

# CIMB Islamic Asia Pacific Equity Fund

Unaudited Interim Report

For The Six Months Financial Period Ended 31 October 2019

**CIMB ISLAMIC ASIA PACIFIC EQUITY FUND**

**UNAUDITED INTERIM REPORT**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2019**

<b>CONTENTS</b>	<b>PAGE(S)</b>
INVESTORS' LETTER	1
MANAGER'S REPORT	2 - 6
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Unit Holdings Statistics	
Soft Commissions and Rebates	
STATEMENT BY MANAGER	7
TRUSTEE'S REPORT	8
SHARIAH ADVISER'S REPORT	9
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	10
UNAUDITED STATEMENT OF FINANCIAL POSITION	11
UNAUDITED STATEMENT OF CHANGES IN EQUITY	12
UNAUDITED STATEMENT OF CASH FLOWS	13
NOTES TO THE FINANCIAL STATEMENTS	14 - 45
DIRECTORY	46

## 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 year<sup>1</sup> (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.

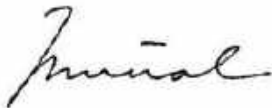
Thank you for your continuous support and allowing us to help you achieve your financial goals and live your best life.

Thank you.

Yours faithfully,

for **Principal Asset Management Berhad**

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



**Munirah Khairuddin**

Chief Executive Officer

---

<sup>1</sup> www.ppa.my

## MANAGER'S REPORT

### FUND OBJECTIVE AND POLICY

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

The Fund aims to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

#### 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 predominantly an equity fund which invests through equity securities of companies domiciled in, listed in, and/or have significant operations in the emerging and developed markets of Asia Pacific ex Japan, i.e. Hong Kong Special Administrative Region ("SAR"), Taiwan, Korea, the People's Republic of China, Indonesia, Malaysia, India, Thailand, the Philippines, Sri Lanka, Singapore, Australia and New Zealand. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in the emerging and developed markets of Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Between 70% to 98% (both inclusive) of the Fund's Net Asset Value ("NAV") can be invested in Shariah-compliant equities, Shariah-compliant warrants, Shariah-compliant options or other Shariah-compliant stock purchase rights, participation in Shariah-compliant collective investment schemes which are permitted under the Securities Commission Malaysia ("SC") Guidelines. Up to 30% of the Fund may also invest into Sukuk and Deposits. For this Fund, the investments in Sukuk must satisfy a minimum rating requirement of at least a "BBB3" or "P2" rating by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance; "BB" by Standard & Poor's ("S&P") or equivalent rating by Moody's or Fitch.

#### Fund category/type

Equity (Shariah-compliant)/Growth

#### How long should you invest for?

Recommended five (5) years or more

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

Moderate to High

#### When was the Fund launched?

2 June 2006

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

RM1,560.92 million (1,954.79 million units)

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

Morgan Stanley Capital International All Country ("MSCI AC") Asia ex Japan Islamic Index

**Note:** The Fund's benchmark is for performance comparison purpose only. Investors are cautioned that the risk profile of the Fund is higher than the benchmark.

#### What is the Fund distribution policy?

Regular distributions are not the focus of this Fund. Distributions, if any, are at the discretion of the Manager.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

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

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

**PERFORMANCE DATA**

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

	<b>31.10.2019</b>	<b>31.10.2018</b>	<b>31.10.2017</b>
	%	%	%
Shariah-compliant collective investment scheme	0.26	0.25	0.39
Shariah-compliant quoted securities			
- Communication Services	12.75	2.10	9.37
- Consumer Discretionary	16.55	7.92	19.36
- Consumer Staples	7.06	1.34	4.26
- Energy	4.99	15.78	9.14
- Financials	0.07	-	-
- Health Care	-	1.57	1.35
- Industrials	7.53	9.19	6.93
- Information Technology	23.19	23.74	26.44
- Materials	6.28	7.32	8.37
- Real Estate	12.38	15.41	6.61
- Utilities	2.15	2.58	1.44
Cash and other net assets	6.79	12.80	6.34
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: The Fund had applied the Global Industry Classification Standard ("GICS") sectors classification.

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

	<b>31.10.2019</b>	<b>31.10.2018</b>	<b>31.10.2017</b>
NAV (RM Million)	1,560.92	1,368.94	1,100.33
Units in circulation (Million)	1,954.79	1,906.46	1,218.29
NAV per unit (RM)	0.7985	0.7180	0.9031
	<b>01.05.2019 to 31.10.2019</b>	<b>01.05.2018 to 31.10.2018</b>	<b>01.05.2017 to 31.10.2017</b>
Highest NAV per unit (RM)	0.8020	0.8683	0.9031
Lowest NAV per unit (RM)	0.7480	0.7075	0.7539
Total return (%)	0.18	(12.82)	19.25
Capital growth (%)	0.18	(14.86)	19.25
Income distribution (%)	-	2.41	-
Management Expense Ratio ("MER") (%) ^	0.97	0.98	1.03
Portfolio Turnover Ratio ("PTR") (times) #	0.34	0.44	0.77

^ The Fund's MER decreased slightly from 0.98% to 0.97% due to increased average NAV during the financial period under review.

# The Fund's PTR decreased slightly from 0.44 times to 0.34 times due to less trades during the financial period under review.

**PERFORMANCE DATA (CONTINUED)**

	<b>01.05.2019 to 31.10.2019</b>	<b>01.05.2018 to 31.10.2018</b>	<b>01.05.2017 to 31.10.2017</b>
Date of distribution	-	17.05.2018	-
Gross/Net distribution per unit (sen)	-	2.01	-

	<b>31.10.2019</b>	<b>31.10.2018</b>	<b>31.10.2017</b>	<b>31.10.2016</b>	<b>31.10.2015</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Annual total return	11.21	(18.58)	28.00	(0.33)	20.04

(Launch date: 2 June 2006)

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 MAY 2019 TO 31 OCTOBER 2019)**

Regional equity markets as measured by the MSCI AC Asia ex Japan Islamic Index declined by 2.7% in US Dollar (“USD”) terms and 1.7% in Ringgit Malaysia (“RM”) terms during the financial period under review. Topical issues were US and China trade negotiations and various monetary and fiscal responses to the slow economy.

Equity markets fell in May 2019 as trade tensions flared up with US accusing China of attempting to renegotiate certain terms, culminating in additional taxes on Chinese exports to US and blacklisting of Huawei Technologies Co., Ltd by the Trump administration. The tensions between the two countries temporarily stabilised in June 2019 after an agreement to resume trade talks post Group of Twenty (“G20”) meeting, which caused equity markets to rebound. However, US surprised investors in August 2019 announcing it would place more tariffs on additional Chinese goods, suggesting that negotiations have not gone smoothly. The People’s Bank of China (“PBOC”) allowed the Chinese Yuan Renminbi (“CNY”) to depreciate with US labelling China as a currency manipulator.

Around the same period, Hong Kong’s civil tensions which started over an extradition bill have snowballed into various demands with the Chief Executive Carrie Lam finally offering to withdraw the bill completely. Other issues such as an inverted yield curve in the US which historically tend to be associated with recessions added to investors’ wall of concerns in August 2019.

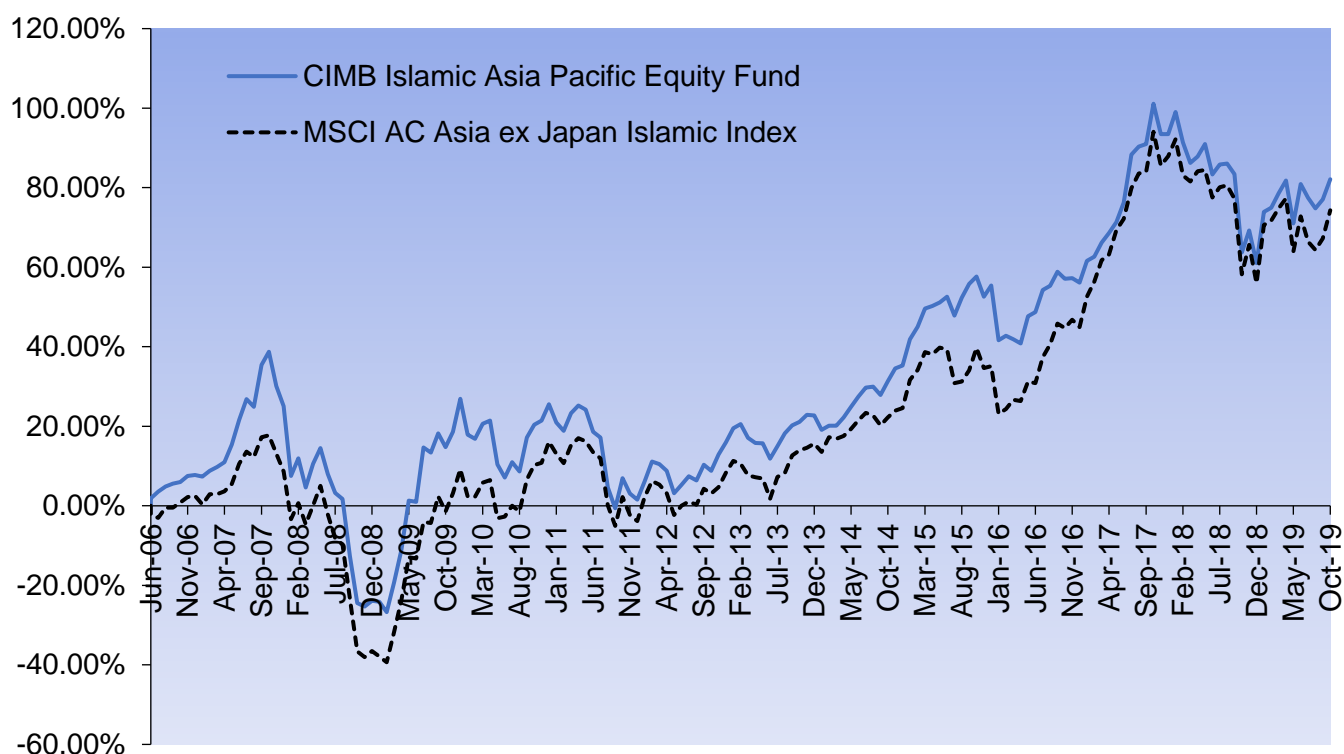
On a positive note, the weak economic growth has prompted more assertive fiscal policies from certain countries such as that seen in India on top of accommodative monetary policies by various countries. In October 2019, equity markets rose after US and China verbally agreed to a Phase 1 deal, which is expected to be drafted and signed in November 2019 to December 2019.

**FUND PERFORMANCE**

	<b>6 months to 31.10.2019</b>	<b>1 year to 31.10.2019</b>	<b>3 years to 31.10.2019</b>	<b>5 years to 31.10.2019</b>	<b>Since inception to 31.10.2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	-	-	8.59	8.59	8.59
Capital	0.18	11.21	6.72	27.68	67.69
Total Return	0.18	11.21	15.89	38.65	82.09
Benchmark	(1.70)	10.16	20.48	44.88	74.29
Average Total Return	N/A	11.21	5.04	6.75	4.57

For the financial period under review, the Fund rose by 0.18%, outperforming the benchmark which declined 1.70% by 188 basis points (“bps”). Since inception, the Fund rose by 82.09%, outperforming the benchmark of 74.29% by 780 bps.

FUND PERFORMANCE (CONTINUED)



Changes in NAV

	31.10.2019	30.04.2019 Audited	Changes %
NAV (RM Million)	1,560.92	1,627.04	(4.06)
NAV/Unit (RM)	0.7985	0.7980	0.06

The Fund's NAV decreased by 4.06% from unit redemptions while NAV per unit was resilient against the benchmark as a result of our strategy to combine defensive with growth stocks under the volatile macro environment.

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	30.04.2019 Audited
Shariah-compliant collective investment scheme	0.26	0.24
Shariah-compliant quoted securities - Local	0.84	0.83
Shariah-compliant quoted securities - Foreign	92.11	90.61
Cash and other net assets	6.79	8.32
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The Fund's asset allocation towards Shariah compliant quoted securities - Foreign has increased at the expense of cash and other net assets.



## MARKET OUTLOOK\*

Global economic growth including Asia appears to have stabilised with Global Services Purchasing Managers' Index ("PMI") still on expansion despite the contraction in the Global Manufacturing PMI. This is also supported by commentaries from economically sensitive companies (e.g. semiconductors) on improvement in their demand outlook. A trade truce between US and China should help improve business and consumer confidence for both countries.

The monetary policy environment continues to be supportive in Asia, with most countries using a combination of interest rate, Reserve Requirement Ratio ("RRR") and currency in the case of Singapore as easing measures. Furthermore, using fiscal stimulus to complement monetary accommodation could be seen as an option, such as that seen in India.

\*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 are deploying cash and selectively investing into markets which we expect to do well in 2020. With our increasingly positive view on Asian equities, we favour stocks in the areas of Technology and economic sensitives in selected countries including China and India where we see the chances for an economic recovery to be higher. We continue to diversify the portfolio into off-benchmark names to provide resilience.

## UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 October 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	10,743	29.41	1.50
5,001 - 10,000	8,420	60.56	3.10
10,001 - 50,000	17,470	395.65	20.24
50,001 - 500,000	6,338	724.64	37.07
500,001 and above	164	744.53	38.09
<b>Total</b>	<b>43,135</b>	<b>1,954.79</b>	<b>100.00</b>

## SOFT COMMISSIONS AND REBATES

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
CIMB ISLAMIC ASIA PACIFIC EQUITY FUND**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 10 to 45 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 October 2019 and of its financial performance, changes in equity and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

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

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
12 December 2019

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF  
CIMB ISLAMIC ASIA PACIFIC EQUITY FUND**

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

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

For HSBC (Malaysia) Trustee Berhad

Vicknesan Balakrishnan  
Chief Executive Officer

Kuala Lumpur  
12 December 2019

**SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF  
CIMB ISLAMIC ASIA PACIFIC EQUITY FUND**

**For the Financial Period from 1 May 2019 to 31 October 2019**

We have acted as the Shariah Adviser of CIMB Islamic Asia Pacific Equity Fund ("the Fund"). Our responsibility is to ensure that the procedures and processes employed by Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*), (the "Manager") are in accordance with Shariah principles.

In our opinion, the Manager has managed and administered the Fund in accordance with Shariah principles and complied with applicable guidelines, rulings or decisions issued by the Securities Commission (SC) pertaining to Shariah matters.

In addition, we confirm that the investment portfolio of the Fund comprises securities and/or instruments which have been classified as Shariah compliant by the Shariah Advisory Council (SAC) of the SC and/or SAC of Bank Negara Malaysia (BNM), where applicable. For securities and/or instruments which are not classified as Shariah-compliant by the SAC of the SC and/or SAC of BNM, we have determined that such securities and/or instruments are in accordance with Shariah principles and have complied with the applicable Shariah Guidelines.

This report is made solely to the unit holders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report and we shall not be liable for any errors or non-disclosure on the part of the Manager.

**For Amanie Advisors Sdn Bhd,**

.....  
**DATUK DR MOHD DAUD BAKAR**  
Executive Chairman

12 December 2019

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

	<b>Note</b>	<b>01.05.2019 to 31.10.2019 RM</b>	<b>01.05.2018 to 31.10.2018 RM</b>
<b>INCOME/(LOSS)</b>			
Dividend income		25,426,303	21,876,476
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at amortised cost and Hibah earned		563,712	497,109
Net loss on financial assets at fair value through profit or loss	<b>8</b>	(5,755,805)	(206,134,769)
Net foreign exchange gain		<u>661,041</u>	<u>4,020,525</u>
		<u>20,895,251</u>	<u>(179,740,659)</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	14,172,099	13,437,427
Trustee's and custodian fees	<b>5</b>	551,295	907,334
Audit fee		8,550	9,230
Tax agent's fee		3,000	17,741
Transaction costs		1,898,503	3,423,463
Other expenses		<u>2,798,002</u>	<u>184,977</u>
		<u>19,431,449</u>	<u>17,980,172</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		1,463,802	(197,720,831)
Taxation	<b>7</b>	<u>(2,430,426)</u>	<u>(2,333,451)</u>
<b>LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD</b>		<u>(966,624)</u>	<u>(200,054,282)</u>
Loss after taxation is made up as follows:			
Realised amount		23,630,324	(70,726,261)
Unrealised amount		<u>(24,596,948)</u>	<u>(129,328,021)</u>
		<u>(966,624)</u>	<u>(200,054,282)</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**

		<b>31.10.2019</b>	<b>30.04.2019</b>
	<b>Note</b>	<b>RM</b>	<b>Audited RM</b>
<b>ASSETS</b>			
Cash and cash equivalents	<b>9</b>	125,027,170	134,190,500
Financial assets at fair value through profit or loss (Shariah-compliant)	<b>8</b>	1,454,952,270	1,491,699,197
Amount due from stockbrokers		-	3,082,048
Amount due from Manager		6,113,051	14,330,730
Amount due from Manager of collective investment scheme			
- Management fee rebates		58,290	28,375
Dividends receivable		447,179	3,190,998
Tax recoverable		3,533	3,533
<b>TOTAL ASSETS</b>		<u>1,586,601,493</u>	<u>1,646,525,381</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		15,164,684	10,131,286
Amount due to Manager		8,026,761	6,884,497
Accrued management fee		2,375,067	2,364,882
Amount due to Trustee		92,680	92,170
Other payables and accruals		17,548	17,139
<b>TOTAL LIABILITIES</b>		<u>25,676,740</u>	<u>19,489,974</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>1,560,924,753</u>	<u>1,627,035,407</u>
<b>EQUITY</b>			
Unit holders' capital		1,578,178,348	1,643,322,378
Accumulated losses		(17,253,595)	(16,286,971)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>1,560,924,753</u>	<u>1,627,035,407</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	<b>10</b>	<u>1,954,793,990</u>	<u>2,038,688,152</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.7985</u>	<u>0.7980</u>

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2019**

	<b>Note</b>	<b>Unit holders' capital RM</b>	<b>Accumulated losses RM</b>	<b>Total RM</b>
<b>Balance as at 1 May 2019</b>		1,643,322,378	(16,286,971)	1,627,035,407
Movement in unit holders' contributions:				
- Creation of units from applications		157,557,041	-	157,557,041
- Cancellation of units		(222,701,071)	-	(222,701,071)
Total comprehensive loss for the financial period		-	(966,624)	(966,624)
<b>Balance as at 31 October 2019</b>		<u>1,578,178,348</u>	<u>(17,253,595)</u>	<u>1,560,924,753</u>
<b>Balance as at 1 May 2018</b>		1,374,765,667	65,173,010	1,439,938,677
Movement in unit holders' contributions:				
- Creation of units from applications		285,693,898	-	285,693,898
- Creation of units from distribution		35,039,028	-	35,039,028
- Cancellation of units		(156,502,386)	-	(156,502,386)
Total comprehensive loss for the financial period		-	(200,054,282)	(200,054,282)
Distribution	<b>6</b>	-	(35,173,061)	(35,173,061)
<b>Balance as at 31 October 2018</b>		<u>1,538,996,207</u>	<u>(170,053,333)</u>	<u>1,368,941,874</u>

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

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

	<b>01.05.2019 to 31.10.2019 RM</b>	<b>01.05.2018 to 31.10.2018 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of Shariah-compliant quoted securities	553,863,388	612,664,702
Purchases of Shariah-compliant quoted securities	(516,859,095)	(698,486,654)
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	563,712	497,109
Dividend income received	28,103,848	20,252,312
Management fees paid	(14,161,914)	(13,366,730)
Other income received	28,883	31,602
Trustee's and custodian fees paid	(550,785)	(904,756)
Payments of other fees and expenses	(2,768,801)	(369,402)
Net realised foreign exchange loss	(1,136,799)	(1,363,386)
Tax paid	(2,430,426)	(17,686)
<b>Net cash generated from/(used in) operating activities</b>	<b>44,652,011</b>	<b>(81,062,889)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	165,774,720	291,393,779
Payments for cancellation of units	(221,558,807)	(150,710,179)
Distribution paid	-	(134,033)
<b>Net cash (used in)/generated from financing activities</b>	<b>(55,784,087)</b>	<b>140,549,567</b>
Net (decrease)/increase in cash and cash equivalents	(11,132,076)	59,486,678
Effects of foreign exchange differences	1,968,746	5,488,182
Cash and cash equivalents at the beginning of the financial period	134,190,500	115,135,406
Cash and cash equivalents at the end of the financial period	125,027,170	180,110,266
<u>Cash and cash equivalents comprise of</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	119,398,692	30,840,385
Bank balances	5,628,478	149,269,881
Cash and cash equivalents at the end of the financial period	125,027,170	180,110,266

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2019

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

CIMB Islamic Asia Pacific Equity Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Third Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, an Eighth Supplemental Master Deed dated 26 December 2008, a Fourteenth Supplemental Master Deed dated 26 June 2012 and a Seventeenth Supplemental Master Deed dated 25 March 2015 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund is predominantly an equity fund which invests through equity securities of companies domiciled in, listed in, and/or have significant operations in the emerging and developed markets of Asia Pacific ex Japan, i.e. Hong Kong SAR, Taiwan, Korea, the People’s Republic of China, Indonesia, Malaysia, India, Thailand, the Philippines, Sri Lanka, Singapore, Australia and New Zealand. ‘Significant operations’ means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the NYSE. The threshold for ‘significant operations’ would be if more than 30% of total group revenue derives from countries in the emerging and developed markets of Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Between 70% to 98% (both inclusive) of the Fund’s NAV can be invested in Shariah-compliant equities, Shariah-compliant warrants, Shariah-compliant options or other Shariah-compliant stock purchase rights, participation in Shariah-compliant collective investment schemes which are permitted under the SC Guidelines. Up to 30% of the Fund may also invest into Sukuk and Deposits. For this Fund, the investments in Sukuk must satisfy a minimum rating requirement of at least a “BBB3” or “P2” rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; “BB” by S&P or equivalent rating by Moody’s or Fitch.

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Basis of preparation

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

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

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

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

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

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

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

#### Standard that is effective and relevant:

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

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

### (b) Financial assets and financial liabilities

#### Classification

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

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

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

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

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

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

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

Recognition and measurement

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

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

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

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

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

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

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

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

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

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

If a valuation based on the market price does not represent the fair value of the Shariah-compliant 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 Shariah-compliant quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant quoted securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued interest calculated on the effective profit 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.

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(c) Income recognition**

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

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions is recognised on a time proportionate basis using the effective profit rate method on an accrual basis.

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

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

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

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

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

**Transactions and balances**

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

**(e) Cash and cash equivalents**

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

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

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

Tax on dividend income from foreign Shariah-compliant quoted securities and Shariah-compliant collective investment scheme is based on the tax regime of the respective countries that the Fund invests in.

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

**(g) Distribution**

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

**(h) Transaction costs**

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

**(i) Amount due from/to stockbrokers**

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

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

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

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

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

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

**(k) Unit holders' capital**

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

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

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

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

**(l) Critical accounting estimates and judgements in applying accounting policies**

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

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

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

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

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund aims to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

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

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

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

Price risk is the risk that the fair value of investment in Shariah-compliant collective investment scheme and Shariah-compliant quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of Shariah-compliant collective investment scheme and Shariah-compliant 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 diversification and selection of Shariah-compliant collective investment scheme, Shariah-compliant quoted securities and other financial instruments within specified limits according to the Deeds.

**(ii) Interest rate risk**

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

It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund including placements and deposits are in accordance with Shariah requirements.

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

The Fund's exposure to fair value interest rate risk arises from Shariah-compliant deposits with licensed financial institutions. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term Shariah-compliant deposits with approved licensed Islamic 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 profit rates.

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

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



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

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

**(b) Credit risk**

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

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

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

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in collective investment scheme and quoted securities are settled/paid upon delivery using approved stockbrokers.

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

**(d) Capital risk management**

The capital of the Fund is represented by equity consisting of unit holders' capital and accumulated losses. 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.

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

#### (e) Fair value estimation

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

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

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

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

#### (i) Fair value hierarchy

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

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>31.10.2019</b>				
Financial asset at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	4,020,160	-	-	4,020,160
- Shariah-compliant quoted securities - local	13,154,137	-	-	13,154,137
- Shariah-compliant quoted securities - foreign	<u>1,437,777,973</u>	<u>-</u>	<u>-</u>	<u>1,437,777,973</u>
	<u>1,454,952,270</u>	<u>-</u>	<u>-</u>	<u>1,454,952,270</u>
<b>30.04.2019</b>				
<b>Audited</b>				
Financial asset at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	3,933,999	-	-	3,933,999
- Shariah-compliant quoted securities - local	13,575,551	-	-	13,575,551
- Shariah-compliant quoted securities - foreign	<u>1,474,189,647</u>	<u>-</u>	<u>-</u>	<u>1,474,189,647</u>
	<u>1,491,699,197</u>	<u>-</u>	<u>-</u>	<u>1,491,699,197</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, amount due from Manager of collective investment scheme, 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 1.85% per annum, calculated daily based on the NAV of the Fund.

For the six months financial period ended 31 October 2019, the management fee is recognised at a rate of 1.80% per annum (31.10.2018: 1.80% per annum).

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

**5. TRUSTEE'S AND CUSTODIAN FEES**

In accordance with the 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 local custodian fee but excludes the foreign sub-custodian fee, if any.

For the six months financial period ended 31 October 2019, the Trustee's fee is recognised at a rate of 0.07% per annum (31.10.2018: 0.07% per annum) while the foreign sub-custodian fee is recognised at RM371,933 (31.10.2018: RM383,881).

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

**6. DISTRIBUTION**

Distribution to unit holders is derived from the following sources:

	<b>01.05.2019 to 31.10.2019</b>	<b>01.05.2018 to 31.10.2018</b>
	<b>RM</b>	<b>RM</b>
Dividend income	-	9,322,259
Profit income	-	251,323
Net realised gain from disposal of Shariah-compliant investments	-	29,513,420
	<hr/>	<hr/>
	-	39,087,002
Less:		
Expenses	-	(3,913,941)
Net distribution amount	<hr/> <hr/>	<hr/> <hr/>
	-	35,173,061
<b>Distribution on 17 May 2018</b>		
Gross/Net distribution per unit (sen)	<hr/>	<hr/>
	-	2.01

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current financial period's realised income.

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

During the six months financial period ended 31 October 2019, the Fund incurred unrealised losses of RM24,596,948 (31.10.2018: RM129,328,021).

**7. TAXATION**

	<b>01.05.2019 to 31.10.2019</b>	<b>01.05.2018 to 31.10.2018</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial period:		
- Withholding tax	-	2,315,765
- Capital gains tax	2,430,426	17,686
	<u>2,430,426</u>	<u>2,333,451</u>

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

	<b>01.05.2019 to 31.10.2019</b>	<b>01.05.2018 to 31.10.2018</b>
	<b>RM</b>	<b>RM</b>
Profit/(Loss) before taxation	<u>1,463,802</u>	<u>(197,720,831)</u>
Taxation at Malaysian statutory rate of 24% (31.10.2018: 24%)	351,312	(47,452,999)
Tax effects of: (Income not subject to tax)/Loss not deductible for tax purposes	(5,014,860)	43,137,758
Expenses not deductible for tax purposes	1,257,099	1,052,720
Restriction on tax deductible expenses for Unit Trust Funds	3,406,449	3,262,521
Income subject to withholding tax	-	2,315,765
Income subject to capital gains tax	2,430,426	17,686
Taxation	<u>2,430,426</u>	<u>2,333,451</u>

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

	<b>31.10.2019</b>	<b>30.04.2019</b>
	<b>RM</b>	<b>Audited RM</b>
At fair value through profit or loss:		
- Shariah-compliant collective investment scheme	4,020,160	3,933,999
- Shariah-compliant quoted securities - local	13,154,137	13,575,551
- Shariah-compliant quoted securities - foreign	1,437,777,973	1,474,189,647
	<u>1,454,952,270</u>	<u>1,491,699,197</u>

	<b>01.05.2019 to 31.10.2019</b>	<b>01.05.2018 to 31.10.2018</b>
	<b>RM</b>	<b>RM</b>
Net loss on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	20,805,021	(71,343,308)
- Unrealised fair value loss	(26,619,624)	(134,816,203)
- Management fee rebate #	58,798	24,742
	<u>(5,755,805)</u>	<u>(206,134,769)</u>

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

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

For the six months financial period ended 31 October 2019, the rebate is recognised at a rate of 3.00% per annum (31.10.2018: 3.00%) for CIMB-Principal Islamic Equity Growth Syariah, calculated and accrued daily based on the NAV of the Shariah-compliant collective investment scheme.

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2019</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
<b>INDONESIA</b>				
CIMB-Principal Islamic Equity Growth Syariah	<u>9,239,261</u>	<u>4,057,664</u>	<u>4,020,160</u>	<u>0.26</u>
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>	<b><u>9,239,261</u></b>	<b><u>4,057,664</u></b>	<b><u>4,020,160</u></b>	<b><u>0.26</u></b>
<b>ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>(37,504)</u>		
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>4,020,160</u>		
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - LOCAL</b>				
<b>MALAYSIA</b>				
<b>Consumer Staples</b>				
IOI Corporation Bhd	<u>3,010,100</u>	<u>13,854,770</u>	<u>13,154,137</u>	<u>0.84</u>
<b>TOTAL MALAYSIA</b>	<b><u>3,010,100</u></b>	<b><u>13,854,770</u></b>	<b><u>13,154,137</u></b>	<b><u>0.84</u></b>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES - LOCAL</b>				
	<u>3,010,100</u>	<u>13,854,770</u>	<u>13,154,137</u>	<u>0.84</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2019 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN</b>				
<b>AUSTRALIA</b>				
<b>Industrials</b>				
ALS Ltd	552,455	12,547,785	12,873,821	0.82
Cleanaway Waste Management Ltd	<u>6,866,601</u>	<u>38,154,936</u>	<u>36,582,655</u>	<u>2.34</u>
	<u>7,419,056</u>	<u>50,702,721</u>	<u>49,456,476</u>	<u>3.16</u>
<b>TOTAL AUSTRALIA</b>	<b><u>7,419,056</u></b>	<b><u>50,702,721</u></b>	<b><u>49,456,476</u></b>	<b><u>3.16</u></b>
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	<u>197,583</u>	<u>131,341,492</u>	<u>145,823,945</u>	<u>9.34</u>
<b>TOTAL CAYMAN ISLANDS</b>	<b><u>197,583</u></b>	<b><u>131,341,492</u></b>	<b><u>145,823,945</u></b>	<b><u>9.34</u></b>
<b>CHINA</b>				
<b>Consumer Discretionary</b>				
China International Travel Service Corp Ltd - A <sup>1</sup>	594,315	29,509,076	31,860,198	2.04
Midea Group Co Ltd - A <sup>1</sup>	<u>748,945</u>	<u>22,460,310</u>	<u>24,663,036</u>	<u>1.58</u>
	<u>1,343,260</u>	<u>51,969,386</u>	<u>56,523,234</u>	<u>3.62</u>
<b>Energy</b>				
China Petroleum & Chemical Corporation - H <sup>2</sup>	<u>6,330,000</u>	<u>20,164,383</u>	<u>15,185,354</u>	<u>0.97</u>
<b>Industrials</b>				
Centre Testing International Group Co Ltd - A <sup>1</sup>	<u>1,948,230</u>	<u>10,710,956</u>	<u>16,183,479</u>	<u>1.04</u>
<b>Real Estate</b>				
China Vanke Co Ltd - H <sup>2</sup>	<u>2,013,800</u>	<u>29,750,819</u>	<u>30,757,402</u>	<u>1.97</u>
<b>TOTAL CHINA</b>	<b><u>11,635,290</u></b>	<b><u>112,595,544</u></b>	<b><u>118,649,469</u></b>	<b><u>7.60</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2019 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>HONG KONG SAR, CHINA</b>				
<b>Communication Services</b>				
China Mobile Ltd	1,719,500	70,238,896	58,483,256	3.75
Tencent Holdings Ltd	201,800	37,445,656	34,511,529	2.21
	<u>1,921,300</u>	<u>107,684,552</u>	<u>92,994,785</u>	<u>5.96</u>
<b>Consumer Discretionary</b>				
Shenzhou International Group Holdings Ltd	414,000	21,015,693	23,968,389	1.54
<b>Consumer Staples</b>				
China Mengniu Dairy Co Ltd	1,421,000	22,974,629	23,748,725	1.52
Sun Art Retail Group Ltd	4,122,500	18,313,957	17,603,615	1.13
	<u>5,543,500</u>	<u>41,288,586</u>	<u>41,352,340</u>	<u>2.65</u>
<b>Energy</b>				
CNOOC Ltd	4,401,000	28,136,366	27,590,996	1.77
<b>Information Technology</b>				
Kingboard Laminates Holdings Ltd	4,063,500	15,827,524	15,597,013	1.00
<b>Real Estate</b>				
China Resources Land Ltd	1,746,000	26,398,280	31,135,012	1.99
Henderson Land Development Co Ltd	1,453,900	33,722,414	30,421,658	1.95
Link REIT	693,500	31,254,031	31,591,279	2.02
	<u>3,893,400</u>	<u>91,374,725</u>	<u>93,147,949</u>	<u>5.96</u>
<b>Utilities</b>				
China Resources Gas Group Ltd	806,000	15,797,631	20,323,798	1.30
CK Infrastructure Holdings Ltd	443,000	13,741,566	13,331,418	0.85
	<u>1,249,000</u>	<u>29,539,197</u>	<u>33,655,216</u>	<u>2.15</u>
<b>TOTAL HONG KONG SAR, CHINA</b>	<b><u>21,485,700</u></b>	<b><u>334,866,643</u></b>	<b><u>328,306,688</u></b>	<b><u>21.03</u></b>



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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2019 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>INDIA</b>				
<b>Consumer Staples</b>				
Dabur India Ltd	<u>1,252,735</u>	<u>30,486,942</u>	<u>34,085,485</u>	<u>2.18</u>
<b>Energy</b>				
Reliance Industries Ltd	<u>407,512</u>	<u>30,831,500</u>	<u>35,147,998</u>	<u>2.25</u>
<b>Materials</b>				
Asian Paints Ltd	199,169	16,323,149	21,228,515	1.36
UltraTech Cement Ltd	<u>123,497</u>	<u>32,751,355</u>	<u>30,137,526</u>	<u>1.93</u>
	<u>322,666</u>	<u>49,074,504</u>	<u>51,366,041</u>	<u>3.29</u>
<b>TOTAL INDIA</b>	<b><u>1,982,913</u></b>	<b><u>110,392,946</u></b>	<b><u>120,599,524</u></b>	<b><u>7.72</u></b>
<b>INDONESIA</b>				
<b>Communication Services</b>				
Telekomunikasi Indonesia Persero TBK PT	<u>33,174,100</u>	<u>37,486,890</u>	<u>40,549,167</u>	<u>2.60</u>
<b>Financials</b>				
Bank Tabungan Pensiunan Nasional Syariah TBK PT	<u>989,200</u>	<u>934,432</u>	<u>1,129,682</u>	<u>0.07</u>
<b>TOTAL INDONESIA</b>	<b><u>34,163,300</u></b>	<b><u>38,421,322</u></b>	<b><u>41,678,849</u></b>	<b><u>2.67</u></b>
<b>SINGAPORE</b>				
<b>Communication Services</b>				
NetLink NBN Trust	<u>12,113,500</u>	<u>30,723,070</u>	<u>34,559,343</u>	<u>2.21</u>
<b>Industrials</b>				
ComfortDelGro Corp Ltd	2,955,300	22,027,479	20,851,740	1.34
Keppel Corp Ltd	<u>734,900</u>	<u>16,138,650</u>	<u>15,465,546</u>	<u>0.99</u>
	<u>3,690,200</u>	<u>38,166,129</u>	<u>36,317,286</u>	<u>2.33</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2019 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>SINGAPORE (CONTINUED)</b>				
<b>Real Estate</b>				
CapitaLand Commercial Trust	6,226,300	32,118,051	39,155,862	2.51
CapitaLand Mall Trust	3,880,200	25,401,902	30,234,355	1.94
	<u>10,106,500</u>	<u>57,519,953</u>	<u>69,390,217</u>	<u>4.45</u>
<b>TOTAL SINGAPORE</b>	<b><u>25,910,200</u></b>	<b><u>126,409,152</u></b>	<b><u>140,266,846</u></b>	<b><u>8.99</u></b>
<b>SOUTH KOREA</b>				
<b>Consumer Staples</b>				
LG Household & Health Care Ltd	<u>4,806</u>	<u>19,244,095</u>	<u>21,749,441</u>	<u>1.39</u>
<b>Information Technology</b>				
Samsung Electronics Co Ltd	831,165	150,053,931	150,337,402	9.63
Samsung Electronics Co Ltd - Preference share	484,864	71,216,299	71,430,281	4.58
SK Hynix Inc	<u>125,154</u>	<u>32,281,230</u>	<u>36,830,519</u>	<u>2.36</u>
	<u>1,441,183</u>	<u>253,551,460</u>	<u>258,598,202</u>	<u>16.57</u>
<b>Materials</b>				
Lotte Chemical Corp	13,760	23288,898	11,209,689	0.72
Posco	<u>14,778</u>	<u>17620,808</u>	<u>11,216,963</u>	<u>0.72</u>
	<u>28,538</u>	<u>40909,706</u>	<u>22,426,652</u>	<u>1.44</u>
<b>TOTAL SOUTH KOREA</b>	<b><u>1,474,527</u></b>	<b><u>313,705,261</u></b>	<b><u>302,774,295</u></b>	<b><u>19.40</u></b>
<b>TAIWAN</b>				
<b>Industrials</b>				
Airtac International Group	<u>272,000</u>	<u>15,591,031</u>	<u>15,580,432</u>	<u>1.00</u>
<b>Information Technology</b>				
Largan Precision Co Ltd	34,000	20,899,850	20,851,656	1.34
Taiwan Semiconductor Manufacturing Co Ltd	<u>963,000</u>	<u>30,433,831</u>	<u>39,438,895</u>	<u>2.53</u>
	<u>997,000</u>	<u>51,333,681</u>	<u>60,290,551</u>	<u>3.87</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2019 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>TAIWAN (CONTINUED)</b>				
<b>Materials</b>				
Formosa Plastics Corp	1,806,000	24,665,412	24,233,197	1.55
<b>TOTAL TAIWAN</b>	<b>3,075,000</b>	<b>91,590,124</b>	<b>100,104,180</b>	<b>6.42</b>
<b>THAILAND</b>				
<b>Communication Services</b>				
Intouch Holdings PCL - NVDR <sup>3</sup>	3,376,000	29,914,035	30,850,435	1.98
<b>Consumer Discretionary</b>				
Home Product Center PCL - NVDR <sup>3</sup>	13,467,200	27,072,100	32,071,604	2.05
<b>TOTAL THAILAND</b>	<b>16,843,200</b>	<b>56,986,135</b>	<b>62,922,039</b>	<b>4.03</b>
<b>UNITED STATES</b>				
<b>Information Technology</b>				
NVIDIA Corp	32,385	22,416,704	27,195,662	1.75
<b>TOTAL UNITED STATES</b>	<b>32,385</b>	<b>22,416,704</b>	<b>27,195,662</b>	<b>1.75</b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2019 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES - FOREIGN</b>	<u>124,219,154</u>	<u>1,389,428,044</u>	<u>1,437,777,973</u>	<u>92.11</u>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<u>127,229,254</u>	<u>1,403,282,814</u>	<u>1,450,932,110</u>	<u>92.95</u>
<b>ACCUMULATED UNREALISED GAIN ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>47,649,296</u>		
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>1,450,932,110</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2019</b>				
<b>Audited</b>				
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
<b>INDONESIA</b>				
CIMB-Principal Islamic Equity Growth Syariah	<u>9,239,261</u>	<u>4,057,664</u>	<u>3,933,999</u>	<u>0.24</u>
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>	<b><u>9,239,261</u></b>	<b><u>4,057,664</u></b>	<b><u>3,933,999</u></b>	<b><u>0.24</u></b>
<b>ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(123,665)</u>		
<b>TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>3,933,999</u>		
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - LOCAL</b>				
<b>MALAYSIA</b>				
<b>Consumer Staples</b>				
IOI Corporation Bhd	<u>3,010,100</u>	<u>13,854,770</u>	<u>13,575,551</u>	<u>0.83</u>
<b>TOTAL MALAYSIA</b>	<b><u>3,010,100</u></b>	<b><u>13,854,770</u></b>	<b><u>13,575,551</u></b>	<b><u>0.83</u></b>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES - LOCAL</b>	<b><u>3,010,100</u></b>	<b><u>13,854,770</u></b>	<b><u>13,575,551</u></b>	<b><u>0.83</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2019 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN</b>				
<b>AUSTRALIA</b>				
<b>Industrials</b>				
Cimic Group Ltd	218,963	33,355,167	32,313,703	1.99
Cleanaway Waste Management Ltd	6,866,601	38,154,936	45,068,764	2.77
	<u>7,085,564</u>	<u>71,510,103</u>	<u>77,382,467</u>	<u>4.76</u>
<b>Materials</b>				
BHP Group Ltd	<u>274,965</u>	<u>26,983,882</u>	<u>29,998,555</u>	<u>1.84</u>
<b>TOTAL AUSTRALIA</b>	<b><u>7,360,529</u></b>	<b><u>98,493,985</u></b>	<b><u>107,381,022</u></b>	<b><u>6.60</u></b>
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd	<u>152,510</u>	<u>94,451,624</u>	<u>116,969,193</u>	<u>7.19</u>
<b>TOTAL CAYMAN ISLANDS</b>	<b><u>152,510</u></b>	<b><u>94,451,624</u></b>	<b><u>116,969,193</u></b>	<b><u>7.19</u></b>
<b>CHINA</b>				
<b>Consumer Discretionary</b>				
Midea Group Co Ltd - A <sup>1</sup>	<u>518,869</u>	<u>15,187,605</u>	<u>16,685,727</u>	<u>1.03</u>
<b>Energy</b>				
China Petroleum & Chemical Corporation - H <sup>2</sup>	<u>6,330,000</u>	<u>20,164,383</u>	<u>20,107,903</u>	<u>1.24</u>
<b>Industrials</b>				
Centre Testing International Group Co Ltd - A <sup>1</sup>	<u>2,871,155</u>	<u>15,447,590</u>	<u>17,567,417</u>	<u>1.08</u>
<b>Materials</b>				
Anhui Conch Cement Co. Ltd	<u>701,500</u>	<u>15,199,978</u>	<u>17,682,977</u>	<u>1.09</u>
<b>Real Estate</b>				
China Vanke Co Ltd - H <sup>2</sup>	<u>1,230,000</u>	<u>17,517,476</u>	<u>19,665,707</u>	<u>1.21</u>
<b>TOTAL CHINA</b>	<b><u>11,651,524</u></b>	<b><u>83,517,032</u></b>	<b><u>91,709,731</u></b>	<b><u>5.65</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2019 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>HONG KONG SAR, CHINA</b>				
<b>Communication Services</b>				
China Mobile Ltd	1,613,000	66,416,095	63,517,198	3.90
Tencent Holdings Ltd	201,800	37,445,656	41,247,597	2.54
	<u>1,814,800</u>	<u>103,861,751</u>	<u>104,764,795</u>	<u>6.44</u>
<b>Consumer Discretionary</b>				
Shenzhou International Group Holdings Ltd	414,000	21,015,693	22,965,425	1.41
<b>Energy</b>				
CNOOC Ltd	8,424,000	53,856,112	62,927,482	3.87
<b>Industrials</b>				
Techtronic Industries Co Ltd	942,000	21,279,599	28,137,126	1.73
<b>Real Estate</b>				
China Resources Land Ltd	1,182,000	14,846,830	21,264,440	1.31
Henderson Land Development Co Ltd	894,000	22,745,802	22,747,329	1.40
Link REIT	1,598,500	72,039,752	77,051,217	4.74
	<u>3,674,500</u>	<u>109,632,384</u>	<u>121,062,986</u>	<u>7.45</u>
<b>Utilities</b>				
China Resources Gas Group Ltd	806,000	15,797,631	15,413,009	0.95
CK Infrastructure Holdings Ltd	443,000	13,741,566	14,865,822	0.91
	<u>1,249,000</u>	<u>29,539,197</u>	<u>30,278,831</u>	<u>1.86</u>
<b>TOTAL HONG KONG SAR, CHINA</b>	<b><u>16,518,300</u></b>	<b><u>339,184,736</u></b>	<b><u>370,136,645</u></b>	<b><u>22.76</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2019 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>INDIA</b>				
<b>Consumer Staples</b>				
Dabur India Ltd	597,669	14,741,643	14,133,163	0.87
<b>Energy</b>				
Reliance Industries Ltd	857,370	47,572,697	70,932,209	4.36
<b>Information Technology</b>				
Tata Consultancy Services Ltd	319,202	36,584,054	42,857,589	2.63
<b>TOTAL INDIA</b>	<b>1,774,241</b>	<b>98,898,394</b>	<b>127,922,961</b>	<b>7.86</b>
<b>INDONESIA</b>				
<b>Communication Services</b>				
Telekomunikasi Indonesia Persero TBK PT	33,174,100	37,486,890	36,436,507	2.24
<b>Consumer Staples</b>				
Indofood CBP Sukses Makmur TBK PT	7,403,300	22,930,345	20,864,757	1.28
<b>TOTAL INDONESIA</b>	<b>40,577,400</b>	<b>60,417,235</b>	<b>57,301,264</b>	<b>3.52</b>
<b>PHILIPPINES</b>				
<b>Consumer Discretionary</b>				
Jollibee Foods Corporation	524,630	12,645,499	12,720,263	0.78
<b>TOTAL PHILIPPINES</b>	<b>524,630</b>	<b>12,645,499</b>	<b>12,720,263</b>	<b>0.78</b>
<b>SINGAPORE</b>				
<b>Communication Services</b>				
NetLink NBN Trust	9,371,700	23,715,391	23,645,118	1.45
<b>Industrials</b>				
ComfortDelGro Corp Ltd	2,955,300	22,027,479	24,165,671	1.49
Keppel Corp Ltd	1,414,600	31,065,090	29,111,684	1.79
	4,369,900	53,092,569	53,277,355	3.28



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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2019 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>SINGAPORE (CONTINUED)</b>				
<b>Real Estate</b>				
CapitaLand Commercial Trust	6,226,300	32,118,051	36,717,811	2.26
CapitaLand Mall Trust	6,999,600	45,823,194	51,491,270	3.16
	<u>13,225,900</u>	<u>77,941,245</u>	<u>88,209,081</u>	<u>5.42</u>
<b>TOTAL SINGAPORE</b>	<b><u>26,967,500</u></b>	<b><u>154,749,205</u></b>	<b><u>165,131,554</u></b>	<b><u>10.15</u></b>
<b>SOUTH KOREA</b>				
<b>Consumer Staples</b>				
Amorepacific Corporation	10,847	12,846,540	7,981,448	0.49
LG HouseHold & Health Care Ltd	4,806	19,244,095	24,176,425	1.48
	<u>15,653</u>	<u>32,090,635</u>	<u>32,157,873</u>	<u>1.97</u>
<b>Health Care</b>				
Medy-Tox Inc	7,219	14,939,934	14,278,259	0.88
<b>Information Technology</b>				
Samsung Electronics Co Ltd	721,510	132,811,627	117,028,172	7.19
Samsung Electronics Co Ltd - Preference Share	467,370	70,239,223	61,505,294	3.78
SK Hynix Inc	125,154	32,281,231	34,976,838	2.15
	<u>1,314,034</u>	<u>235,332,081</u>	<u>213,510,304</u>	<u>13.12</u>
<b>Materials</b>				
Lotte Chemical Corp	13,760	23,288,898	13,069,876	0.80
Posco	14,778	17,620,806	13,331,057	0.82
	<u>28,538</u>	<u>40,909,704</u>	<u>26,400,933</u>	<u>1.62</u>
<b>TOTAL SOUTH KOREA</b>	<b><u>1,365,444</u></b>	<b><u>323,272,354</u></b>	<b><u>286,347,369</u></b>	<b><u>17.59</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2019 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>TAIWAN</b>				
<b>Industrials</b>				
AirTac International Group	272,000	15,591,031	14,982,957	0.92
<b>Information Technology</b>				
Taiwan Semiconductor Manufacturing Co Ltd	963,000	30,433,831	33,347,053	2.05
<b>Materials</b>				
Formosa Plastics Corp	2,079,000	29,221,810	31,131,778	1.91
<b>TOTAL TAIWAN</b>	<b>3,314,000</b>	<b>75,246,672</b>	<b>79,461,788</b>	<b>4.88</b>
<b>THAILAND</b>				
<b>Consumer Discretionary</b>				
Home Product Center PCL - NVDR <sup>3</sup>	10,981,000	21,327,481	22,324,641	1.37
Robinson PCL	1,656,700	15,052,637	12,496,337	0.77
	12,637,700	36,380,118	34,820,978	2.14
<b>Health Care</b>				
Bangkok Dusit Medical Services PCL - NVDR <sup>3</sup>	7,355,100	22,298,493	24,286,879	1.49
<b>TOTAL THAILAND</b>	<b>19,992,800</b>	<b>58,678,611</b>	<b>59,107,857</b>	<b>3.63</b>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES - FOREIGN</b>	<b>130,198,878</b>	<b>1,399,555,347</b>	<b>1,474,189,647</b>	<b>90.61</b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.04.2019 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<b><u>133,208,978</u></b>	<b>1,413,410,117</b>	<b><u>1,487,765,198</u></b>	<b><u>91.44</u></b>
<b>ACCUMULATED UNREALISED GAIN ON SHARIAH-COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>74,355,081</u></b>		
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>1,487,765,198</u></b>		

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

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

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

**9. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)**

	<b>31.10.2019</b>	<b>30.04.2019</b>
	<b>RM</b>	<b>Audited RM</b>
Shariah-compliant deposits with licensed Islamic financial institutions	119,398,692	79,396,551
Bank balances	5,628,478	54,793,949
	<u>125,027,170</u>	<u>134,190,500</u>

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

	<b>31.10.2019</b>	<b>30.04.2019</b>
	<b>%</b>	<b>Audited %</b>
Shariah-compliant deposits with licensed Islamic financial institutions	<u>3.10</u>	<u>3.29</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average maturity of 3 days (30.04.2019: 5 days).

**10. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>01.05.2019 to 31.10.2019</b>	<b>01.05.2018 to 30.04.2019</b>
	<b>RM</b>	<b>Audited RM</b>
At the beginning of the financial period/year	2,038,688,152	1,707,315,478
Add: Creation of units from applications	203,059,700	684,391,620
Add: Creation of units from distribution	-	41,927,759
Less: Cancellation of units	(286,953,862)	(394,946,705)
At the end of the financial period/year	<u>1,954,793,990</u>	<u>2,038,688,152</u>

**11. MANAGEMENT EXPENSE RATIO ("MER")**

	<b>01.05.2019 to 31.10.2019</b>	<b>01.05.2018 to 31.10.2018</b>
	<b>%</b>	<b>%</b>
MER	<u>0.97</u>	<u>0.98</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 and custodian fees
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 period calculated on a daily basis is RM1,561,427,542 (31.10.2018: RM1,484,294,605).

**12. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>01.05.2019 to 31.10.2019</b>	<b>01.05.2018 to 31.10.2018</b>
PTR (times)	<u>0.34</u>	<u>0.44</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period = RM520,795,451 (31.10.2018: RM693,605,441)

total disposal for the financial period = RM551,727,776 (31.10.2018: RM605,687,486)

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

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

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

**13. 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

	31.10.2019		30.04.2019	
	No. of units	RM	No. of units	Audited RM
<b>Manager</b>				
Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad)	483,886	386,383	726,277	579,569

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

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

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

	01.05.2019 to 31.10.2019 RM	01.05.2018 to 31.10.2018 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	157,870	77,738
Cash placements with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	245,907,000	164,738,000
	31.10.2019 RM	30.04.2019 Audited RM
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	1,000,081	36,286,226

14. TRANSACTIONS WITH BROKERS/DEALERS

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

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
J.P. Morgan Securities LLC	364,206,445	33.97	120,690	12.04
Citigroup Global Markets Ltd	203,976,804	19.02	177,711	17.73
CLSA Securities Malaysia Sdn Bhd	121,134,342	11.29	39,732	3.96
CLSA Ltd	69,815,780	6.51	144,864	14.45
Sanford C. Bernstein & Co., LLC	67,042,687	6.25	83,977	8.38
Credit Suisse (Hong Kong) Ltd	63,088,502	5.88	109,147	10.89
DBS Vickers Securities (Singapore) Pte Ltd	49,439,258	4.61	74,926	7.48
Macquarie Capital (Singapore) Pte Ltd	40,991,664	3.82	20,496	2.05
J.P. Morgan Securities (Asia Pacific) Ltd	32,298,572	3.01	82,936	8.28
Instinet Pacific Ltd	27,571,724	2.57	75,395	7.52
Others #	32,957,449	3.07	72,308	7.22
	<u>1,072,523,227</u>	<u>100.00</u>	<u>1,002,182</u>	<u>100.00</u>

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

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Citigroup Global Markets Ltd	248,047,162	19.09	386,129	16.30
J.P. Morgan Securities LLC	183,697,632	14.14	55,109	2.33
CLSA (Hong Kong) Ltd	146,136,615	11.25	371,348	15.68
Credit Suisse (Hong Kong) Ltd	109,198,071	8.40	296,449	12.52
Sanford C. Bernstein & Co., LLC	99,625,649	7.67	107,672	4.55
J.P. Morgan Securities (Singapore) Ltd	71,238,385	5.48	186,157	7.86
Macquarie Capital (Singapore) Pte Ltd	68,155,925	5.25	183,134	7.73
Instinet Singapore Services Pte Ltd	42,971,358	3.31	76,857	3.24
DBS Vickers Securities (Singapore) Pte Ltd	40,076,133	3.08	122,114	5.16

## 14. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for six months financial period ended 31 October 2018 are as follows (continued):

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
China International Capital Corp Hong Kong Securities Ltd	35,113,755	2.70	87,784	3.71
Others #	<u>255,032,245</u>	<u>19.63</u>	<u>495,832</u>	<u>20.92</u>
	<u>1,299,292,930</u>	<u>100.00</u>	<u>2,368,585</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd and CIMB Investment Bank Bhd, fellow related parties to the Manager amounting to RM3,540,954 (31.10.2018: Nil) and Nil (31.10.2018: RM13,560,039) respectively. The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.



**DIRECTORY**

**Head office of the Manager**

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

**Website**

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

**E-mail address**

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

**General investment enquiries**

(03) 7718 3000

**Trustee for the CIMB Islamic Asia Pacific Equity Fund**

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

**Shariah Adviser of the CIMB Islamic Asia Pacific Equity Fund**

Amanie Advisors Sdn. Bhd. (Company No.:0684050-H)  
Level 13A-2, Menara Tokio Marine Life,  
No 189, Jalan Tun Razak,  
50400 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2161 0260  
Fax: (03) 2161 0262

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

Enquiries:

Customer Care Centre  
(603)7718 3000

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

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