

CIMB-PRINCIPAL US MORTGAGE FUND

UNAUDITED QUARTERLY REPORT

FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 OCTOBER 2019

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INVESTORS' LETTER

Dear Valued Investors,

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

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

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

Why retirement savings is crucial?

1. Longer lifespan

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

2. Inflation Challenge

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

3. Inadequacy of Saving

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

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

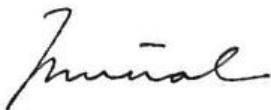
Thank you for your continuous support and allowing us to help you achieve your financial goals and live your best life.

Thank you.

Yours faithfully,

for **Principal Asset Management Berhad**

(formerly known as CIMB-Principal Asset Management Berhad)



Munirah Khairuddin
Chief Executive Officer

¹ www.ppa.my

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to maximize total return through investments in one collective investment scheme, which invests primarily in mortgage related securities in the United States (“US”).

Has the Fund achieved its objective?

For the financial period under review, the Fund has performed in line with its objective as stated under the Fund Performance section.

What are the Fund investment policy and principal investment strategy?

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. BNP Paribas Flexi I US Mortgage Fund. The Fund may also invest in Liquid Asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its Net Asset Value (“NAV”) in the BNP Paribas Flexi I US Mortgage Fund (“Target Fund”); an Undertaking for Collective Investment in Transferable Securities (“UCITS”) domiciled in Luxembourg and established on 25 September 2015¹. The Fund will also maintain up to 5% of its NAV in Liquid Assets for liquidity purposes.

Information on the Target Fund:

Company	:	BNP Paribas Flexi I, an open-ended investment company with variable capital (société d’investissement à capital variable) incorporated on 4 July 2006 under the name “FORTIS SOLUTIONS” for an indefinite period in accordance with the provisions of Part I of the Luxembourg law of 20 December 2002 governing undertakings for collective investment. It was renamed “BNP Paribas Flexi I” on 13 September 2010.
Investment Manager of the Target Fund	:	Fischer Francis Trees & Watts Inc
Management Company of the Target Fund	:	BNP Paribas Investment Partners Luxembourg
Regulatory authority	:	Commission de Surveillance du Secteur Financier

Note:

1. On 25 September 2015, the Target Fund was established and merged with the Irish Fund Parselect US Mortgage that was launched on 1 December 2007.

Base Currency

US Dollar (“USD”)

Fund category/type

Feeder Fund/Income & Growth

How long should you invest for?

Recommended three (3) years or more

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

Moderate

FUND OBJECTIVE AND POLICY (CONTINUED)

When was the Fund launched?

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

8 March 2017

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

USD13.75 million (25.82 million units)

What is the Fund's benchmark?

The Fund adheres to the benchmark of the Target Fund for performance comparison. The benchmark of the Target Fund is Barclays Mortgage-Backed Securities ("MBS") Index for performance measurement.

What is the Fund distribution policy?

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

What was the net income distribution for the financial period from 1 August 2019 to 31 October 2019?

The Fund distributed a total net income of USD895 to unit holders for the financial period from 1 August 2019 to 31 October 2019

Date	NAV per unit (before distribution) USD	NAV per unit (after distribution) USD
26.08.2019 Class USD	1.0108	1.0086

PERFORMANCE DATA

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

	31.10.2019	31.10.2018	31.10.2017
	%	%	%
Collective investment scheme	97.52	100.00	98.52
Cash and other net assets	2.48	0.00	1.48
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.10.2019	31.10.2018	31.10.2017
NAV (RM Million)			
- Class AUD-H	3.75	1.54	8.54
- Class MYR-H	1.93	2.66	5.31
- Class SGD-H	7.65	9.32	16.03
- Class USD	0.42	0.94	5.83
Units in circulation (Million)			
- Class AUD-H	5.62	6.93	11.03
- Class MYR-H	8.90	12.82	22.22
- Class SGD-H	10.89	14.05	21.77
- Class USD	0.41	0.96	5.79
NAV per unit (RM)			
- Class AUD-H	0.6676	0.6555	0.7749
- Class MYR-H	0.2167	0.2075	0.2390
- Class SGD-H	0.7028	0.6636	0.7361
- Class USD	1.0231	0.9682	1.0078
	01.08.2019	01.08.2018	01.08.2017
	to 31.10.2019	to 31.10.2018	to 31.10.2017
Highest NAV per unit (RM)			
- Class AUD-H	0.6676	0.6983	0.8218
- Class MYR-H	0.2167	0.2173	0.2429
- Class SGD-H	0.7028	0.6902	0.7551
- Class USD	1.0236	0.9922	1.0165
Lowest NAV per unit (RM)			
- Class AUD-H	0.6445	0.6473	0.7714
- Class MYR-H	0.2112	0.2066	0.2355
- Class SGD-H	0.6766	0.6590	0.7316
- Class USD	1.0059	0.9589	1.0035
Total return (%)			
- Class AUD-H	0.84	(6.34)	(3.85)
- Class MYR-H	0.32	(4.32)	1.49
- Class SGD-H	1.84	(3.52)	(0.41)
- Class USD	1.43	(1.67)	0.07
Capital growth (%)			
- Class AUD-H	0.84	(6.34)	(3.85)
- Class MYR-H	0.32	(4.32)	1.49
- Class SGD-H	1.84	(3.52)	(0.41)
- Class USD	1.21	(1.81)	0.07

PERFORMANCE DATA (CONTINUED)

	01.08.2019 to 31.10.2019	01.08.2018 to 31.10.2018	01.08.2017 to 31.10.2017
Income distribution (%)			
- Class AUD-H	-	-	-
- Class MYR-H	-	-	-
- Class SGD-H	-	-	-
- Class USD	0.22	0.14	-
Management Expense Ratio ("MER") (%)	0.26	0.26	0.35
Portfolio Turnover Ratio ("PTR") (times) #	0.04	0.07	0.12

For the financial period under review, the Fund's PTR stood at 0.04 times, lower than the previous reporting data at 0.07 times, mainly due to lesser trading activities within the reporting period.

Date of distribution	26.08.2019	-	-
Gross/Net distribution per unit (cent)			
- Class USD	0.22	-	-
Date of distribution	-	13.08.2018	-
Gross/Net distribution per unit (cent)			
- Class USD	-	0.14	-

	31.10.2019	Since inception to 31.10.2018
	%	%
Annual total return		
- Class AUD-H	2.20	(8.84)
- Class MYR-H	7.17	4.56
- Class SGD-H	7.47	(1.96)
- Class USD	6.50	(2.93)

(Launch date: 8 March 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 AUGUST 2019 TO 31 OCTOBER 2019)

For the financial period under review, the Barclays MBS Index gained by 1.32% in USD terms.

US Treasury ("UST") 10-year yields moved sharply lower in August 2019 as escalating trade tensions boiled over and tariffs against China came squarely into view. Interest rate volatility was high as President Trump announced additional tariffs, the Chinese Yuan Renminbi ("CNY") went over CNY7 against the USD and the UST declared China a currency manipulator. China retaliated with their own tariffs on US goods and Trump tweeted for US firms to look for alternatives to China. UST 10-year yields were lower by 52 basis points ("bps") on the month. The yield curve between the 2-year and 10-year flattened by 15 bps to close the month inverted at -1 bps. Markets are anticipating additional rate cuts from the US Federal Reserve (the "Fed") as early as the 18 September 2019 Federal Open Market Committee ("FOMC") meeting. The absolute return for the MBS sector was +89 bps although the excess return versus duration matched treasuries was -63 bps.

MARKET REVIEW (1 AUGUST 2019 TO 31 OCTOBER 2019) (CONTINUED)

UST 10-year yields drifted higher in September 2019 as credit markets and rate markets stabilised. As was widely anticipated the FOMC cut the Fed Funds rate by 25 bps at their meeting on the 18th citing growing uncertainties over trade and tariffs and weaker US exports. Chairman Powell is still characterising the cuts as a “mid-cycle adjustment” rather than the beginning of a prolonged easing of the policy rate. The Fed’s outlook on the US economy remains constructive with continued moderate growth, a strong labor market and inflation near their 2% target. The yield curve steepened with the spread between 2-year and 10-year moving to +6 bps. The European Central Bank (“ECB”) also cut the deposit rate at their September 2019 meeting and announced plans for additional asset purchases starting in November 2019. So for now Central Bankers have demonstrated a willingness to respond to the market’s concerns over near term economic weakness. Consequently, risk assets have performed well in response and excess returns were positive

UST 10-year yields nearly completed a round trip in October 2019 closing the month about unchanged at 1.67%. UST 10-year yields moved lower early in the month to 1.50% on the market’s concerns over trade wars, slowing global growth trading and heightened impeachment rhetoric. Later in the month, UST 10-year yields touched 1.85% as US economic data proved resilient with third quarter of 2019 Gross Domestic Product (“GDP”) growth near 2%, a solid October 2019 employment report and generally positive news on corporate earnings. The FOMC eased the Fed Funds rate on 30 October 2019 with a communication that indicates a near term pause in monetary policy easing but also that inflation is tame and that there is a high bar to raising the short term rate. UST 10-year yields rallied to 1.70% after the meeting and US equity markets made new all-time highs. Overall on the month the yield curve steepened by 11 bps with the 2-year to 10-year spread now at 17 bps. Excess returns were also positive for emerging markets’ (“EM”) investment grade credit, as it returned +42 bps in USD terms during the month.

FUND PERFORMANCE

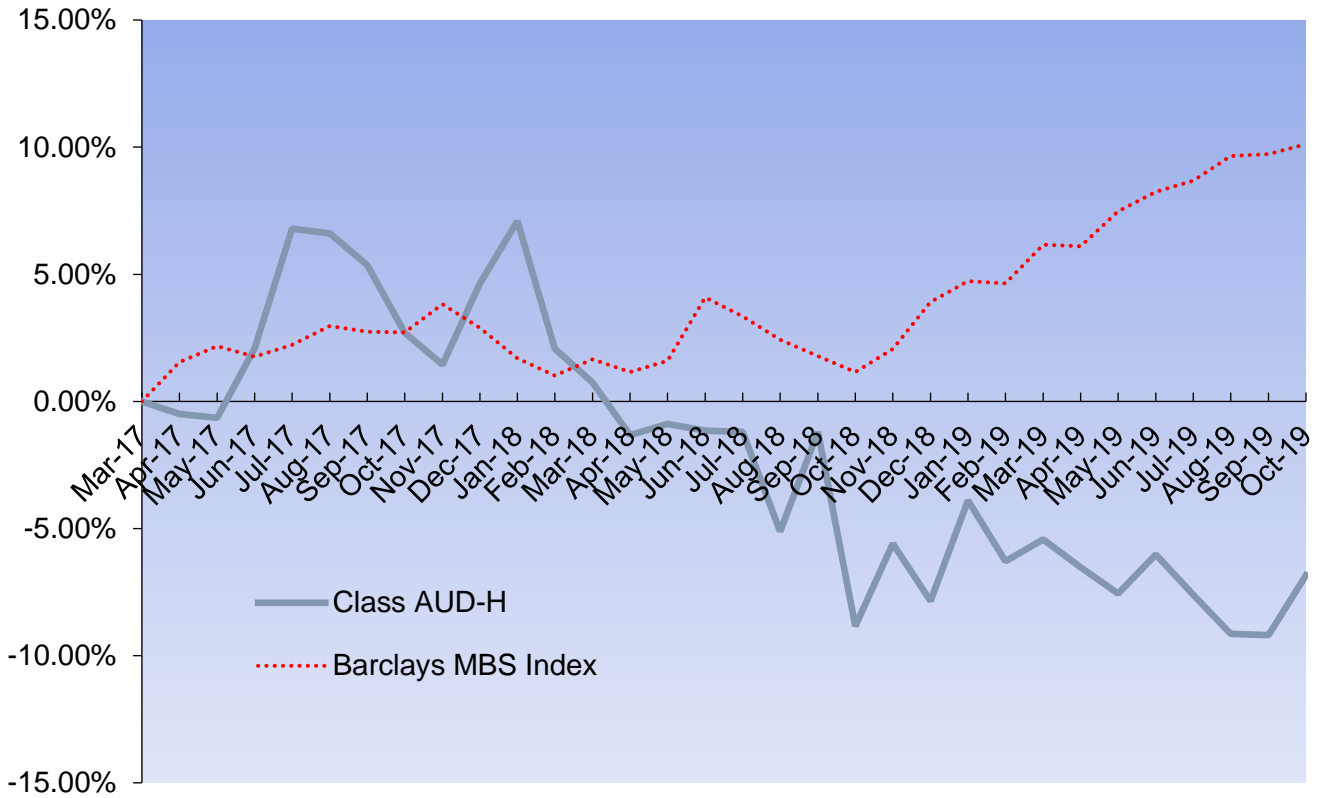
	3 months to 31.10.2019				6 months to 31.10.2019			
	Class AUD-H %	Class MYR-H %	Class SGD-H %	Class USD %	Class AUD-H %	Class MYR-H %	Class SGD-H %	Class USD %
Income	-	-	-	0.22	0.50	2.71	1.48	0.71
Capital	0.84	0.32	1.84	1.21	(0.48)	(0.78)	0.82	2.03
Total Return	0.84	0.32	1.84	1.43	(0.33)	1.95	2.40	2.76
Benchmark	1.32	1.32	1.32	1.32	3.79	3.79	3.79	3.79
Average Total Return	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	1 year to 31.10.2019				Since inception to 31.10.2019			
	Class AUD-H %	Class MYR-H %	Class SGD-H %	Class USD %	Class AUD-H %	Class MYR-H %	Class SGD-H %	Class USD %
Income	0.50	2.71	1.48	0.91	5.68	16.12	5.71	1.05
Capital	1.71	4.28	5.53	5.54	(12.86)	(4.20)	(1.91)	2.23
Total Return	2.20	7.17	7.47	6.50	(6.83)	12.06	5.36	3.39
Benchmark	8.87	8.87	8.87	8.87	10.12	10.12	10.12	10.12
Average Total Return	2.20	7.17	7.47	6.50	(2.49)	4.14	1.88	1.19

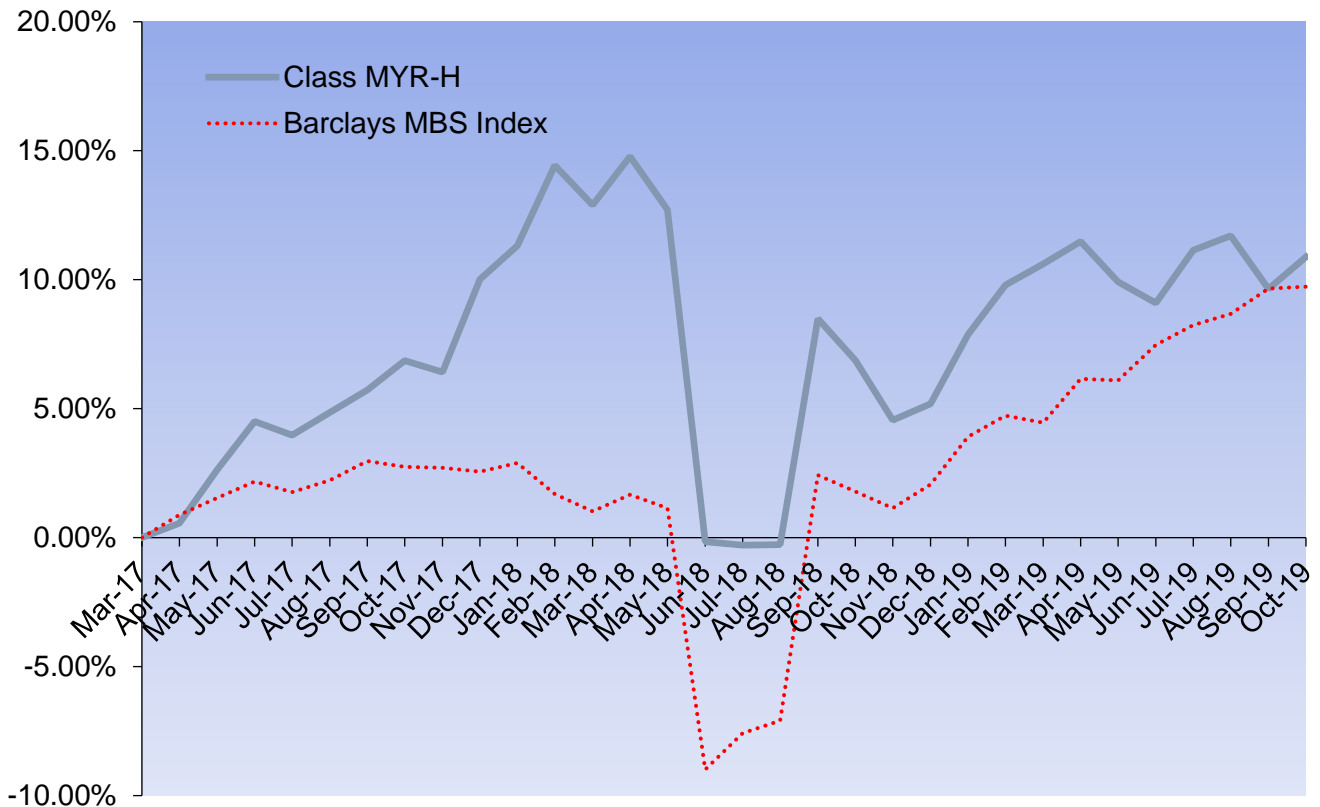
For the financial period under review, all classes, Class AUD-H, Class MYR-H, Class SGD-H, and Class USD gained by 0.84%, 0.32%, 1.84% and 1.43% respectively. This is in comparison to the benchmark, which increased by 1.32% over the 3-month period under review.

FUND PERFORMANCE (CONTINUED)

CLASS AUD-H

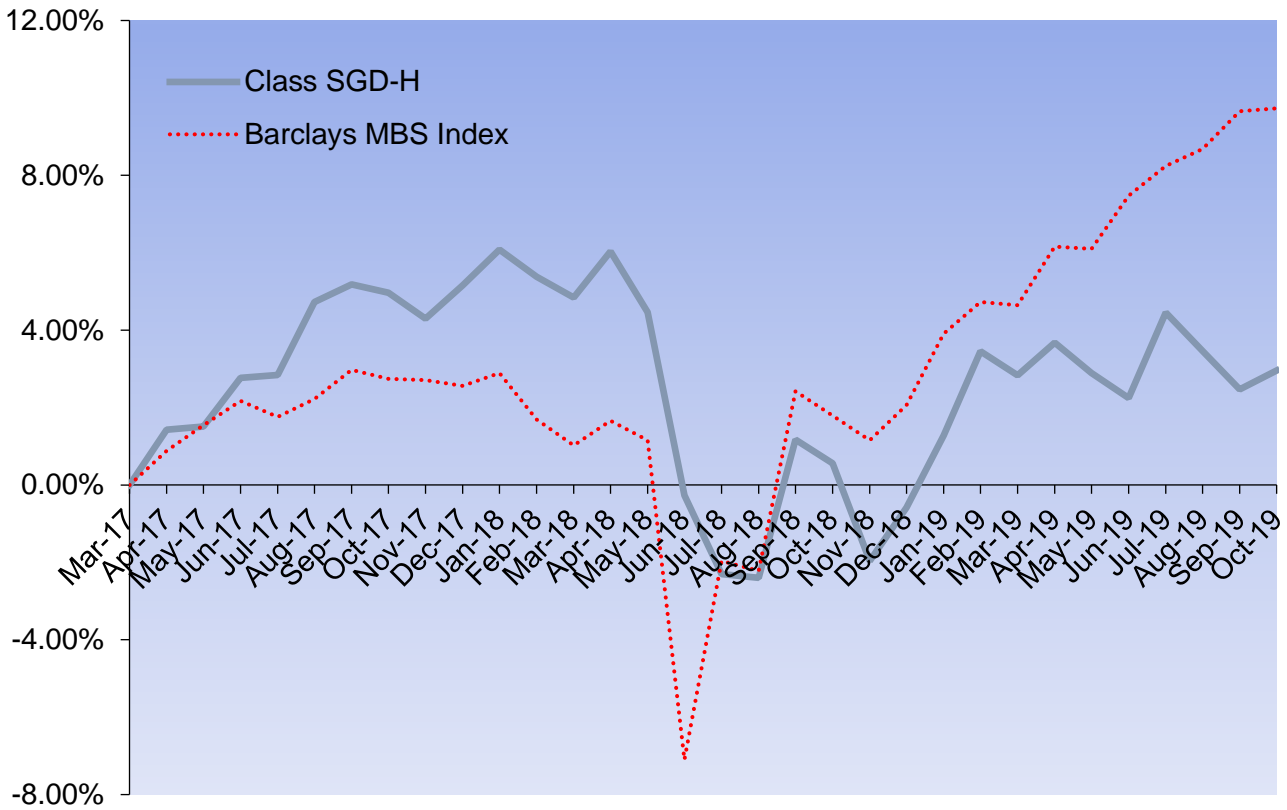


CLASS MYR-H

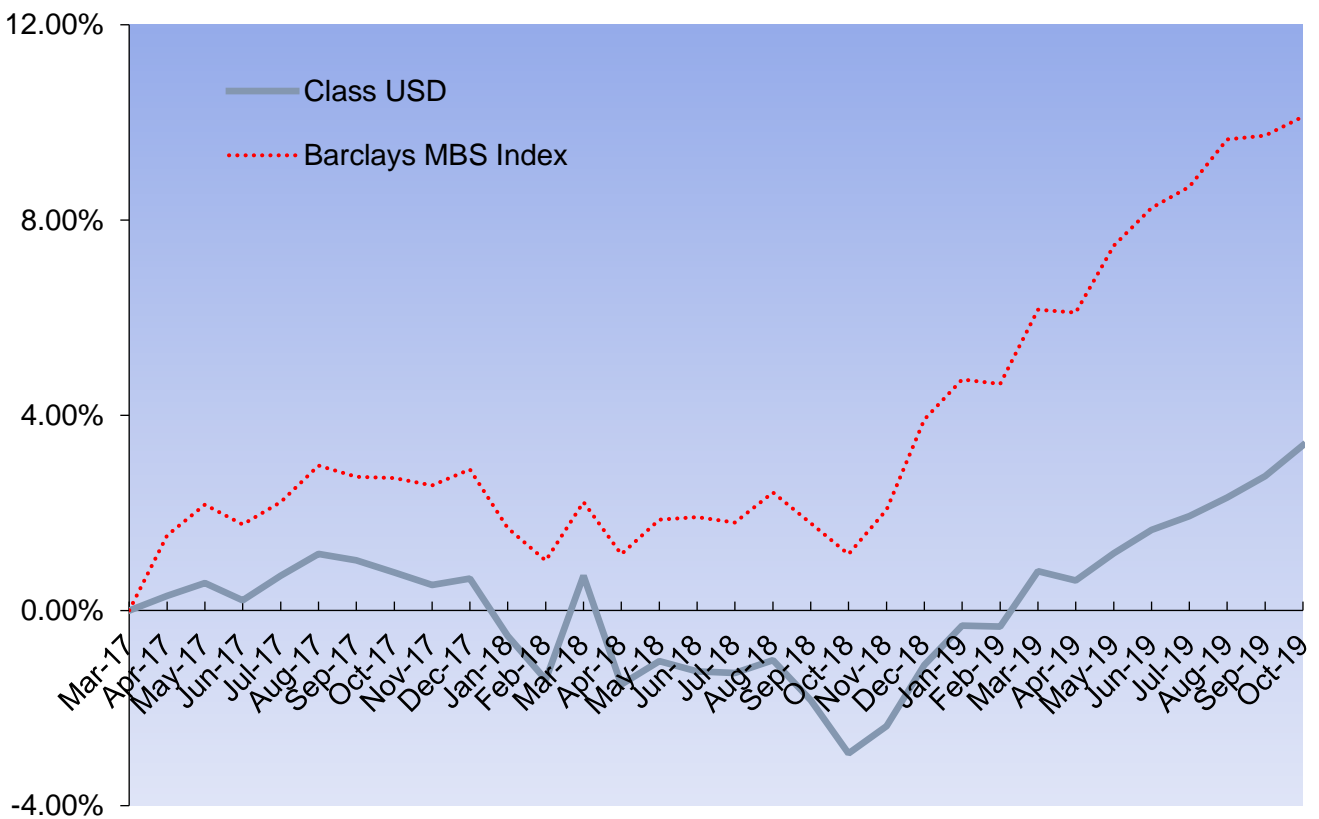


FUND PERFORMANCE (CONTINUED)

CLASS SGD-H



CLASS USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

CLASS AUD-H

	31.10.2019	31.01.2019 Audited	Changes %
NAV (RM Million)	3.75	4.66	(19.53)
NAV/Unit (RM)	0.6676	0.6897	(3.20)

CLASS MYR-H

	31.10.2019	31.01.2019 Audited	Changes %
NAV (RM Million)	1.93	2.44	(20.90)
NAV/Unit (RM)	0.2167	0.2181	(0.64)

CLASS SGD-H

	31.10.2019	31.01.2019 Audited	Changes %
NAV (RM Million)	7.65	9.59	(20.23)
NAV/Unit (RM)	0.7028	0.7008	0.29

CLASS USD

	31.10.2019	31.01.2019 Audited	Changes %
NAV (RM Million)	0.42	0.54	(22.22)
NAV/Unit (RM)	1.0231	0.9944	2.89

For the 9-month period, the Fund's NAV for all classes, Class AUD-H, Class MYR-H, Class SGD-H and Class USD fell by 19.53%, 20.90%, 20.23% and 22.22% respectively. Similarly, the Fund's NAV per unit for Class AUD-H and Class MYR-H declined by 3.20% and 0.64% respectively however, the NAV per unit for Class SGD-H and Class USD increased by 0.29% and 2.89% respectively.

The lower NAV for all classes was mainly due to net redemptions. Meanwhile, the changes in NAV per unit for the different classes was due to the respective investment performance achieved as per the Fund Performance section. At the time of reporting, Class SGD-H has the largest total NAV at USD7.65 million.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.10.2019	31.01.2019 Audited
Collective investment scheme	97.52	98.27
Cash and other net assets	2.48	1.73
TOTAL	100.00	100.00

The Fund was fully invested during the financial period under review. A minimal level of liquid assets was maintained primarily for redemption purposes.

MARKET OUTLOOK*

Higher frequency data supports the idea that growth in the US will be slow at around 2% but that a recession will be avoided. Downside risks around trade, Brexit, and impeachment remain but for now they are off the boil. The employment picture is solid and in turn the US consumer is in ok shape. While business investment and exports are weak, rate cuts from the Fed have eased financial conditions supporting equity markets and fixed income risk assets. Lower rates have spurred home mortgage refinancing and a stronger housing market. The FOMC is hoping that their third rate cut is sufficient insurance for now. Monetary policy works with a lag and the Fed sees this year's rate cut rates as providing significant support for the economy.

* This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of Principal Malaysia or based on data obtained from sources believed to be reliable by Principal Malaysia. Whilst every care has been taken in preparing this, Principal Malaysia makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

INVESTMENT STRATEGY

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

UNIT HOLDINGS STATISTICS

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

CLASS AUD-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	1	0.39	6.93
500,001 and above	1	5.23	93.07
Total	3	5.62	100.00

UNIT HOLDINGS STATISTICS (CONTINUED)

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

CLASS MYR-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	-	-	-
500,001 and above	2	8.90	100.00
Total	3	8.90	100.00

CLASS SGD-H

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	-	-	-
500,001 and above	1	10.89	100.00
Total	2	10.89	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	0.40	100.00
500,001 and above	-	-	-
Total	3	0.40	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.

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2019 TO 31 OCTOBER 2019**

	01.08.2019 to 31.10.2019 USD	01.08.2018 to 31.10.2018 USD
INCOME/(LOSS)		
Dividend income	128,806	145,388
Net gain/(loss) on financial assets at fair value through profit or loss	99,336	(396,794)
Net loss on derivative assets at fair value through profit or loss	(14,690)	(492,878)
Net foreign exchange loss	(1,132)	(51)
Other income	10,215	13,754
	<u>222,535</u>	<u>(730,581)</u>
EXPENSES		
Management fee	42,989	57,017
Trustee's and custodian fees	1,376	1,313
Audit fee	429	495
Tax agent's fee	227	434
Other expenses	248	831
	<u>45,269</u>	<u>60,090</u>
PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION	177,266	(790,671)
Finance cost (excluding increase in net assets attributable to unit holders):		
- Class USD	(895)	(1,303)
	<u>176,371</u>	<u>(791,974)</u>
PROFIT/(LOSS) BEFORE TAXATION	176,371	(791,974)
Taxation	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>176,371</u>	<u>(791,974)</u>
Increase/(Decrease) in net assets attributable to unit holders are made up as follows:		
Realised amount	(96,244)	(393,516)
Unrealised amount	272,615	(398,458)
	<u>176,371</u>	<u>(791,974)</u>

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

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

	31.10.2019	31.01.2019
	USD	Audited USD
ASSETS		
Cash and cash equivalents	325,695	188,525
Financial assets at fair value through profit or loss	13,413,374	16,923,905
Derivative assets at fair value through profit of loss	27,975	225,328
Amount due from Manager of collective investment scheme		
- Management fee rebate	5,517	6,041
TOTAL ASSETS	<u>13,772,561</u>	<u>17,343,799</u>
LIABILITIES		
Amount due to Manager of collective investment scheme		
- Purchase of collective investment scheme	-	100,000
Accrued management fee	14,499	18,090
Amount due to Trustee	464	579
Other payables and accruals	2,985	2,760
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)	<u>17,948</u>	<u>121,429</u>
NET ASSET VALUE OF THE FUND	<u>13,754,613</u>	<u>17,222,370</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>13,754,613</u>	<u>17,222,370</u>

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

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

	31.10.2019	31.01.2019
	USD	Audited USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS (USD)		
- Class AUD-H	3,755,634	4,658,863
- Class MYR-H	1,928,428	2,436,953
- Class SGD-H	7,653,538	9,588,444
- Class USD	417,013	538,110
	<u>13,754,613</u>	<u>17,222,370</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- Class AUD-H	5,625,529	6,754,876
- Class MYR-H	8,898,306	11,173,422
- Class SGD-H	10,889,518	13,681,109
- Class USD	407,596	541,100
	<u>25,820,949</u>	<u>32,150,507</u>
NET ASSET VALUE PER UNIT (USD)		
- Class AUD-H	0.6676	0.6897
- Class MYR-H	0.2167	0.2181
- Class SGD-H	0.7028	0.7008
- Class USD	1.0231	0.9944
	<u>1.0231</u>	<u>0.9944</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- Class AUD-H	AUD0.9658	AUD0.9461
- Class MYR-H	MYR0.9053	MYR0.8929
- Class SGD-H	SGD0.9571	SGD0.9421
- Class USD	USD1.0231	USD0.9944
	<u>USD1.0231</u>	<u>USD0.9944</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 FINANCIAL PERIOD FROM 1 AUGUST 2019 TO 31 OCTOBER 2019**

	01.08.2019 to 31.10.2019	01.08.2018 to 31.10.2018
	USD	USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	14,290,274	19,184,551
Movements due to units created and cancelled during the financial period:		
Creation of units from distribution		
- Class USD	<u>767</u>	<u>480</u>
Cancellation of units		
- Class AUD-H	(410,263)	(430,118)
- Class MYR-H	(170,447)	(189,540)
- Class SGD-H	(132,089)	(198,956)
- Class USD	<u>-</u>	<u>(111,321)</u>
	<u>(712,799)</u>	<u>(929,935)</u>
Increase/(Decrease) in net assets attributable to unit holders during the financial period	<u>176,371</u>	<u>(791,974)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>13,754,613</u></u>	<u><u>17,463,122</u></u>

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2019 TO 31 OCTOBER 2019**

	01.08.2019 to 31.10.2019 USD	01.08.2018 to 31.10.2018 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of collective investment scheme	1,100,000	2,111,324
Purchase of collective investment scheme	(228,072)	(885,847)
Dividend income received	128,806	145,388
Management fee paid	(44,174)	(58,749)
Management fee rebate received	10,434	14,136
Trustee's fees paid	(1,414)	(1,369)
Payments for other fees and expenses	(305)	(1,828)
Net realised foreign exchange loss	-	(19,293)
Net realised loss on forward foreign currency contracts	(155,736)	(333,487)
Net cash generated from operating activities	<u>809,539</u>	<u>970,275</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	-	480
Payments for cancellation of units	(712,798)	(898,964)
Distribution paid	(128)	(823)
Net cash used in financing activities	<u>(712,926)</u>	<u>(899,307)</u>
Net increase in cash and cash equivalents	96,613	70,968
Effect of foreign exchange differences	(2,106)	6,312
Cash and cash equivalents at the beginning of the financial period	<u>231,188</u>	<u>23,741</u>
Cash and cash equivalents at the end of the financial period	<u><u>325,695</u></u>	<u><u>101,021</u></u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	<u>325,695</u>	<u>101,021</u>
Cash and cash equivalents at the end of the financial period	<u><u>325,695</u></u>	<u><u>101,021</u></u>

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

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