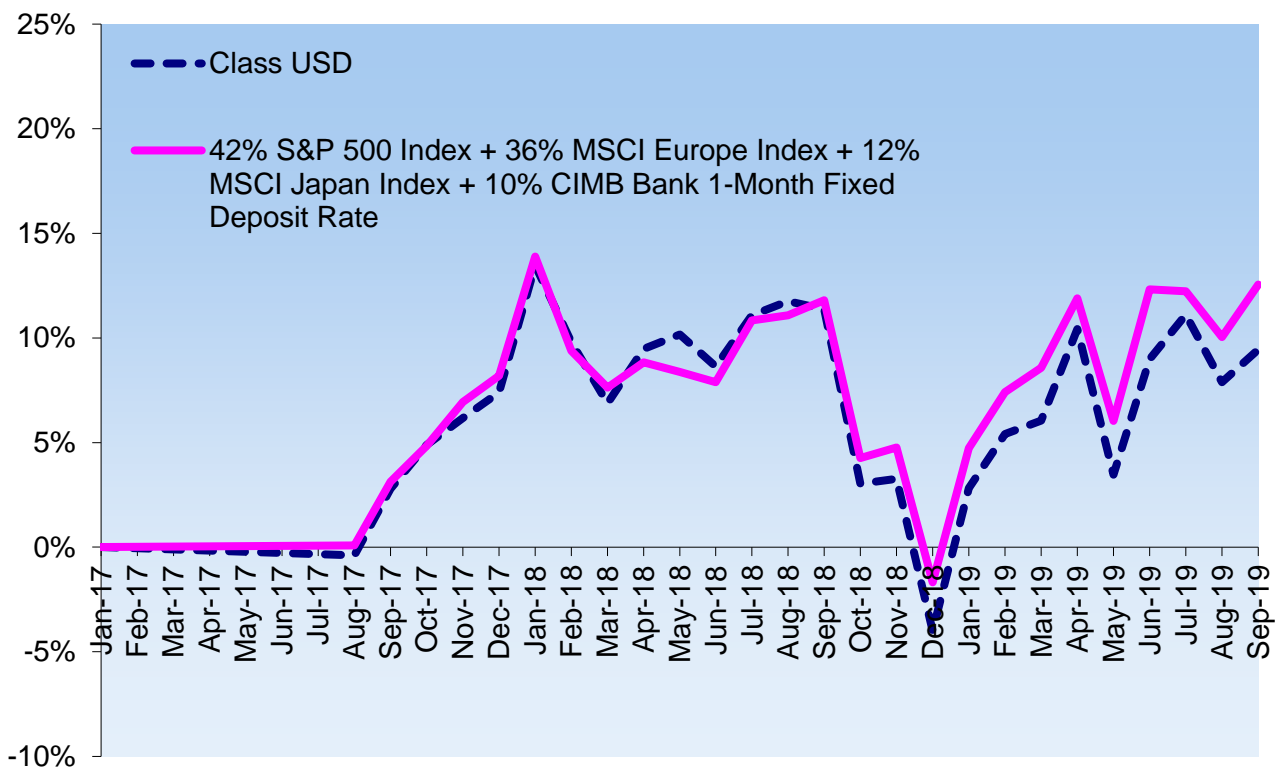
In the 6 months to September 2019, the Fund returned of 3.20% and 5.86% in USD and MYR terms respectively. The Fund had been broadly over-weighted in the US while under-weighting Europe. Due to the uncertainty arising from the trade dispute between US and China, the Fund held a slightly higher level of cash, which dragged on overall returns. Several of the investments in the Fund performed poorly during this period, and this also acted as a drag on performance.

FUND PERFORMANCE (CONTINUED)

Class MYR



Class USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

Class MYR

	30.09.2019	31.03.2019 Audited	Changes %
NAV (RM Million)	349.98	400.88	(12.70)
NAV/Unit (RM)	0.6772	0.6396	5.88

Class USD

	30.09.2019	31.03.2019 Audited	Changes %
NAV (RM Million)	2.65	4.38	(39.50)
NAV/Unit (RM)	4.5823	4.3280	5.88

Both class MYR and class USD's NAV per unit were rose by 5.88% due to positive market performance and it was in line with the performance of its underlying investments. However, class USD's NAV declined by 39.50% due to redemptions made of the Fund.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.09.2019	31.03.2019 Audited
Collective investment schemes	90.33	94.33
Cash and other net assets	9.67	5.67
TOTAL	100.00	100.00

Due to the uncertainty arising from the US-China trade war, the Fund decreased its equity exposure from 94.33% in March 2019 to 90.33% in September 2019. The Fund remains neutral in its equity exposure relative to the benchmark.

MARKET OUTLOOK*

Fundamentals for global equities are currently balanced. We have a cautiously benign view of the world with the global economy muddling along into 2020 without a deeper downturn. Equity and fixed income markets will probably be in a trading band. The larger services sector is holding up despite weakness in the manufacturing sector largely because of a strong labor market. The trade dispute between US and China appears to be heading towards a ceasefire in escalation of tensions or a small trade deal. President Trump cares about the economy and his re-election prospects and a protracted trade war would hurt US growth.

MARKET OUTLOOK (CONTINUED)*

For investors, it is notable that a trade deal would reduce pressure for further easing by the Fed. Mingling fiscal and monetary policy is a possibility to cope with the next downturn given the lack of monetary policy flexibility especially in countries with negative rates. Should authorities start to move towards that, it would mark the bottom for negative yielding sovereign debt. This is especially the case for Asia, where countries that can successfully implement fiscal stimulus without negative effects on the currency and bond yields should do well. India appears to be on the right path. On technicals, we expect a weaker USD which should be supportive for risk-taking. Equity fund flows and market breadth have improved. Valuations for global equities are close to fair value to slightly expensive, with earnings revision still under pressure.

* 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

We would adopt a neutral stance on global equities. While global growth continues to slow as evidenced in the PMI readings, Central Banks in developed markets have been able to cut interest rates in the absence of inflation. The upcoming meeting between officials from US and China would set the tone for trade and economic outlook for the next year. We are neutral in US because of its relative stronger economic stance and earnings outlook, despite its higher valuation. We are underweight Europe because of the weaker economic outlook and downward earnings revision. We are neutral in Japan because of the favorable valuation, stable earnings forecast despite slightly lower PMI reading.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 September 2019 are as follows:

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	865	2.37	0.46
5,001 - 10,000	768	5.68	1.10
10,001 - 50,000	1,806	43.12	8.34
50,001 - 500,000	585	63.48	12.29
500,001 and above	31	402.14	77.81
Total	4,055	516.79	100.00

CLASS USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	2	0.58	100.00
500,001 and above	-	-	-
Total	3	0.58	100.00

SOFT COMMISSIONS AND REBATES

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

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or the 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 TITANS FUND**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 13 to 34 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 September 2019 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

(formerly known as CIMB-Principal Asset Management Berhad)

MUNIRAH KHAIRUDDIN

Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA

Director

Kuala Lumpur

14 November 2019

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

We have acted as Trustee of CIMB-Principal Global Titans Fund (the "Fund") for the financial period ended 30 September 2019. To the best of our knowledge, Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), has operated and managed the Fund in accordance with the following:

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

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
14 November 2019

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	Note	01.04.2019 to 30.09.2019 RM	01.04.2018 to 30.09.2018 RM
INCOME			
Dividend income		-	166,831
Interest income from deposits with licensed financial institutions at amortised cost		306,792	360,929
Net gain on financial assets at fair value through profit or loss	7	24,111,334	49,493,071
Net foreign exchange gain		80,681	1,716,866
Other income	4	1,951,964	2,061,542
		<u>26,450,771</u>	<u>53,799,239</u>
EXPENSES			
Management fee	5	3,464,624	4,070,984
Trustee's and custodian fees	6	146,079	167,623
Audit fee		9,550	8,100
Tax agent's fee		6,500	2,576
Other expenses		19,015	84,830
		<u>3,645,768</u>	<u>4,334,113</u>
PROFIT BEFORE TAXATION		22,805,003	49,465,126
Taxation	7	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>22,805,003</u>	<u>49,465,126</u>
Profit after taxation is made up as follows:			
Realised amount		15,773,002	20,293,640
Unrealised amount		7,032,001	29,171,486
		<u>22,805,003</u>	<u>49,465,126</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

		30.09.2019	31.03.2019
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	36,013,160	24,232,125
Financial assets at fair value through profit or loss	8	318,537,142	382,279,594
Amount due from Manager		887,927	1,313,210
Amount due from Manager of collective investment schemes			
- Disposal of collective investment schemes		904,284	-
- Management fee rebate		290,446	340,375
TOTAL ASSETS		<u>356,632,959</u>	<u>408,165,304</u>
LIABILITIES			
Amount due to Manager		3,425,400	2,241,335
Accrued management fee		535,366	621,437
Amount due to Trustee		20,820	24,167
Other payables and accruals		21,550	21,307
TOTAL LIABILITIES		<u>4,003,136</u>	<u>2,908,246</u>
NET ASSET VALUE OF THE FUND		<u>352,629,823</u>	<u>405,257,058</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>352,629,823</u>	<u>405,257,058</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class MYR		349,975,387	400,875,783
- Class USD		2,654,436	4,381,275
		<u>352,629,823</u>	<u>405,257,058</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		516,792,426	626,728,826
- Class USD		579,273	1,012,293
	10	<u>517,371,699</u>	<u>627,741,119</u>
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		0.6772	0.6396
- Class USD		4.5823	4.3280
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		RM0.6772	RM0.6396
- Class USD		<u>USD1.0945</u>	<u>USD1.0605</u>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	01.04.2019 to 30.09.2019 RM	01.04.2018 to 30.09.2018 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>405,257,058</u>	<u>430,380,373</u>
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class MYR	29,432,736	119,416,836
- Class USD	<u>40,971</u>	<u>4,509,346</u>
	<u>29,473,707</u>	<u>123,926,182</u>
Cancellation of units from applications		
- Class MYR	(102,917,221)	(151,455,476)
- Class USD	<u>(1,988,724)</u>	<u>(694,769)</u>
	<u>(104,905,945)</u>	<u>(152,150,245)</u>
Increase in net assets attributable to unit holders during the financial period	<u>22,805,003</u>	<u>49,465,126</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>352,629,823</u>	<u>451,621,436</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	01.04.2019 to 30.09.2019 RM	01.04.2018 to 30.09.2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of collective investment schemes	117,466,195	125,080,235
Purchase of collective investment schemes	(30,352,417)	(85,463,693)
Interest income received from deposits with licensed financial institutions	306,792	1,363,379
Management fee paid	(3,550,695)	(4,075,526)
Trustee's and custodian fees paid	(149,426)	(158,530)
Payments for other fees and expenses	(34,822)	(154,498)
Net realised foreign exchange loss	(171,393)	(33,858)
Other income received	1,906,070	2,147,559
Net cash generated from operating activities	85,420,304	38,705,068
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	29,899,064	118,319,818
Payments for cancellation of units	(103,721,377)	(147,268,483)
Net cash used in financing activities	(73,822,313)	(28,948,665)
Net increase in cash and cash equivalents	11,597,991	9,756,403
Effects of foreign exchange differences	183,044	490,783
Cash and cash equivalents at the beginning of the financial period	24,232,125	31,129,080
Cash and cash equivalents at the end of the financial period	36,013,160	41,376,266
<u>Cash and cash equivalent comprised of:</u>		
Deposits with licensed financial institutions	21,373,761	23,297,766
Bank balances	14,639,399	18,078,500
Cash and cash equivalents at the end of the financial period	36,013,160	41,376,266

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

CIMB-Principal Global Titans Fund (the “Fund”) was constituted pursuant to a Deed dated 11 July 2005 and is now governed by a Principal Master Deed dated 15 May 2008, a Fourth Supplemental Master Deed dated 18 March 2009, a Fifth Supplemental Master Deed dated 16 July 2009, a Thirteenth Supplemental Master Deed dated 26 June 2012, and an Eighteenth Supplemental Master Deed dated 25 March 2015 (collectively referred to as the “Deeds”), between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will invest at least 50% of its NAV in at least three (3) collective investment schemes, subject to a maximum of 98% of its NAV. The Fund may invest in Malaysian securities but only up to 50% of its NAV. The Fund seeks to give investors a broad exposure to three (3) major global developed markets. This will be achieved by investing in collective investment schemes which invest into these three (3) markets (US, Europe and Japan). The Fund will at all times be invested in the collective investment schemes, each covering separate geographic regions thus providing diversification and allowing a greater spread of risk. The allocation between the collective investment schemes is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular collective investment schemes. This enables, the Fund to exploit the investment opportunities provided by developed economies, which are not found in the EM.

The investment management function of this Fund has been delegated to Principal (S) with the approval of the SC. Principal (S) will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

Standard that is effective and relevant:

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

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

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

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

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

(b) Financial assets and financial liabilities

Classification

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

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

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

Investment in collective investment schemes are debt instrument with contractual cash flow that do not represent solely payment of principal and interest ("SPPI") and therefore are classified as fair value through profit or loss.

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

The Fund classifies cash and cash equivalents, amount due from Manager and amount due from Manager of collective investment schemes 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, accrued management fee, amount due to Trustee, and other payables and accruals as financial liabilities measured at amortised cost.

Recognition and measurement

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

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

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

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

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

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

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

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

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

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

The Fund measures credit risk and expected credit losses (“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 ECL as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) 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 Ringgit Malaysia (“RM”), which is the Fund’s functional and presentation currency.

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

- i) Majority of the units of the Fund are denominated in RM.
- ii) All of the Fund’s expenses are denominated in RM.

Transactions and balances

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

(e) Cash and cash equivalents

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

(f) Taxation

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(g) Amount due from Manager of collective investment schemes (sale of collective investment schemes)**

Amounts due from Manager of collective investment schemes represent receivables for investments sold that have been contracted for but not yet settled or delivered on the statement of financial position date.

These amounts are measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from Manager of collective investment schemes at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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

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

(h) Other income

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

(i) Creation and cancellation of units

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

The Fund issues cancellable units, in two classes of units, known respectively as the Class MYR and Class USD, which are cancelled at the unit holder's option. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to grow the value of unit holder's investments over the medium to long-term in an equity fund that invests in the global titans market of the US, Europe and Japan with an exposure to the Malaysian equities market to balance any short term volatilities.

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

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

(a) Market risk

(i) Price risk

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

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

(ii) Interest rate risk

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

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(iii) Currency risk**

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

(b) Credit risk

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

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

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

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

(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, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the fund Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders. The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.09.2019				
Financial asset at fair value through profit or loss:				
- Collective investment schemes	<u>318,537,142</u>	<u>-</u>	<u>-</u>	<u>318,537,142</u>
31.03.2019				
Audited				
Financial asset at fair value through profit or loss:				
- Collective investment schemes	<u>382,279,594</u>	<u>-</u>	<u>-</u>	<u>382,279,594</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from Manager, amount due from Manager of collective investment schemes 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 Manager of collective investment schemes the Fund invests in.

For the six months financial period ended 30 September 2019 and 30 September 2018, the other income is recognised at a rate as per table below, calculated and accrued daily based on the NAV of the collective investment schemes.

	%
Legg Mason Global Fund US Large Cap	0.625
Principal Global Investors ("PGI") European Equity Fund	1.00
PGI Japanese Equity Fund	1.00
Schroder International Selection Fund ("ISF") US Large Cap	
- A Accumulation Share Class	1.25
Schroder ISF Euro Equity Fund	
- A Accumulation USD Hedged Share Class	1.50
Schroder ISF Japanese Opportunities Fund	
- A Accumulation USD Share Class	1.50

5. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management fee of up to 1.85% per annum for each class, calculated daily based on the NAV of the Fund.

For the six months financial period ended 30 September 2019, the management fee is recognised at a rate of 1.80% per annum (30.09.2018: 1.80% per annum) for each class.

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

6. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a fee not exceeding 0.07% per annum for each class, calculated daily based on the NAV of the Fund. The Trustee's fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any). The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

For the six months financial period ended 30 September 2019, the Trustee's fee is recognised at a rate of 0.07% per annum (30.09.2018: 0.07% per annum) for each class, while the foreign sub-custodian fee is recognised at RM11,344 (30.09.2018: RM9,271).

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

7. TAXATION

	01.04.2019 to 30.09.2019 RM	01.04.2018 to 30.09.2018 RM
Tax charged for the financial period:		
- Current taxation	-	-

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

	01.04.2019 to 30.09.2019 RM	01.04.2018 to 30.09.2018 RM
Profit before taxation	22,805,003	49,465,126
Taxation at Malaysian statutory rate of 24% (30.09.2018: 24%)	5,473,201	11,871,630
Tax effects of:		
- Income not subject to tax	(6,348,185)	(12,911,817)
- Expenses not deductible for tax purposes	39,201	43,437
- Restriction on tax deductible expenses for Unit Trust Funds	835,783	996,750
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.09.2019	31.03.2019
	RM	Audited RM
At fair value through profit or loss:		
- Collective investment schemes	<u>318,537,142</u>	<u>382,279,594</u>
	01.04.2019	01.04.2018
	to 30.09.2019	to 30.09.2018
	RM	RM
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	17,248,575	20,812,226
- Unrealised fair value gain	<u>6,862,759</u>	<u>28,680,845</u>
	<u>24,111,334</u>	<u>49,493,071</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.09.2019				
COLLECTIVE INVESTMENT SCHEMES				
Legg Mason ClearBridge US Large Cap Growth Fund	153,171	92,395,316	112,994,510	32.04
PGI European Equity Fund	267,920	25,564,951	33,806,414	9.59
Schroder ISF Euro Equity - A Accumulation USD Hedged Share Class	437,436	85,732,169	94,024,699	26.66
Schroder ISF Japanese Opportunities - A Accumulation USD Share Class	650,215	41,040,367	42,595,250	12.08
Schroder ISF US Large Cap - A Accumulation Share Class	<u>53,587</u>	<u>27,494,118</u>	<u>35,116,269</u>	<u>9.96</u>
TOTAL COLLECTIVE INVESTMENT SCHEMES	<u>1,562,329</u>	<u>272,226,921</u>	<u>318,537,142</u>	<u>90.33</u>

ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

46,310,221

TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

318,537,142

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.03.2019				
Audited				
COLLECTIVE				
INVESTMENT				
SCHEMES				
Legg Mason ClearBridge US Large Cap Growth Fund	180,712	105,525,453	124,568,829	30.74
PGI European Equity Fund	403,898	38,514,031	48,229,524	11.90
Schroder ISF Euro Equity - A Accumulation USD Hedged Share Class	508,730	98,868,261	97,323,208	24.02
Schroder ISF Japanese Opportunities - A Accumulation USD Share Class	823,261	51,961,649	52,826,678	13.03
Schroder ISF US Large Cap - A Accumulation Share Class	94,288	47,962,738	59,331,355	14.64
TOTAL COLLECTIVE				
INVESTMENT				
SCHEMES	2,010,889	342,832,132	382,279,594	94.33
ACCUMULATED				
UNREALISED GAIN ON				
FINANCIAL ASSETS				
AT FAIR VALUE				
THROUGH PROFIT OR				
LOSS		39,447,462		
TOTAL FINANCIAL				
ASSETS AT FAIR				
VALUE THROUGH				
PROFIT OR LOSS		382,279,594		

9. CASH AND CASH EQUIVALENTS

	30.09.2019	31.03.2019
	RM	Audited RM
Bank balances	14,639,399	3,821,691
Deposits with licensed financial institutions	21,373,761	20,410,434
	<u>36,013,160</u>	<u>24,232,125</u>

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

	30.09.2019	31.03.2019
	RM	Audited RM
Deposits with licensed financial institutions	<u>1.97</u>	<u>2.20</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 2 days (31.03.2019: 3 days).

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.04.2019 to 30.09.2019	01.04.2018 to 31.03.2019
	No. of units	Audited No. of units
Class MYR (i)	516,792,426	626,728,826
Class USD (ii)	579,273	1,012,293
	<u>517,371,699</u>	<u>627,741,119</u>

(i) Class MYR

	01.04.2019 to 30.09.2019	01.04.2018 to 31.03.2019
	No. of units	Audited No. of units
At the beginning of the financial period/year	626,728,827	702,564,552
Add: Creation of units from applications	44,109,426	257,888,331
Less: Cancellation of units	(154,045,827)	(333,724,057)
At the end of the financial period/year	<u>516,792,426</u>	<u>626,728,826</u>

(ii) Class USD

	01.04.2019 to 30.09.2019	01.04.2018 to 31.03.2019
	No. of units	Audited No. of units
At the beginning of the financial period/year	1,012,293	461,098
Add: Creation of units from applications	8,904	1,098,829
Less: Cancellation of units	(441,924)	(547,634)
At the end of the financial period/year	<u>579,273</u>	<u>1,012,293</u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

	01.04.2019 to 30.09.2019	01.04.2018 to 30.09.2018
	%	%
MER	0.44	0.50

MER is derived based on 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 calculation on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM383,599,062 (30.09.2018: RM450,755,251).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.04.2019 to 30.09.2019	01.04.2018 to 30.09.2018
PTR (times)	0.19	0.23

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period = RM30,422,740 (30.09.2018: RM85,707,611)

total disposal for the financial period = RM118,372,349 (30.09.2018: RM124,914,558)

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

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

	30.09.2019		31.03.2019	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>Audited RM</u>
Manager				
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>				
- Class MYR	253,886	171,932	128,120	81,946
- Class USD	4,648	21,299	4,648	20,117

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

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

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

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

	30.09.2019	31.03.2019
	RM	Audited RM
<u>Significant related party balances</u>		
Deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>2,096,000</u>	<u>4,082,258</u>
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>58,919</u>	<u>66,937</u>
Cash placements with licensed financial institution:		
- CIMB Bank Bhd	<u>118,108,500</u>	<u>346,843,500</u>

14. TRANSACTIONS WITH BROKERS

Details of transactions with the brokers for the six months financial period ended 30 September 2019 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of total brokerage fees %
Legg Mason Global Funds	22,535,705	45.50	-	-
Schroder Investment Management Ltd	19,517,077	39.41	-	-
Principal Global Investors Funds	<u>7,476,371</u>	<u>15.09</u>	<u>-</u>	<u>-</u>
	<u>49,529,153</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions with the brokers for the six months financial period ended 30 September 2018 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage Fees RM	Percentage of total brokerage fees %
Schroder Investment Management Ltd	119,655,475	56.86	-	-
Principal Global Investors Funds	46,604,584	22.14	-	-
Legg Mason Global Funds	<u>44,195,280</u>	<u>21.00</u>	<u>-</u>	<u>-</u>
	<u>210,455,339</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

DIRECTORY

Head office of the Manager

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

Website

www.principal.com.my

E-mail address

service@principal.com.my

General investment enquiries

(03) 7718 3000

Trustee for the CIMB-Principal Global Titans Fund

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))
13th Floor, HSBC South Tower,
No 2, Lebuhr Ampang,
50100 Kuala Lumpur, MALAYSIA.
Tel: (03) 2075 7800
Fax: (03) 2179 6511

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

Enquiries:

Customer Care Centre
(603)7718 3000

Email
service@principal.com.my

Website
www.principal.com.my