

CIMB-Principal Small Cap Fund

Annual Report

For The Financial Year Ended 31 December 2019

CIMB-PRINCIPAL SMALL CAP FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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INVESTORS' LETTER

Dear Valued Investor,

As we write this letter, we're watching the impact the Coronavirus is having on families, communities and markets around the world. Our thoughts are with those directly impacted by this illness and hope that together, as a global community we can find ways to prevent the further spread of this virus.

From an investment perspective, yes, the Coronavirus outbreak is disrupting markets – but it's important to remember this is an event, not a trend. And, just how interlinked our economies really are and how ripple effects are felt globally.

Ahead of the virus outbreak, we were seeing many positive trends in the market and were anticipating an upturn. We're still optimistic that the upturn will happen – it's just a matter of when. We still encourage our investors to focus on the fundamentals, seek portfolio diversification and to focus on the long-term.

As a fund house, we've never been better positioned to help our investors navigate the market volatility that is becoming the new norm. Our capabilities span from local to global markets with products, strategies and ideas to position your portfolio of investments based on your unique risk tolerance and financial goals.

We're committed to helping meet the varying needs of our customers and in the past few months, we've launched several new funds, including: Principal Global Real Estate, Principal Greater Bay and Principal Islamic ASEAN Equity Fund. Together these funds showcase our breadth and depth of expertise and offerings – helping set us apart as the fund house of choice. You can learn more about each of these funds and other solutions at: www.principal.com.my.

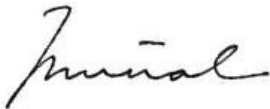
Thank you for your continuous support and allowing us to help you achieve your financial goals.

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 objective of the Fund is to provide growth to the value of Unit holders' investments over the long-term in an equity fund by investing in undiscovered smaller companies listed on Bursa Malaysia.

Has the Fund achieved its objective?

The Fund has achieved its objective of providing long-term capital growth.

What are the Fund investment policy and principal investment strategy?

The Fund may invest between 70% to 98% (both inclusive) of the Fund's Net Asset Value ("NAV") in shares of smaller companies with market capitalisation of up to three (3) billion Ringgit Malaysia ("RM") at the point of purchase that are listed on Bursa Malaysia. The investment policy and strategy of the Fund will therefore focus on investments in securities of such smaller companies with potential growth and hands-on management policies but may be under-researched by major stock broking houses. However, should there be lack of liquidity or when we deem necessary to reduce volatility of the Fund, the Fund may invest up to 20% of its NAV in companies with market capitalisation above three (3) billion RM but not more than five (5) billion RM at the point of purchase*. The Fund may opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirement of the Securities Commission Malaysia ("SC") Guidelines. To a lesser extent, the Fund may also invest in other permissible investments such as liquid assets primarily for the purpose of cash management. In addition, liquid assets may be strategically used if the Manager feels that the market downside risk is high in the short-term. The Fund may invest at least 2% of the Fund's NAV in liquid assets.

* With effective 1 October 2017, the Fund may invest up to 20% of its NAV in companies with market capitalisation above three (3) billion Ringgit Malaysia but not more than five (5) billion Ringgit Malaysia at the point of purchases.

Fund category/type

Equity (Small-Cap)/Growth

How long should you invest for?

Recommended five (5) years or more

When was the Fund launched?

20 April 2004

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

RM115.44million (136.32 million units)

What is the Fund's benchmark?

Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") Small Cap ("FBMSCAP") Index

What is the Fund distribution policy?

No distribution is expected to be paid, however, distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Fund.

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

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

PERFORMANCE DATA

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

	31.12.2019	31.12.2018	31.12.2017
	%	%	%
Quoted securities			
- Construction	4.19	4.74	14.31
- Consumer Products	-	-	9.70
- Consumer Products & Services	16.86	13.28	-
- Energy	14.74	5.65	-
- Finance	-	-	1.79
- Financial Services	1.55	1.23	-
- Health Care	4.60	4.22	-
- Industrial Products & Service	13.30	16.12	25.63
- Properties	1.68	0.54	3.20
- Real Estate Investment Trust (“REIT”)s	3.00	-	-
- Technology	19.40	28.16	13.74
- Telecommunications & Media	3.69	3.13	-
- Transportation & Logistics	1.33	2.51	-
- Trading/Services	-	-	27.97
- Utilities	2.99	2.44	-
Cash and other net assets	12.67	17.98	3.66
Total	100.00	100.00	100.00

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

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

	31.12.2019	31.12.2018	31.12.2017
NAV (RM Million)	115.44	100.17	141.52
Units in circulation (Million)	136.32	150.77	155.57
NAV per unit (RM)	0.8468	0.6643	0.9096
Highest NAV per unit (RM)	0.8506	0.9614	0.9484
Lowest NAV per unit (RM)	0.6527	0.6441	0.7368
Total return (%)	27.47	(26.98)	23.47
- Capital growth (%)	27.47	(26.98)	23.47
- Income distribution (%)	-	-	-
Management Expense Ratio (“MER”) (%) ^	1.60	1.66	1.71
Portfolio Turnover Ratio (“PTR”) (times) #	0.70	0.88	1.15

^ The Fund’s MER decreased from 1.66% to 1.60% as there was decrease in expenses during the financial year under review.

The Fund’s PTR reduced from 0.88 times to 0.70 times due to reduction in trading activities.

	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
	%	%	%	%	%
Annual total return	27.47	(26.98)	23.47	(14.26)	10.96

(Launch date: 20 April 2004)

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

MARKET REVIEW (1 JANUARY 2019 TO 31 DECEMBER 2019)

For the financial year under review, the FBMSCAP Index increased by 25.36% from 11,298.74 points to 14,164.43 points.

FBMSCAP Index commenced 2019 with a rally and ended January 2019 higher by 7.17%. RM strengthened to RM4.09 against USD from RM4.13 in the previous month. Brent crude oil rose to USD61.89 per barrel, up by 15.03% month-on-month (“m-o-m”). On the external front, investors will continue to follow closely the latest developments on the ongoing US-China trade tensions, ongoing development of Brexit and negotiations on the US Federal Government (the “Fed”) budget as the temporary bill to fund US Government spending will expire on 15 February 2019. Policy uncertainty continues to be the order of the day as the East Coast Rail Route (“ECRL”) on-again, off-again saga plays out. As of now, there is still no conclusive decision on the said mega project and a gag order has been issued to avoid any further confusion and escalation of rift with the Chinese Government. But the damage seems to have been done already. Conversation with business leaders revealed that the government relationship with China is at all-time low. Business and consumer sentiment continued slipping for the 2nd consecutive quarter in fourth quarter of 2018.

FBMSCAP Index continued its rally along with FBM Kuala Lumpur Composite Index (“KLCI”) ended higher in February 2019 driven by higher Brent Crude Oil, which traded up 6.7% m-o-m to USD66.82 per barrel on supply constraints. In addition, sentiment in the local bourse was further lifted by announcement made the Communications and Multimedia Minister, which indicated there will not be further reductions in high speed broadband prices in 2019 and Fitch re-affirmed Malaysia’s sovereign rating.

Positive news flow continues to buoy the construction sector as the revival of Bandar Malaysia project has lifted sentiment and expectation that the shelved High Speed Rail (“HSR”) and Mass Rapid Transit Line 3 (“MRT3”) projects may be revived soon. Sustained rebound in crude oil prices have also seen the revival of job flows to oil & gas service providers. Additionally, news that China had also recently agreed to purchase a minimum of 1.9 million metric tonnes of crude palm oil over 5 years’ worth RM4.5 billion in addition to the earlier purchase contracts signed for 1.62 million metric tonnes for RM3.64 billion, provides additional boost to confidence that relationship with China has improved. Meanwhile on regulatory uncertainty, we believe risk is receding for telecommunication, airport and utilities sectors as much of the negatives have been priced in while the formalization of regulatory changes in the months to come would lift investors’ sentiment.

However, FBMSCAP Index along with regional markets took a turn and was sold down after a statement by US President Donald Trump that there would not be a deal after all for US-China trade negotiation. The fall-out has resulted in global manufacturing Purchasing Managers’ Index (“PMI”) falling into contraction for the first time since 2012. In addition to external factors, RM faced additional selling pressure as Malaysia may be dropped from the FTSE World Government Bond Index during September 2019 review.

Following a sharp sell-down in the month of May 2019, Malaysian equities benefitted from relief rally in June 2019 stemming from expectation of Federal Reserve rate cuts and de-escalation of US-China trade war. Domestic factors which also helped to boost the market include dissipating concern over regulatory risk particularly for airport operator Malaysia Airports Holdings Bhd (“MAHB”) following the release of the latest consultation paper on the implementation of Regulatory Asset Base (“RAB”) framework. The rally was led by FBM Small Cap Index’s gain of 3.6% in June which pointing to improving investors’ risk appetite.

MARKET REVIEW (1 JANUARY 2019 TO 31 DECEMBER 2019) (CONTINUED)

However, the rally did not last whereby FBMSCAP Index shed 7.69% between July 2019 and August 2019 and stayed range bound for the month of September 2019. Subsequently, risk appetite returned on the back of easing US-China trade war concern, and the Fed further monetary easing. In addition, financial results from companies related to 5G, Internet-of-Things and oil and gas are showing signs of recoveries, hence, the outperformance of FBMSCAP Index as compared to FBMKLCI. The latter's underperformance was due to the facts that Financials, Telecommunications and Petrochemical companies were still showing margin compressions. However, the rally was dented towards the end of November due to driven by persisting concerns about a U.S.-China trade deal and ongoing civil unrest in Hong Kong.

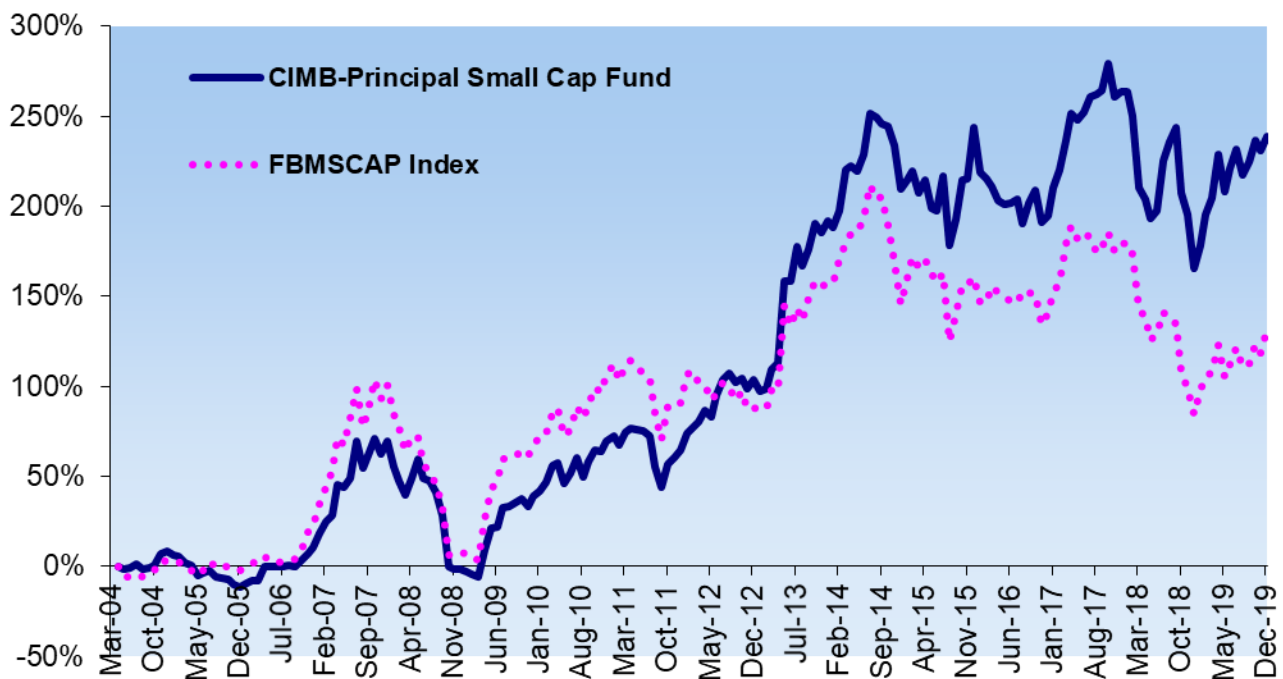
Furthermore, Malaysia along with other The Association of Southeast Asian Nations ("ASEAN") markets were facing fund outflows in November 2019 due to Morgan Stanley Capital International ("MSCI") rebalancing as the weightage for ASEAN was reduced to accommodate higher weightings for China and Saudi Arabia.

Nonetheless, FBMSC staged a strong rebound in December largely helped by the continued surge in CPO prices and the optimism on the resolution of Phase 1 trade deal between US and China.

FUND PERFORMANCE

	1 year to 31.12.2019	3 years to 31.12.2019	5 years to 31.12.2019	Since inception to 31.12.2019
	%	%	%	%
Income	-	-	-	-
Capital	27.47	14.93	9.35	238.72
Total Return	27.47	14.93	9.35	238.72
Benchmark	25.36	(3.74)	(5.79)	131.66
Average Total Return	27.47	4.75	1.80	8.08

For the financial year under review, the Fund's increased by 27.47%, while the benchmark gained by 25.36%. As such, the Fund outperformed its benchmark by 2.11%.



Changes in NAV

	31.12.2019	31.12.2018	Changes %
NAV (RM Million)	115.44	100.17	15.24
NAV/Unit (RM)	0.8468	0.6643	27.47

The NAV per unit increased by 27.47% due to positive investment performance during the financial year under review.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.12.2019	31.12.2018
Quoted securities	87.33	82.02
Cash and other net assets	12.67	17.98
TOTAL	100.00	100.00

The NAV per unit increased by 27.47% due to positive investment performance during the financial year under review.

MARKET OUTLOOK*

Despite on-going trade tension, we expect growth to be sustained at a moderate rate going into 2020. This will be underpinned by more growth-oriented Budget 2020 such as higher fiscal deficit, resumption of mega infrastructure projects, and accommodative monetary policy. Externally, the rebound in Purchasing Managers' Index ("PMI") to 50 in December 2019 after hitting a low of 46.8 in December 2018 bodes well for exports outlook particularly in the electronics and electrical segment. Furthermore, the plantation sector will also be boosted by improving supply and demand dynamics which have led to Crude palm oil ("CPO") prices surging past RM3,000 per metric tonne ("MT"). Given a modest consensus earnings growth expectation of 7.3% in 2020, we believe earnings upside risks outweigh downside risks. While political and regulatory risks remain elevated, we do not believe that this will deteriorate further. Recent by-election loss of the ruling government will potentially be the catalyst for more market friendly policies going forward.

* 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 believe earnings downside risk has narrowed significantly following recent cuts which is further supported by undemanding valuation now. As such, we take a barbell approach on high yield sectors like REITs and utilities and increasing on cyclical growth sectors like banks, plantation, oil and gas, and the technology sectors.

UNIT HOLDINGS STATISTICS

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

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1,488	4.42	3.24
5,001 to 10,000	912	6.69	4.91
10,001 to 50,000	1,850	42.72	31.34
50,001 to 500,000	572	55.44	40.67
500,001 and above	12	27.05	19.84
Total	4,834	136.32	100.00

SOFT COMMISSIONS AND REBATES

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL SMALL CAP 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 14 to 42 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2019 and of its financial performance, changes in equity and cash flows for the financial year then ended in accordance with 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
13 February 2020

**TRUSTEE'S REPORT
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2019**

We have acted as Trustee for CIMB-PRINCIPAL SMALL CAP FUND (the "Fund") for the financial year ended 31 December 2019. To the best of our knowledge, Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("the Manager") has managed the Fund in the financial year under review in accordance with the following:

1. limitations imposed on the investment powers of the Manager under the deeds, securities laws and Guidelines on Unit Trust Funds;
2. valuation or pricing of the Fund is carried out in accordance with the deeds and relevant regulatory requirement; and
3. creation and cancellation of units of the Fund are carried out in accordance with the deeds and relevant regulatory requirement.

For **Maybank Trustees Berhad**
[Co. No.: 196301000109 (5004-P)]

BERNICE K M LAU
Head, Operations

Kuala Lumpur, Malaysia
13 February 2020

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL SMALL CAP FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB-Principal Small Cap Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 31 December 2019, and of its financial performance and its cash flows for the financial 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 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 14 to 42.

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 SMALL CAP FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standard. 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 SMALL CAP 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 SMALL CAP 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
13 February 2020

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

	Note	2019 RM	2018 RM
INCOME/(LOSS)			
Dividend income		2,332,709	2,823,643
Interest income from deposits with licensed financial institutions at amortised cost		591,074	224,523
Net gain/(loss) on financial assets at fair value through profit or loss	7	<u>27,486,489</u>	<u>(38,708,933)</u>
		<u>30,410,272</u>	<u>(35,660,767)</u>
EXPENSES			
Management fee	4	1,754,649	1,891,490
Trustee's fee and custodian fee	5	85,854	88,270
Transaction costs		438,275	637,664
Audit fee		13,600	12,900
Tax agent's fee		2,299	8,300
Other expenses		<u>34,686</u>	<u>105,031</u>
		<u>2,329,363</u>	<u>2,743,655</u>
PROFIT/(LOSS) BEFORE TAXATION		28,080,909	(38,404,422)
Taxation	6	<u>-</u>	<u>-</u>
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>28,080,909</u>	<u>(38,404,422)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		11,023,449	(11,713,894)
Unrealised amount		<u>17,057,460</u>	<u>(26,690,528)</u>
		<u>28,080,909</u>	<u>(38,404,422)</u>

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

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

	Note	2019 RM	2018 RM
ASSETS			
Cash and cash equivalents	8	14,410,368	13,838,898
Financial assets at fair value through profit or loss	7	100,812,630	82,165,129
Amount due from stockbrokers		25,040	4,180,327
Amount due from Manager		1,080,675	22,472
Dividends receivable		129,293	319,749
TOTAL ASSETS		<u>116,458,006</u>	<u>100,526,575</u>
LIABILITIES			
Amount due to stockbrokers		508,188	172,744
Amount due to Manager		341,416	28,327
Accrued management fee		146,136	132,039
Amount due to Trustee		6,820	6,162
Other payables and accruals		18,700	14,501
TOTAL LIABILITIES		<u>1,021,260</u>	<u>353,773</u>
NET ASSET VALUE OF THE FUND		<u>115,436,746</u>	<u>100,172,802</u>
EQUITY			
Unit holders' capital		13,415,661	26,232,626
Retained earnings		102,021,085	73,940,176
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>115,436,746</u>	<u>100,172,802</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	9	<u>136,316,839</u>	<u>150,772,701</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.8468</u>	<u>0.6643</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 January 2019	26,232,626	73,940,176	100,172,802
Movement in unit holders' contributions:			
- Creation of units from applications	61,892,322	-	61,892,322
- Cancellation of units	(74,709,287)	-	(74,709,287)
Total comprehensive income for the financial year	-	28,080,909	28,080,909
Balance as at 31 December 2019	<u>13,415,661</u>	<u>102,021,085</u>	<u>115,436,746</u>
Balance as at 1 January 2018	29,174,572	112,344,599	141,519,171
Movement in unit holders' contributions:			
- Creation of units from applications	56,387,981	-	56,387,981
- Cancellation of units	(59,329,927)	-	(59,329,927)
Total comprehensive loss for the financial year	-	(38,404,422)	(38,404,422)
Balance as at 31 December 2018	<u>26,232,626</u>	<u>73,940,176</u>	<u>100,172,802</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 DECEMBER 2019**

	Note	2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		90,044,033	115,929,259
Purchase of quoted securities		(77,085,532)	(105,472,905)
Dividend income received		2,445,350	2,969,160
Interest income received from deposits with licensed financial institutions		591,074	224,523
Management fee paid		(1,740,552)	(1,938,254)
Trustee's fee paid		(85,196)	(90,452)
Payments for other fees and expenses		(35,628)	(130,810)
Net cash generated from operating activities		<u>14,133,549</u>	<u>11,490,521</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		60,834,119	56,400,862
Payments for cancellation of units		(74,396,198)	(60,054,546)
Net cash used in financing activities		<u>(13,562,079)</u>	<u>(3,653,684)</u>
Net increased in cash and cash equivalents		571,470	7,836,837
Cash and cash equivalents at the beginning of the financial year		<u>13,838,898</u>	<u>6,002,061</u>
Cash and cash equivalents at the end of the financial year		<u>14,410,368</u>	<u>13,838,898</u>
<u>Cash and cash equivalents comprised of:</u>			
Deposits with licensed financial institutions		14,348,508	13,799,534
Bank balance		61,860	39,364
Cash and cash equivalents at the end of the financial year	8	<u>14,410,368</u>	<u>13,838,898</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 DECEMBER 2019**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

CIMB-Principal Small Cap Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Thirteenth Supplemental Master Deed dated 26 June 2012 and an Eighteenth Supplemental Master Deed dated 25 March 2015 (collectively referred to as the “Deeds”), between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”) and Maybank Trustees Berhad (the “Trustee”).

The Fund may invest between 70% to 98% (both inclusive) of the Fund’s NAV in shares of smaller companies with market capitalisation of up to three (3) billion RM at the point of purchase that are listed on Bursa Malaysia. The investment policy and strategy of the Fund will therefore focus on investments in securities of such smaller companies with potential growth and hands-on management policies but may be under-researched by major stock broking houses. However, should there be lack of liquidity or when we deem necessary to reduce volatility of the Fund, the Fund may invest up to 20% of its NAV in companies with market capitalisation above three (3) billion RM but not more than five (5) billion RM at the point of purchase. The Fund may opt to seek investment exposure via CIS that is in line with the Fund’s objective, subject to the requirement of the SC Guidelines. To a lesser extent, the Fund may also invest in other permissible investments such as liquid assets primarily for the purpose of cash management. In addition, liquid assets may be strategically used if we feel that the market downside risk is high in the short-term. The Fund may invest at least 2% of the Fund’s NAV in liquid assets.

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 IFRS.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

Standards, amendments to published standards or interpretation that are effective and relevant:

The Fund has applied the following amendments to published standards for the first time for the financial period beginning 1 January 2019:

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

There are no applicable standards, amendments to standards or interpretations that are effective for annual periods beginning on/after 1 January 2020 to the financial statements of the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

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

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

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

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as other financial liabilities measured at amortised cost.

Recognition and measurement

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

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

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

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

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

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

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

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

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

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

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

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Functional and presentation currency**

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

(e) Cash and cash equivalents

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

(f) Amount due from/to stockbrokers

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measures the loss allowance on amounts due from stockbrokers 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.

(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.

(h) Transaction costs

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Unit holders' contributions**

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

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

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

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

(j) 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 there are no accounting policies which require significant judgement to be exercised.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2019			
Cash and cash equivalents (Note 8)	-	14,410,368	14,410,368
Quoted securities (Note 7)	100,812,630	-	100,812,630
Amount due from stockbrokers	-	25,040	25,040
Amount due from Manager	-	1,080,675	1,080,675
Dividends receivable	-	129,293	129,293
	<u>100,812,630</u>	<u>15,645,376</u>	<u>116,458,006</u>
2018			
Cash and cash equivalents (Note 8)	-	13,838,898	13,838,898
Quoted securities (Note 7)	82,165,129	-	82,165,129
Amount due from stockbrokers	-	4,180,327	4,180,327
Amount due from Manager	-	22,472	22,472
Dividends receivable	-	319,749	319,749
	<u>82,165,129</u>	<u>18,361,446</u>	<u>100,526,575</u>

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

The investment objective of the Fund is to provide growth to the value of unit holders' investments over the long-term in an equity fund by investing in undiscovered smaller companies listed on Bursa Malaysia.

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

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

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

(a) Market risk

(i) Price risk

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

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

The Fund's overall exposures to price risk were as follows:

	2019 RM	2018 RM
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>100,812,630</u>	<u>82,165,129</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of quoted securities at the end of each reporting year. The analysis is based on the assumptions that the price of the quoted securities fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, 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
2019		
-5 %	95,771,999	(5,040,632)
0 %	100,812,630	-
+5 %	<u>105,853,262</u>	<u>5,040,632</u>
2018		
-5 %	78,056,873	(4,108,256)
0 %	82,165,129	-
+5 %	<u>86,273,385</u>	<u>4,108,256</u>

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

(a) Market risk (continued)

(ii) Interest rate risk

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

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

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

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

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

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

	2019 %	2018 %
Deposits with licensed financial institutions	<u>3.25</u>	<u>3.72</u>

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

(b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations 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 stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in quoted securities are settled or paid upon delivery using approved stockbrokers.

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

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

(b) Credit risk (continued)

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

	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Dividends Receivable RM	Total RM
2019					
- AAA	7,974,231	-	-	-	7,974,231
- AA2	6,436,137	-	-	-	6,436,137
- Not Rated	-	25,040	1,080,675	129,293	1,235,008
	<u>14,410,368</u>	<u>25,040</u>	<u>1,080,675</u>	<u>129,293</u>	<u>15,645,376</u>
2018					
- AAA	5,915,405	-	-	-	5,915,405
- AA2	7,923,493	-	-	-	7,923,493
- Not Rated	-	4,180,327	22,472	319,749	4,522,548
	<u>13,838,898</u>	<u>4,180,327</u>	<u>22,472</u>	<u>319,749</u>	<u>18,361,446</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 4 days (2018: 4 days).

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and deposits with licensed financial institutions which are capable of being converted into cash within 7 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the 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 RM	Between 1 month to 1 year RM	Total RM
2019			
Amount due to stockbrokers	508,188	-	508,188
Amount due to Manager	341,416	-	341,416
Accrued management fee	146,136	-	146,136
Amount due to Trustee	6,820	-	6,820
Other payables and accruals	-	18,700	18,700
Contractual undiscounted cash flows	<u>1,002,560</u>	<u>18,700</u>	<u>1,021,260</u>

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

(c) Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2018			
Amount due to stockbrokers	172,744	-	172,744
Amount due to Manager	28,327	-	28,327
Accrued management fee	132,039	-	132,039
Amount due to Trustee	6,162	-	6,162
Other payables and accruals	-	14,501	14,501
Contractual undiscounted cash flows	<u>339,272</u>	<u>14,501</u>	<u>353,773</u>

(d) Capital risk management

The capital of the Fund is represented by equity consisting of unit holders' capital of RM13,415,661 (2018: RM26,232,626) retained earnings of RM102,021,085 (2018: RM73,940,176). 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) is based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded market price 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.

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

(e) Fair value estimation (continued)

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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2019				
Financial assets at fair value through profit or loss:				
- Quoted securities	100,812,630	-	-	100,812,630

3. FINANCIAL INSTRUMENTS AND 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
2018				
Financial assets at fair value through profit or loss:				
- Quoted securities	82,165,129	-	-	82,165,129

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

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

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a maximum management fee of 2.00% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 31 December 2019, the management fee is recognised at a rate of 1.50% per annum (2018: 1.50% per annum).

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

5. TRUSTEE'S FEE

In accordance with Deeds, the Trustee is entitled to a maximum fee of 0.07% per annum 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).

For the financial year ended 31 December 2019, the Trustee's fee is recognised at a rate of 0.07% per annum (2018: 0.07% per annum).

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

6. TAXATION

	2019 RM	2018 RM
Tax charged for the financial year:		
- Current taxation	-	-

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

	2019 RM	2018 RM
Profit/(Loss) before taxation	28,080,909	(38,404,422)
Taxation at Malaysian statutory rate of 24% (2018: 24%)	6,739,418	(9,217,061)
Tax effects of:		
- (Investment income not subject to tax)/Investment loss not deductible for tax purposes	(7,298,465)	8,558,584
- Expenses not deductible for tax purposes	130,109	182,985
- Restriction on tax deductible expenses for Unit Trust Funds	428,938	475,492
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 RM	2018 RM
At fair value through profit or loss:		
- Quoted securities	100,812,630	82,165,129
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	10,429,029	(12,018,405)
- Unrealised fair value gain/(loss)	17,057,460	(26,690,528)
	27,486,489	(38,708,933)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019				
QUOTED SECURITIES				
Construction				
Gabungan AQRS Bhd	387,280	495,548	456,990	0.40
Kerjaya Prospek Group Bhd	449,220	498,549	588,478	0.51
Muhibbah Engineering (M) Bhd	414,100	1,166,875	1,018,686	0.88
Sunway Construction Group Bhd	1,021,600	1,791,754	1,951,256	1.69
TRC Synergy Bhd	1,122,800	687,167	494,032	0.43
Vizione Holdings Bhd	366,257	320,074	320,475	0.28
	<u>3,761,257</u>	<u>4,959,967</u>	<u>4,829,917</u>	<u>4.19</u>
Consumer Products & Services				
Aeon Co. M Bhd	2,089,600	3,610,270	2,967,232	2.57
Berjaya Food Bhd	1,912,400	3,008,133	2,639,112	2.29
Bermaz Auto Bhd	1,221,400	2,740,785	2,564,940	2.22
Bioalpha Holdings Bhd	6,989,300	1,652,177	1,293,021	1.12
DRB-Hicom Bhd	1,749,900	3,992,657	4,164,762	3.61
Kawan Food Bhd	3,191,000	4,202,191	3,573,920	3.10
Magni-Tech Industries Bhd	937,300	2,244,656	2,249,520	1.95
	<u>18,090,900</u>	<u>21,450,869</u>	<u>19,452,507</u>	<u>16.86</u>
Energy				
Dayang Enterprise Hldg Bhd	1,617,900	3,642,173	4,060,929	3.52
Hibiscus Petroleum Bhd	3,352,000	3,095,277	3,150,880	2.73
Sapura Energy Bhd	11,246,000	3,440,624	3,036,420	2.63
Serba Dinamik Hldgs Bhd	487,410	645,484	1,072,302	0.93
Serba Dinamik Hldgs Bhd -WA	139,260	-	61,274	0.05
Wah Seong Corporation Bhd	2,291,400	2,495,362	2,749,680	2.38
Yinson Holdngs Bhd	444,900	1,902,281	2,882,952	2.50
	<u>19,578,870</u>	<u>15,221,201</u>	<u>17,014,437</u>	<u>14.74</u>
Financial Services				
Aeon Credit Service M Bhd	71,200	1,104,149	1,006,768	0.87
Syarikat Takaful Malaysia Keluarga Bhd	137,800	777,699	785,460	0.68
	<u>209,000</u>	<u>1,881,848</u>	<u>1,792,228</u>	<u>1.55</u>
Health Care				
Duopharma Biotech Bhd	2,298,370	2,593,701	3,263,685	2.83
Kossan Rubber Industries Bhd	490,000	1,830,531	2,038,400	1.77
	<u>2,788,370</u>	<u>4,424,232</u>	<u>5,302,085</u>	<u>4.60</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
Industrial Products & Services				
ATA IMS Bhd	714,400	1,082,226	1,243,056	1.08
Chemical Co. Malaysia Bhd	2,058,266	3,677,200	2,531,667	2.19
HSS Engineers Bhd	1,203,100	1,165,707	1,016,620	0.88
Rohas Tecnic Bhd	3,422,300	3,256,937	2,190,272	1.90
Success Transformer Corporation Bhd	3,978,700	4,547,203	3,799,659	3.29
Uchi Technologies Bhd	637,400	1,824,680	1,771,972	1.54
V.S. Industry Bhd	2,088,600	3,836,454	2,798,724	2.42
	<u>14,102,766</u>	<u>19,390,407</u>	<u>15,351,970</u>	<u>13.30</u>
Property				
Malaysian Resources Corporation Bhd	2,648,800	2,350,884	1,933,624	1.68
REITs				
Axis REIT	1,959,200	3,477,515	3,467,784	3.00
Technology				
D&O Green Technologies Bhd	3,079,400	2,313,583	2,617,490	2.27
Globetronics Technology Bhd	570,900	1,152,124	1,330,197	1.15
Inari Amertron Bhd	752,100	1,304,211	1,278,570	1.11
I-Stone Group Bhd	1,691,933	284,683	414,524	0.36
JHM Consolidation Bhd	3,707,000	4,261,703	6,190,690	5.36
Malaysian Pacific Industries Bhd	299,600	3,291,790	3,427,424	2.97
Pentamaster Corporation Bhd	1,163,960	1,698,489	5,284,378	4.58
Revenue Group Bhd	1,336,500	966,069	1,857,735	1.60
	<u>12,601,393</u>	<u>15,272,652</u>	<u>22,401,008</u>	<u>19.40</u>
Telecommunications & Media				
Binasat Communications Bhd	5,305,300	2,614,077	1,724,222	1.49
Media Chinese Int Ltd	1,893,900	438,695	445,067	0.38
Time Dotcom Bhd	228,000	1,900,533	2,102,160	1.82
	<u>7,427,200</u>	<u>4,953,305</u>	<u>4,271,449</u>	<u>3.69</u>
Transportation & Logistics				
E.A. Technique Bhd	4,346,900	2,986,262	1,543,150	1.33

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
Utilities				
Malakoff Corp Bhd	609,500	504,849	530,265	0.45
Ranhill Holdings Bhd	285,960	299,495	305,977	0.27
Taliworks Corp Bhd	2,939,583	2,413,971	2,616,229	2.27
	<u>3,835,043</u>	<u>3,218,315</u>	<u>3,452,471</u>	<u>2.99</u>
TOTAL QUOTED SECURITIES	<u>91,349,699</u>	<u>99,587,457</u>	<u>100,812,630</u>	<u>87.33</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,225,173</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>100,812,630</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018				
QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	2,456,200	1,622,966	945,637	0.95
Gabungan AQRS Bhd	986,400	1,344,056	843,372	0.84
GDB Holdings Bhd	1,161,100	457,261	267,053	0.27
Kerjaya Prospek Group Bhd	466,220	517,416	536,153	0.54
Muhibbah Engineering (M) Bhd	414,100	1,166,875	1,155,339	1.15
Sunway Construction Group Bhd	484,400	923,280	644,252	0.64
Vizione Holdings Bhd	413,757	361,584	353,762	0.35
	<u>6,382,177</u>	<u>6,393,438</u>	<u>4,745,568</u>	<u>4.74</u>
Consumer Products & Services				
Aeon Co. M Bhd	998,200	1,912,783	1,467,354	1.46
Berjaya Food Bhd	915,000	1,391,312	1,281,000	1.28
Bermaz Auto Bhd	595,400	1,302,885	1,280,110	1.28
Bioalpha Holdings Bhd	6,989,300	1,652,177	1,467,753	1.47
DRB-Hicom Bhd	469,600	957,483	798,320	0.79
Kawan Food Bhd	538,632	1,403,194	1,028,787	1.03
Magni-Tech Industries Bhd	464,600	2,840,470	1,858,400	1.86
Mynews Holdings Bhd	975,200	1,165,197	1,462,800	1.46
Padini Holdings Bhd	357,900	1,370,229	1,256,229	1.25
Power Root Bhd	834,480	1,034,317	1,151,582	1.16
Salutica Bhd	620,200	354,236	254,282	0.25
	<u>13,758,512</u>	<u>15,384,283</u>	<u>13,306,617</u>	<u>13.28</u>
Energy				
Hibiscus Petroleum Bhd	2,883,400	2,868,604	2,422,056	2.42
Serba Dinamik Holdings Bhd	273,600	760,898	1,034,208	1.03
Uzma Bhd	1,968,200	2,484,822	1,131,715	1.13
Yinson Holdings Bhd	255,200	1,032,156	1,071,840	1.07
	<u>5,380,400</u>	<u>7,146,480</u>	<u>5,659,819</u>	<u>5.65</u>
Financial Services				
Aeon Credit Service (M) Bhd	19,800	297,004	302,940	0.30
RCE Capital Bhd	634,100	920,863	932,127	0.93
	<u>653,900</u>	<u>1,217,867</u>	<u>1,235,067</u>	<u>1.23</u>
Health Care				
CCM Duopharma Biotech Bhd	2,259,729	2,537,843	2,146,743	2.14
KPJ Healthcare Bhd	2,001,900	2,136,842	2,081,976	2.08
	<u>4,261,629</u>	<u>4,674,685</u>	<u>4,228,719</u>	<u>4.22</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
Industrial Products & Service				
ATA IMS Bhd	774,700	1,173,573	1,278,255	1.28
Chemical Company of Malaysia Bhd	1,763,666	3,074,970	3,156,962	3.15
EG Industries Bhd	3,420,600	2,504,482	1,676,094	1.67
EG Industries Bhd - Preference Shares	877,115	427,208	416,630	0.42
HSS Engineers Bhd	181,400	163,442	156,004	0.16
Pecca Group Bhd	1,047,800	910,477	770,133	0.77
Rohas Tecnic Bhd	3,360,800	3,215,332	2,285,344	2.28
SKP Resources Bhd	87,800	139,250	92,190	0.09
Success Transformer Corporation Bhd	5,933,000	6,780,747	3,085,160	3.08
Uchi Technologies Bhd	651,500	1,865,044	1,654,810	1.65
VS Industry Bhd	2,129,300	3,911,214	1,554,389	1.55
VS Industry Bhd - Warrant	3,811,025	1,942,999	19,055	0.02
	<u>24,038,706</u>	<u>26,108,738</u>	<u>16,145,026</u>	<u>16.12</u>
Property				
Malaysian Resources Corporation Bhd	873,000	729,955	536,895	0.54
Technology				
Elsoft Research Bhd	948,420	1,064,736	1,033,778	1.04
Frontken Corporation Bhd	8,868,800	3,070,349	6,252,504	6.24
GHL Systems Bhd	178,500	196,870	282,030	0.28
Globetronics Technology Bhd	1,957,200	4,038,744	3,425,100	3.42
Inari Amertron Bhd	1,308,600	2,287,445	1,962,900	1.96
Inari Amertron Bhd - Warrant	124,500	222,220	120,765	0.12
JHM Consolidation Bhd	2,350,700	2,571,846	1,998,095	1.99
Malaysian Pacific Industries Bhd	15,600	169,053	155,220	0.15
MI Technovation Bhd	1,221,700	1,950,517	2,736,608	2.73
My Eg Services Bhd	770,000	898,176	750,750	0.75
Pentamaster Corporation Bhd	2,233,340	4,268,314	6,141,685	6.13
Revenue Group Bhd	391,900	246,112	536,903	0.54
Unisem Bhd	12,700	39,846	41,656	0.04
VisDynamics Holdings Bhd	3,636,950	2,042,342	1,800,290	1.80
VisDynamics Holdings Bhd - Warrant	560,562	-	120,521	0.12
ViTrox Corporation Bhd	134,800	602,206	847,892	0.85
	<u>24,714,272</u>	<u>23,668,776</u>	<u>28,206,697</u>	<u>28.16</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
Telecommunications & Media				
Binasat Communications Bhd	5,410,500	2,665,912	2,028,938	2.02
Sasbadi Holdings Bhd	4,139,850	2,273,577	910,767	0.91
Sedania Innovator Bhd	1,976,200	758,992	197,620	0.20
	<u>11,526,550</u>	<u>5,698,481</u>	<u>3,137,325</u>	<u>3.13</u>
Transportation & Logistics				
E.A. Technique Bhd	<u>6,446,800</u>	<u>4,428,865</u>	<u>2,514,252</u>	<u>2.51</u>
Utilities				
Taliworks Corporation Bhd	<u>3,100,183</u>	<u>2,545,848</u>	<u>2,449,144</u>	<u>2.44</u>
TOTAL QUOTED SECURITIES	<u>101,136,129</u>	<u>97,997,416</u>	<u>82,165,129</u>	<u>82.02</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(15,832,287)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>82,165,129</u>		

8. CASH AND CASH EQUIVALENTS

	2019 RM	2018 RM
Deposits with licensed financial institutions	14,348,508	13,799,534
Bank balance	<u>61,860</u>	<u>39,364</u>
	<u><u>14,410,368</u></u>	<u><u>13,838,898</u></u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2019 No. of units	2018 No. of units
At the beginning of the financial year	150,772,701	155,570,969
Add : Creation of units from applications	80,109,429	67,357,306
Less: Cancellation of units	<u>(94,565,291)</u>	<u>(72,155,574)</u>
At the end of the financial year	<u><u>136,316,839</u></u>	<u><u>150,772,701</u></u>

10. MANAGEMENT EXPENSE RATIO (“MER”)

	2019 %	2018 %
MER	<u>1.60</u>	<u>1.66</u>

MER is derived from the following calculation:

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

A = Management fee

B = Trustee's fee

C = Audit fee

D = Tax agent's fee

E = Other expenses excluding withholding tax

F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM117,211,396 (2018: RM125,617,983).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	2019	2018
PTR (times)	<u>0.70</u>	<u>0.88</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial year = RM77,285,765 (2018: RM102,907,300)
 total disposal for the financial year = RM86,124,754 (2018: RM118,373,576)

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

<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 Berhad, 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 Bank Bhd	Fellow related party to Manager
CIMB Islamic Bank Bhd	Fellow related party to Manager
CGS-CIMB Securities Sdn Bhd	Fellow related party to Manager

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

Units held by the Manager and parties related to the Manager

Manager	2019		2018	
	No. of units	RM	No. of units	RM
Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad)	26,419	22,372	11,812	7,847

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

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

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

	2019 RM	2018 RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institutions:		
- CIMB Bank Bhd	69,201	6,112
- CIMB Islamic Bank Bhd	4,041	-
Cash placements with licensed financial institutions:		
- CIMB Bank Bhd	177,758,000	17,548,000
- CIMB Islamic Bank Bhd	10,000,000	-
<u>Significant related party balance</u>		
Bank balance:		
- CIMB Bank Bhd	61,860	39,364

13. TRANSACTIONS WITH BROKERS

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
UBS Securities Malaysia Sdn. Bhd.	20,290,537	12.43	32,668	9.83
RHB Investment Bank Bhd	17,458,706	10.69	39,454	11.87
CLSA Securities (M) Sdn Macquarie Capital	16,551,361	10.14	29,781	8.96
Securities (M) Sdn Bhd	16,258,209	9.96	33,292	10.02
KAF Seagroatt & Campbell Securities Sdn. Bhd	13,808,369	8.46	31,086	9.35
Maybank Investment Bank Bhd	13,054,164	7.99	28,520	8.58
Hong Leong Investment Bank Bhd	12,817,118	7.85	29,017	8.73
Affin Hwang Investment Bank Bhd	12,754,119	7.81	28,786	8.66
JP Morgan Securities (Malaysia) Sdn Bhd	12,184,555	7.46	20,225	6.09
CGS-CIMB Securities Sdn Bhd #	12,078,782	7.40	24,537	7.38
Others	16,045,633	9.81	34,928	10.53
	<u>163,301,553</u>	<u>100.00</u>	<u>332,294</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the top 10 brokers for the financial year ended 31 December 2018 are as follows:

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	27,384,616	13.53	67,007	13.49
Affin Hwang Investment Bank Bhd	23,133,046	11.43	79,422	15.98
Maybank Investment Bank Bhd	20,564,428	10.16	45,689	9.20
CIMB Investment Bank Bhd #	19,883,180	9.82	50,153	10.09
CLSA Securities Malaysia Sdn Bhd	19,145,058	9.46	42,561	8.57
KAF-Seagroatt & Campbell Securities Sdn Bhd	17,515,902	8.65	39,512	7.95
JP Morgan Securities (Malaysia) Sdn Bhd	17,172,125	8.48	38,782	7.81
Macquarie Malaysia Sdn Bhd	16,342,206	8.07	36,905	7.43
Credit Suisse Securities (Malaysia) Sdn Bhd	15,930,583	7.87	35,978	7.24
Hong Leong Investment Bank Bhd	12,797,350	6.32	28,995	5.84
Others	12,558,985	6.21	31,880	6.40
	<u>202,427,479</u>	<u>100.00</u>	<u>496,884</u>	<u>100.00</u>

Included in the transactions are trades conducted with CIMB Investment Bank Bhd and CGS-CIMB Securities Sdn Bhd, fellow related party to the Manager amounting to Nil (2018: RM19,883,180) and RM12,078,782 (2018: Nil). The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 13 February 2020.

DIRECTORY

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