

CIMB Islamic Dali Equity Fund

Annual Report

For The Financial Year Ended 31 May 2019

CIMB ISLAMIC DALI EQUITY FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

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INVESTORS' LETTER

Dear Valued Investor,

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

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

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

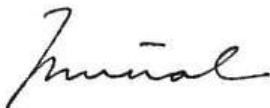
These prestigious awards are a celebration of the trust that you have placed in us and testament to our capability in bringing potential value to your financial goals and needs. We look forward to serving you for many years to come and to the best of our ability.

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

Thank you.

Thank you.

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



Munirah Khairuddin
Chief Executive Officer

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

The Fund aims to achieve a consistent capital growth over the medium to long-term.

Has the Fund achieved its objective?

For the financial year under review, the Fund's total return declined by 4.11% while the benchmark declined by 6.06%. Nevertheless, the Fund's objective is still in place which is to provide capital growth over the long term.

What are the Fund investment policy and principal investment strategy?

The Fund is a Shariah-compliant equity growth fund and is a continuation of the CIMB Islamic DALI Equity Growth Fund. It may invest a minimum of 70% and up to a maximum of 98% of its Net Asset Value ("NAV") principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible investments, such as Sukuk with a minimum credit rating of "A3" or "P2" by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance; or "BBB-" by Standard & Poor's ("S&P") or equivalent rating by Moody's or Fitch. The Fund may opt to invest in Shariah-compliant foreign equities up to a maximum of 30% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in and/or have significant operations in countries in the Asia Pacific ex Japan. '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 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). The Fund may also opt to seek investment exposure via Shariah-compliant collective investment scheme that is in line with the Fund's objective, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

Between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant equities, up to 28% of the Fund's NAV in other permissible investments and at least 2% of the Fund's NAV in Shariah-compliant liquid assets.

Fund category/type

Equity (Shariah-compliant)/Growth

How long should you invest for?

Recommended three (3) years or more

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

Moderate

When was the Fund launched?

30 April 2003

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

RM1,101.90 million (1,056.44 million units)

What is the Fund's benchmark?

70% Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index + 30% Morgan Stanley Capital International All Country ("MSCI AC") Asia ex Japan Islamic Index

Note: The Fund's benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in and its objectives. Investors are cautioned that the risk profile of the Fund is higher than the benchmark.

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund distribution policy?

The Manager has the discretion to distribute a part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.

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

The Fund distributed a total net income of RM29.46 million to unit holders for the financial year ended 31 May 2019. As a result of the distribution, the NAV per unit dropped from RM1.0989 to RM1.0686 on 04 July 2018.

PERFORMANCE DATA

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

	31.05.2019	31.05.2018	31.05.2017
	%	%	%
Shariah-compliant collective investment scheme	0.83	0.83	0.40
Shariah-compliant quoted securities			
- Basic Materials	6.06	3.39	3.25
- Construction	-	1.89	7.98
- Consumer Products	14.32	11.94	8.01
- Energy	8.15	3.27	3.80
- Finance	4.54	1.51	2.31
- Health Care	4.21	-	-
- Industrials	19.34	10.89	8.44
- Infrastructure Project Companies ("IPC")	-	1.59	5.82
- Plantation	-	5.79	5.44
- Properties	-	0.04	1.05
- Real Estate Investment Trusts ("REITs")	4.02	1.37	2.94
- Technology	5.35	12.28	7.18
- Telecommunications	10.38	-	2.64
- Trading/Services	-	28.71	27.88
- Utilities	12.46	-	-
Cash and other net assets	10.34	16.50	12.86
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.05.2019	31.05.2018	31.05.2017
NAV (RM Million)	1,101.90	1,073.96	999.51
Units in circulation (Million)	1,056.44	960.39	843.70
NAV per unit (RM)	1.0430	1.1182	1.1846
Highest NAV per unit (RM)	1.1508	1.2860	1.2010
Lowest NAV per unit (RM)	0.9844	1.1077	1.0629
Total return (%)	(4.11)	0.09	10.52
- Capital growth (%)	(6.76)	(5.60)	4.43
- Income distribution (%)	2.84	6.03	5.27

PERFORMANCE DATA (CONTINUED)

	31.05.2019	31.05.2018	31.05.2017
Management Expense Ratio (“MER”) (%) ^	1.92	2.06	2.07
Portfolio Turnover Ratio (“PTR”) (times) #	0.65	0.96	1.10

^ The Fund’s MER decreased from 2.06% to 1.92% mainly due to the decrease in expenses during the financial year under review.

The Fund’s PTR decreased from 0.96 times to 0.65 times due to lesser trading activity during the financial year under review.

Date of distribution	04.07.2018	23.11.2017	27.06.2016
Gross/Net distribution per unit (sen)	3.03	7.20	6.20

	31.05.2019	31.05.2018	31.05.2017	31.05.2016	31.05.2015
	%	%	%	%	%
Annual total return	(4.11)	0.09	10.52	(3.51)	6.85

(Launch date: 30 April 2003)

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

MARKET REVIEW (1 JUNE 2018 TO 31 MAY 2019)

Asia Pacific ex-Japan

The MSCI AC Asia ex Japan Islamic Index declined by 15.6% in US Dollar (“USD”) terms and 11.3% in Ringgit Malaysia (“RM”) terms in the period under review. Main concerns were rising trade tensions between US and China, slowing Chinese economic growth and a strong USD.

In the beginning of the period under review, Asian equities were weighed by concerns over US imposing additional import tariffs on USD200 billion worth of Chinese goods (which was subsequently implemented in September 2018) and weak economic growth in China. Chinese macro data such as Total Social Financing, Retail and Fixed Asset Investment growth all showed signs of moderating. Subsequently, sentiment towards emerging markets (“EM”) deteriorated with the currencies of twin deficit countries such as Indonesia and India under pressure in August 2018. The backdrop behind the deterioration was the rising US 10-year bond yield to above 3% amidst strong economic data from the US and rising oil price, culminating in a decline of more than 10% in Asian equities in October 2018 alone.

Asian equities found a bottom at the end of 2018 with the US Federal Reserve (the “Fed”) testimony that the US interest rates were closing in on “neutral levels”, indicating a more benign monetary policy stance. China also eased its Reserve Requirement Ratio (“RRR”) and indicated interests in cutting its Value Added Tax (“VAT”) which subsequently stabilized sentiment. Asian equities staged a rally in January 2019 on the back of easing monetary policies by major central banks such as the Fed and China’s People’s Bank of China (“PBOC”). This paved way for other countries in Asia such as India to reduce its benchmark interest rate in February 2019. China also implemented its 3% point cut in the top bracket VAT, providing support for most manufacturers. China found a bottom in economic growth in March 2019 with the manufacturing Purchasing Managers’ Index (“PMI”) returning above 50. However, sentiment in Asian equities reversed sharply in May 2019 when trade tensions between US and China intensified, culminating in additional taxes on USD200 billion worth of Chinese exports to the US and blacklisting of Huawei Technologies Co. Ltd (“Huawei”) by the Chinese administration. President Trump has also threatened to raise tariffs on remaining USD325 billion of Chinese goods unless a deal is reached. The US 10-year bond yield declined to 2.12% by the end of the period under review, providing support to financial assets such as equities.

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

The FBMS Index fell by 380.2 points or 3.1% to 11,795.77 points over the period under review.

In June 2018, the FBMS Index succumbed to heavy foreign selling, falling 0.7% or 83.42 points to close at 12,092.55 points. Foreign investors were rattled by continuous news flow on 1Malaysia Development Bhd (“1MDB”) and policy overhang on some of the mega projects like East Coast Rail Line (“ECRL”), Mass Rapid Transit (“MRT”) Line 3 and High-speed Rail (“HSR”). Telecommunications and banks underperformed due to fear of lower broadband charges and re-pricing of risk arising from expectation of a slower Gross Domestic Products (“GDP”) growth in 2018 and 2019 respectively. Sentiment was further dampened by the weak first quarter of 2018 corporate earnings season and downgrades of GDP forecast for 2018 and 2019. Foreign investors net sold RM4.9 billion during the month.

After two consecutive months of net foreign selling post the 14th General Elections (“GE14”), the FBMS Index ended higher by 5.9% or 718.2 points to close at 12,810.75 points in July 2018, as local investors started to bargain-hunt. Foreigners continued to sell in the market with a total net outflow of RM1.7 billion, which is much lower than the RM4.9 billion in June 2018. The FBMS Index ended August 2018 flat even as foreigners continued to sell in the market, albeit of a smaller amount compared to the previous months.

September 2018 saw the FBMS Index succumbing to selling pressure on worries that the USD200 billion trade tariff imposed on China may impact global growth and EM currencies. The downtrend was exacerbated by the financial crisis in Argentina which led investors to flee the Argentine Peso (“ARS”), causing worry of a contagion effect in EM. Sentiment in the local bourse was further affected by the announcement of the cancellation of 3 China-backed projects (the ECRL and the 2 gas pipeline projects estimated at USD23 billion) and the deferment of HSR to September 2020, which sent the Construction Index tumbling by 5.4% month-on-month (“m-o-m”).

The FBMS Index ended October 2018 lower by 7.15% or 906.78 points to close at 11,771.78 points. The release of the mid-term review of the austere 11th Malaysia Plan offered no reprieve as investors continued to reduce their equity exposure due to rising economic risk and uncertainties. Local investors were concerned that the Government would unveil new taxes and announce a higher fiscal deficit for Budget 2019. Telecommunication companies were the biggest losers on the back of regulatory risk, while construction sector underperformed on MRT Line 2 project cost cut.

The sell-off continued into November 2018 and December 2018 with the FBMS Index falling by 1.2% and 1.1% respectively to close at 11,504.43 points. The FBMS Index hit a low of 11,068.25 on 18 December 2018 on lower sales guidance from Apple Inc. and an 8.4% m-o-m decline in Brent crude oil to USD53.50 per barrel. For 2018, the FBMS Index was lower by 13.5%.

The FBMS Index ended January 2019 marginally higher by 0.4% to close at 11,552.61 points driven by plantations stocks. The Index continued to scale higher by 1.6% in February 2019 to close at 11,732.11 points, driven by higher Brent crude oil, which traded up +6.7% m-o-m to USD66.82 per barrel on supply constraints. Sentiment in the local bourse was further lifted by the announcement from the Communications and Multimedia Minister which indicated that there will not be further reductions in high speed broadband prices in 2019 while Fitch re-affirmed Malaysia’s sovereign rating.

The FBMS Index dipped 0.4% in March 2019 on concerns over moderation in global economic growth following the yield curve inversion in the US. Domestically, the downgrade in Bank Negara Malaysia (“BNM”) growth forecast also weighed on sentiments, stoking expectation of a policy rate cut as early as May 2019. This resulted in concerns over potential earnings risks for banks due to the possible policy rate cut.

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

Malaysia (continued)

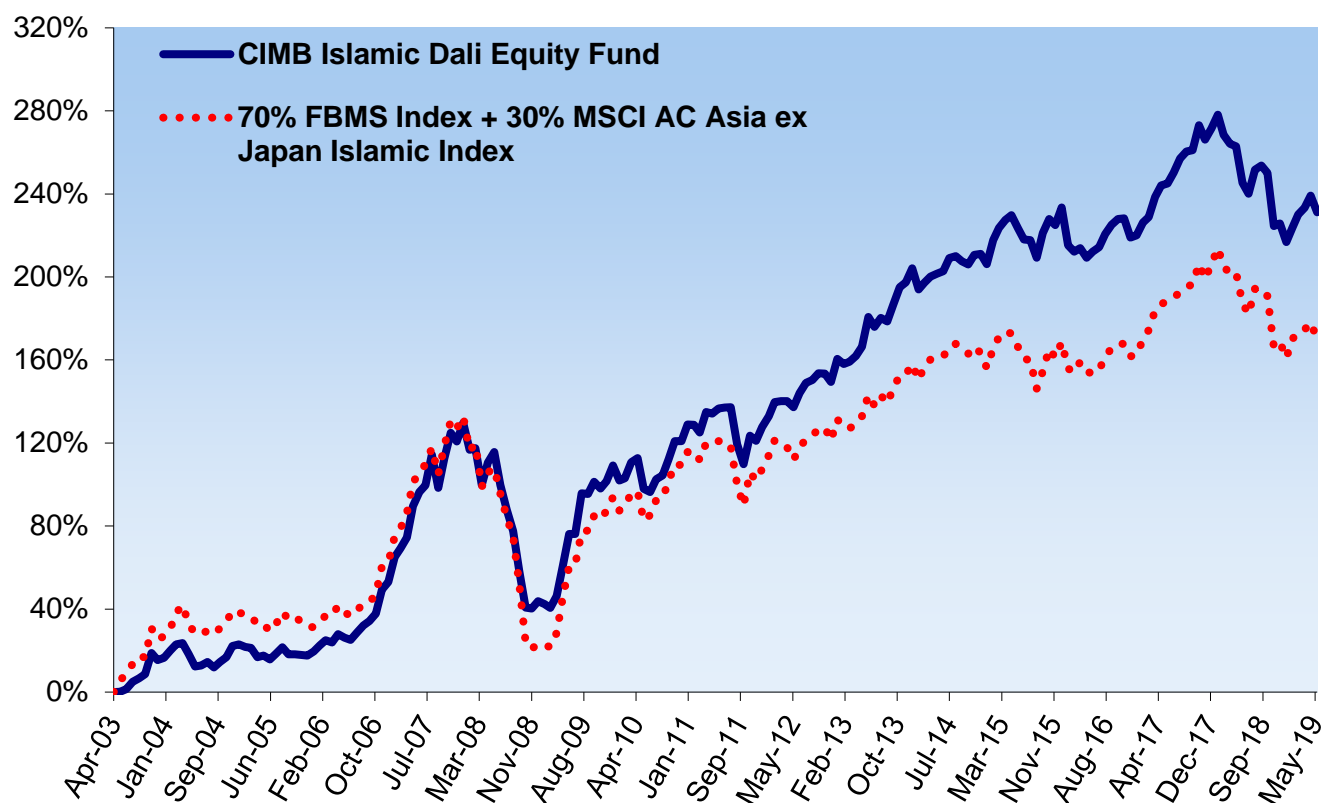
The FBMS Index rose by 1.3% in April 2019, driven largely by a rebound in the construction, technology and energy sectors. Positive news flow continued to buoy the construction sector as the revival of the Bandar Malaysia project lifted sentiment and raised expectation that the shelved HSR and MRT Line 3 projects may be revived. The rebound in crude oil prices also saw the revival of job flows to the oil & gas service providers.

The FBMS Index ended May 2019 marginally lower by 0.35%. Nevertheless, the broader market's sentiment was buoyed by two mergers and acquisitions ("M&A") announcements involving Axiata Group Bhd ("Axiata") and Telenor Group, and YTL Cement Bhd and Lafarge Concrete (Malaysia) Sdn Bhd, and partly driven by foreign buying in the last three days of May 2019. First quarter of 2019 earnings season ended with another disappointment as there were still more misses than beats. Plantation, technology, aviation and basic materials were the major disappointments.

FUND PERFORMANCE

	1 year to 31.05.2019	3 years to 31.05.2019	5 years to 31.05.2019	Since inception to 31.05.2019
	%	%	%	%
Income	2.84	15.40	29.94	111.55
Capital	(6.76)	(8.08)	(15.85)	55.51
Total Return	(4.11)	6.07	9.36	231.15
Benchmark	(6.06)	6.62	3.16	169.94
Average Total Return	(4.11)	1.98	1.81	7.72

The Fund achieved a return of -4.11% in the financial year under review, outperforming the benchmark by 195 basis points ("bps"). In the last 3 and 5 years, the portfolio has underperformed by 55 bps and outperformed the benchmark by 620 bps respectively.



FUND PERFORMANCE (CONTINUED)

Changes in NAV

	31.05.2019	31.05.2018	Changes %
NAV (RM Million)	1,101.90	1,073.96	2.60
NAV/Unit (RM)	1.0430	1.1182	(6.73)

The portfolio's NAV has increased by 2.60% in the financial year under review, mainly from increased in units in circulation, while NAV per unit has declined by 6.73%

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.05.2019	31.05.2018
Shariah-compliant collective investment scheme	0.83	0.83
Shariah-compliant quoted securities	88.83	82.67
Cash and other net assets	10.34	16.50
TOTAL	100.00	100.00

The portfolio is 89.66% invested, mainly in Shariah compliant quoted securities at the expense of cash and other net assets, which has reduced to 10.34%.

MARKET OUTLOOK*

Asia Pacific ex-Japan

Trade tensions between US and China have recently escalated after trade talks faced a setback, culminating in additional taxes on USD200 billion worth of Chinese exports to US and blacklisting of Huawei by the Trump administration. Given the high stakes involved, the risk of a global synchronized economic slowdown has increased and interest rates could stay lower for longer, with liquidity becoming more available for financial assets.

Over the medium and longer term, the outlook for Asian equities remains positive. Islamic Asia ex Japan equities are trading at price-to-earnings ratio ("PE") of 14.1 times in 2019, which is slightly higher than its 5-year average.

MARKET OUTLOOK* (CONTINUED)**Malaysia**

While the moderation in first quarter of 2019 GDP growth of 4.5% was shallower than street expectation, growth drivers going forward are weak given the escalating trade tension between the US and its major trading partners, and slowing private investments due to dampened sentiment.

The FBM Kuala Lumpur Composite Index (“FBMKLCI”) is currently trading at a blended 12-month forward PE of 15.3 times, which is slightly below one standard deviation of 15.4 times.

As widely expected due to MSCI index rebalancing, foreign institutional investors remained net sellers of Malaysian equities in May 2019 with a net outflow of USD489 million (year-to-date (“YTD”): -USD1.2 billion). That said, foreign institutional investors have turned net buyers in the final week of May with a net inflow of USD14 million.

Overall, we remain neutral on Malaysia given lack of earnings growth (consensus pencilled in negative earnings growth for 2019) which is balanced by undemanding valuation now. Having said that, we are of the opinion that value is emerging in Malaysian equities, having shed 2.7% YTD, and Malaysia tends to be more defensive when volatility in global equity markets rises.

* 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**Asia Pacific ex-Japan**

We adopt a barbell approach, owning defensives with yield together with stocks which have mid to long run growth potential. What we like:

- REITs with high quality assets in countries with stable exchange rates, high occupancy and stable to positive rental reversions.
- Technology companies with monopolistic power, that have the proven ability to innovate.
- Domestic oriented companies in selected countries such as India and Australia that are more insulated from risks from a global economic slowdown.

Malaysia

While we will continue with the high equity weighting with low beta investment strategy, we will continuously accumulate some alphas for the portfolio. We look to add selected blue chips in the banking, telecommunication and glove sectors. At the same time, we are reducing exposure on some of the Technology-related names on the back of rising trade conflicts.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 May 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	63,669	54.24	5.14
5,001-10,000	12,643	92.37	8.74
10,001-50,000	20,515	449.01	42.50
50,001-500,000	4,332	419.12	39.67
500,001 and above	27	41.70	3.95
Total	101,186	1,056.44	100.00

SOFT COMMISSIONS AND REBATES

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI 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 audited financial statements set out on pages 18 to 66 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 May 2019 and of its financial performance, changes in equity and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

For and on behalf of the Manager

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

(formerly known as CIMB-Principal Asset Management Berhad)

MUNIRAH KHAIRUDDIN

Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA

Director

Kuala Lumpur

16 July 2019

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY FUND**

We, Universal Trustee (Malaysia) Berhad, being the Trustee of CIMB Islamic DALI Equity Fund (the "Fund"), are of the opinion that Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), acting in the capacity of the Manager of the Fund, have fulfilled their duties in the following manner for the financial year ended 31 May 2019:

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

During the financial year, a total distribution of 3.03 sen per unit (gross) has been distributed to the unit holders of the Fund. We are of the view that the distribution is consistent with the objective of the Fund.

For and on behalf of the Trustee,
UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

ONG TEE VANN
Chief Executive Officer

Kuala Lumpur
16 July 2019

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

For The Financial Period from 1 June 2018 to 31 March 2019

We have acted as the Shariah Adviser of CIMB Islamic DALI Equity Fund (the "Fund") for the financial period from 1 June 2018 to 31 March 2019. Our responsibility is to ensure that the procedures and processes employed by CIMB-Principal Asset Management Berhad (the "Manager") are in accordance with Shariah and Shariah Investment Guidelines.

In our opinion, the Manager has managed and administered the Fund in accordance with the Shariah Investment Guidelines of the Fund and complied with applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial period from 1 June 2018 to 31 March 2019.

In addition, we confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia and, where applicable the Shariah Advisory Council of Bank Negara Malaysia. For investments other than the abovementioned, we have reviewed the same and are of the opinion that these investments were in accordance with the Shariah Investment Guidelines of the Fund.

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 and on behalf of Shariah Adviser
CIMB Islamic Bank Berhad

ASHRAF GOMMA ALI

Director/Regional Head, Shariah & Governance/Designated Person Responsible for Shariah Advisory

Kuala Lumpur
31 March 2019

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

For The Financial Period from 1 April 2019 to 31 May 2019

We have acted as the Shariah Adviser of CIMB Islamic DALI 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 Shariah Advisory Council (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

16 July 2019

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

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

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 May 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 66.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY FUND (CONTINUED)****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT

LLP0014401-LCA & AF 1146

Chartered Accountants

Kuala Lumpur

16 July 2019

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

	Note	2019 RM	2018 RM
(LOSS)/INCOME			
Dividend income		25,516,032	29,631,582
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		4,445,853	2,725,343
Hibah		6,444	29,408
Net loss on financial assets at fair value through profit or loss	10	(50,941,977)	(1,878,910)
Net foreign exchange gain/(loss)		11,666	(5,744,291)
Other income	4	265,797	181,661
		<u>(20,696,185)</u>	<u>24,944,793</u>
EXPENSES			
Management fee	5	20,110,634	19,695,668
Trustee's and custodian fees	6	937,239	943,646
Audit fee		13,600	9,600
Tax agent's fee		30,858	43,877
Transaction costs		3,250,185	4,550,641
Other expenses		37,901	1,561,364
		<u>24,380,417</u>	<u>26,804,796</u>
LOSS BEFORE TAXATION		(45,076,602)	(1,860,003)
Taxation	9	(922,778)	(1,821,395)
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		<u>(45,999,380)</u>	<u>(3,681,398)</u>
Loss after taxation is made up as follows:			
Realised amount		(25,904,377)	59,815,241
Unrealised amount		(20,095,003)	(63,496,639)
		<u>(45,999,380)</u>	<u>(3,681,398)</u>

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

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

	Note	2019 RM	2018 RM
ASSETS			
Cash and cash equivalents (Shariah-compliant)	11	113,381,350	164,299,511
Financial assets at fair value through profit or loss (Shariah-compliant)	10	987,950,797	896,991,770
Amount due from stockbrokers		-	15,287,889
Amount due from Manager		6,098,244	8,745,223
Amount due from Manager of collective investment scheme			
- Management fee rebate		79,845	58,581
Dividends receivable		1,567,400	1,305,050
TOTAL ASSETS		<u>1,109,077,636</u>	<u>1,086,688,024</u>
LIABILITIES			
Amount due to stockbrokers		-	5,477,382
Amount due to Manager		5,384,381	5,325,870
Accrued management fee		1,707,521	1,710,372
Amount due to Trustee		55,746	56,195
Donation to charitable bodies	7	-	24,424
Other payables and accruals		25,440	129,609
Tax payable		1,760	1,760
TOTAL LIABILITIES		<u>7,174,848</u>	<u>12,725,612</u>
NET ASSET VALUE OF THE FUND		<u>1,101,902,788</u>	<u>1,073,962,412</u>
EQUITY			
Unit holders' capital		1,157,473,039	1,054,077,942
(Accumulated losses)/Retained earnings		(55,570,251)	19,884,470
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>1,101,902,788</u>	<u>1,073,962,412</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	12	<u>1,056,443,894</u>	<u>960,391,656</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0430</u>	<u>1.1182</u>

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

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

	Note	Unit holders' capital RM	(Accumulated losses)/ Retained earnings RM	Total RM
Balance as at 1 June 2018		1,054,077,942	19,884,470	1,073,962,412
Movement in unit holders' contributions:				
- Creation of units from applications		250,241,657	-	250,241,657
- Creation of units from distribution		29,384,310	-	29,384,310
- Cancellation of units		(176,230,870)	-	(176,230,870)
Total comprehensive loss for the financial year		-	(45,999,380)	(45,999,380)
Distribution	8	-	(29,455,341)	(29,455,341)
Balance as at 31 May 2019		<u>1,157,473,039</u>	<u>(55,570,251)</u>	<u>1,101,902,788</u>
Balance as at 1 June 2017		915,970,907	83,535,771	999,506,678
Movement in unit holders' contributions:				
- Creation of units from applications		381,488,686	-	381,488,686
- Creation of units from distribution		59,625,424	-	59,625,424
- Cancellation of units		(303,007,075)	-	(303,007,075)
Total comprehensive loss for the financial year		-	(3,681,398)	(3,681,398)
Distribution	8	-	(59,969,903)	(59,969,903)
Balance as at 31 May 2018		<u>1,054,077,942</u>	<u>19,884,470</u>	<u>1,073,962,412</u>

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

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

	Note	2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant quoted securities		647,742,562	1,020,983,321
Purchase of Shariah-compliant quoted securities		(783,360,311)	(1,052,546,242)
Purchase of Shariah-compliant collective investment scheme		-	(6,188,517)
Dividend income received		24,516,373	28,666,550
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned		4,452,297	2,754,751
Management fee paid		(20,113,485)	(19,557,129)
Trustee's and custodian fees paid		(937,688)	(938,429)
Donation to charitable bodies		(24,424)	(122,117)
Payments for other fees and expenses		(186,528)	(1,670,874)
Net realised foreign exchange loss		(647,436)	(5,050,798)
Other income received		244,533	203,165
Tax paid		(204,357)	(934,242)
Net cash used in operating activities		<u>(128,518,464)</u>	<u>(34,400,561)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		252,888,636	377,800,246
Payments for cancellation of units		(176,172,359)	(299,712,087)
Distributions paid		(71,031)	(344,479)
Net cash generated from financing activities		<u>76,645,246</u>	<u>77,743,680</u>
Net (decrease)/increase in cash and cash equivalents		(51,873,218)	43,343,119
Effects of foreign exchange differences		955,057	(921,676)
Cash and cash equivalents at the beginning of the financial year		<u>164,299,511</u>	<u>121,878,068</u>
Cash and cash equivalents at the end of the financial year	11	<u><u>113,381,350</u></u>	<u><u>164,299,511</u></u>
<u>Cash and cash equivalents comprised of:</u>			
Shariah-compliant deposits with licensed Islamic financial institutions		80,741,242	143,580,279
Bank balances		<u>32,640,108</u>	<u>20,719,232</u>
Cash and cash equivalents at the end of the financial year	11	<u><u>113,381,350</u></u>	<u><u>164,299,511</u></u>

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

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

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

CIMB Islamic DALI Equity Fund (the "Fund") is governed by a Principal Master Deed dated 15 May 2008, a Fourth 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, 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 Universal Trustee (Malaysia) Berhad (the "Trustee").

The Fund is a Shariah-compliant equity growth fund and is a continuation of the CIMB Islamic DALI Equity Growth Fund. It may invest a minimum of 70% and up to a maximum of 98% of its NAV principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible investments, such as Sukuk with a minimum credit rating of "A3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or "BBB-" by S&P or equivalent rating by Moody's or Fitch. The Fund may opt to invest in Shariah-compliant foreign equities up to a maximum of 30% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in and/or have significant operations in countries in the Asia Pacific ex Japan. '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 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). The Fund may also opt to seek investment exposure via Shariah-compliant collective investment scheme that is in line with the Fund's objective, subject to the requirements of the SC Guidelines. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

Between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant equities, up to 28% of the Fund's NAV in other permissible investments and at least 2% of the Fund's NAV in Shariah-compliant liquid assets.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(a) Basis of preparation (continued)

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

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

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

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(m).

Standard that is effective:

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

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

Classification and measurement of debt assets² is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument¹ is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest² ("SPPI"). A debt instrument¹ is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments¹ must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative³ and equity instruments³ are measured at fair value through profit or loss unless, for equity instruments³ not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income ("OCI"). MFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

¹ For the purposes of the investments made by the Fund, equity instruments and derivatives refers to Shariah-compliant equity instruments Shariah-compliant collective investment schemes and Shariah-compliant derivatives.

² For the purposes of the investments made by the Fund, debt instruments refers to Sukuk.

³ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

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

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

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

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

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

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

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

(b) Financial assets and financial liabilities

Classification

Up to 31 May 2018, the Fund designates its investments in Shariah-compliant collective investment scheme and Shariah-compliant quoted securities as financial assets at fair value through profit or loss at inception.

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

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

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

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

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, donation to charitable bodies, and other payables and accruals as other financial liabilities.

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

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

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

The Fund has not taken the option to irrevocably designate any equity securities at fair value through other comprehensive income.

Investments in Shariah-compliant collective investment schemes are debt instrument with contractual cash flows that do not represent SPPI and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager and amount due from Manager of collective investment schemes and dividend 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, donation to charitable bodies, 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, within the scope of MFRS 139 up to 31 May 2018 and MFRS 9 from 1 June 2018, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

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

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

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 profit calculated on the effective profit method over the year from the date of placement to the date of maturity of the respective deposits.

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

Impairment for assets carried at amortised costs

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

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

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

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent financial year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

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

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

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.

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

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

Realised gain or loss on disposal of Shariah-compliant collective investment scheme and Shariah-compliant quoted securities is 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) Functional and presentation currencies

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

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

- i) The Fund's units are denominated in RM.
- ii) Significant portion of the Fund's expenses are denominated in RM.
- iii) Significant portion of the Fund's investments 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

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

(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 year.

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

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

(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 year 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

Amount due from and amount due 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. The amount due from stockbrokers balance is held for collection.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Amount due from/to stockbrokers (continued)**

These amounts are recognised initially at fair value and, up 31 May 2018, subsequently measured at amortised cost using the effective profit method, less provision for impairment for amounts due from stockbrokers. A provision for impairment of amounts due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbroker. Significant financial difficulties of the stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the profit rate used to discount the future cash flows for the purpose of measuring the impairment loss. From 1 June 2018, these amounts are subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amount due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to 12-month expected credit losses. 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, profit income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Manager 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.

(j) Other income

Management fee rebate is derived from the Manager of the Shariah-compliant 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 Shariah-compliant collective investment scheme held.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(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 year if unit holder exercises the right to put the unit back to the Fund.

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

(l) Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

(m) 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. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
2019			
Cash and cash equivalents (Shariah-compliant) (Note 11)	-	113,381,350	113,381,350
Shariah-compliant collective investment scheme (Note 10)	9,155,374	-	9,155,374
Shariah-compliant quoted securities (Note 10)	978,795,423	-	978,795,423
Amount due from Manager	-	6,098,244	6,098,244
Amount due from Manager of collective investment scheme	-	79,845	79,845
Dividends receivable	-	1,567,400	1,567,400
	<u>987,950,797</u>	<u>121,126,839</u>	<u>1,109,077,636</u>
	Financial assets at fair value through profit or loss RM	Financing and receivables RM	Total RM
2018			
Cash and cash equivalents (Shariah-compliant) (Note 11)	-	164,299,511	164,299,511
Shariah-compliant collective investment scheme (Note 10)	8,938,911	-	8,938,911
Shariah-compliant quoted securities (Note 10)	888,052,859	-	888,052,859
Amount due from stockbrokers	-	15,287,889	15,287,889
Amount due from Manager	-	8,745,223	8,745,223
Amount due from Manager of collective investment scheme	-	58,581	58,581
Dividends receivable	-	1,305,050	1,305,050
	<u>896,991,770</u>	<u>189,696,254</u>	<u>1,086,688,024</u>

All liabilities except tax payable are financial liabilities which are carried at amortised cost.

The investment objective of the Fund is to achieve a consistent capital growth over the medium to long-term.

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

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

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in 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.

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

	2019 RM	2018 RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment scheme	9,155,374	8,938,911
- Shariah-compliant quoted securities	<u>978,795,423</u>	<u>888,052,859</u>
	<u>987,950,797</u>	<u>896,991,770</u>

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

% Change in prices of Shariah-compliant collective investment scheme and Shariah-compliant quoted securities	Market value RM	Impact on profit or loss/ NAV RM
2019		
-5%	938,553,257	(49,397,540)
0%	987,950,797	-
+5%	<u>1,037,348,337</u>	<u>49,397,540</u>
2018		
-5%	852,142,181	(44,849,589)
0%	896,991,770	-
+5%	<u>941,841,359</u>	<u>44,849,589</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(ii) Interest rate risk**

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

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 investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly Shariah-compliant short term 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 profit rate.

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

(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.

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

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

(a) Market risk (continued)

(iii) Currency risk (continued)

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from Manager of collective investment scheme RM	Dividends receivable RM	Total RM
2019					
AUD	2,390	22,420,628	-	-	22,423,018
CNY	-	18,066,065	-	-	18,066,065
HKD	124,370	78,771,883	-	1,038,394	79,934,647
IDR	-	21,736,328	79,845	-	21,816,173
INR	84,366	22,665,319	-	-	22,749,685
KRW	-	48,868,759	-	-	48,868,759
PHP	6	-	-	-	6
SGD	95,930	37,636,607	-	189,428	37,921,965
THB	-	3,607,422	-	-	3,607,422
TWD	828,547	14,814,030	-	-	15,642,577
USD	31,215,375	25,061,901	-	-	56,277,276
	<u>32,350,984</u>	<u>293,648,942</u>	<u>79,845</u>	<u>1,227,822</u>	<u>327,307,593</u>

Financial assets	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from stockbrokers RM	Amount due from Manager of collective investment scheme RM	Dividends receivable RM	Total RM
2018						
AUD	2,523	17,892,801	-	-	-	17,895,324
CNY	-	10,406,926	-	-	-	10,406,926
HKD	68,879	90,552,221	548,423	-	656,895	91,826,418
IDR	91,141	14,041,165	-	58,581	-	14,190,887
INR	82,822	27,419,628	-	-	-	27,502,450
KRW	-	72,932,599	-	-	-	72,932,599
PHP	6	-	-	-	-	6
SGD	93,968	9,844,382	-	-	-	9,938,350
TWD	540,458	26,020,480	-	-	-	26,560,938
USD	19,784,914	47,792,891	-	-	5,429	67,583,234
	<u>20,664,711</u>	<u>316,903,093</u>	<u>548,423</u>	<u>58,581</u>	<u>662,324</u>	<u>338,837,132</u>

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

(a) Market risk (continued)

(iii) Currency risk (continued)

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

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2019	2018
	%	RM	RM
AUD	+/-5	+/- 1,121,151	+/- 894,766
CNY	+/-5	+/- 903,303	+/- 520,346
HKD	+/-5	+/- 3,996,732	+/- 4,591,321
IDR	+/-5	+/- 1,090,809	+/- 709,544
INR	+/-5	+/- 1,137,484	+/- 1,375,123
KRW	+/-5	+/- 2,443,438	+/- 3,646,630
SGD	+/-5	+/- 1,896,098	+/- 496,918
THB	+/-5	+/- 180,371	-
TWD	+/-5	+/- 782,129	+/- 1,328,047
USD	+/-5	+/- 2,813,864	+/- 3,379,162
		<u>16,365,379</u>	<u>16,941,857</u>

(b) Credit risk

Credit risk refers to the risk that 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 Manager of collective investment scheme, the Fund will invest with an investment management company of the collective investment scheme which is authorised or approved by the relevant regulatory authority in its home jurisdiction.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchanges. The credit risk is minimal as all transactions in Shariah-compliance investments are settled/paid upon delivery using approved stockbrokers.

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

(b) Credit risk (continued)

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

2019	Cash and cash equivalents RM	Amount due from Manager RM	Amount due from Manager of collective investment scheme RM	Dividends receivable RM	Total RM
Energy					
- AA3	-	-	-	120,626	120,626
- A1	-	-	-	301,260	301,260
Finance					
- Citibank (AAA)	32,640,108	-	-	-	32,640,108
- Hong Leong Islamic Bank Bhd (AAA)	33,676,998	-	-	-	33,676,998
- Public Islamic Bank Bhd (AAA)	36,060,206	-	-	-	36,060,206
- RHB Islamic Bank Bhd (AA2)	11,004,038	-	-	-	11,004,038
- Not Rated	-	-	-	294,506	294,506
REITs					
- Not Rated	-	-	-	61,193	61,193
Telecommunications					
- A1	-	-	-	253,807	253,807
- Not Rated	-	-	-	347,186	347,186
Utilities					
- A3	-	-	-	188,822	188,822
Others					
- Not Rated	-	6,098,244	79,845	-	6,178,089
	<u>113,381,350</u>	<u>6,098,244</u>	<u>79,845</u>	<u>1,567,400</u>	<u>121,126,839</u>

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

(b) Credit risk (continued)

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

2018	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Amount due from Manager of collective investment scheme RM	Dividends receivable RM	Total RM
Construction						
- AA3	-	-	-	-	47,823	47,823
Consumer Products						
- AA2	-	-	-	-	100,296	100,296
- Not Rated	-	-	-	-	198,938	198,938
Energy						
- A1	-	-	-	-	476,022	476,022
Finance						
- Citibank (AAA)	20,719,232	-	-	-	-	20,719,232
- Hong Leong Islamic Bank Bhd (AAA)	39,734,284	-	-	-	-	39,734,284
- Maybank Islamic Bhd (AAA)	11,712,296	-	-	-	-	11,712,296
- Public Islamic Bank Bhd (AAA)	35,367,997	-	-	-	-	35,367,997
- CIMB Islamic Bank Bhd (AAA)	13,775,304	-	-	-	-	13,775,304
- RHB Islamic Bank Bhd (AA2)	37,986,946	-	-	-	-	37,986,946
- Bank Muamalat Malaysia Bhd (A2)	5,003,452	-	-	-	-	5,003,452
- Not Rated	-	15,287,889	-	-	-	15,287,889
Industrials						
- Not Rated	-	-	-	-	98,960	98,960
Technology						
- A1	-	-	-	-	22,012	22,012
- A3	-	-	-	-	5,429	5,429
Trading/Services						
- Baa2	-	-	-	-	167,202	167,202
- Not Rated	-	-	-	-	188,368	188,368
Others						
- Not Rated	-	-	8,745,223	58,581	-	8,803,804
	<u>164,299,511</u>	<u>15,287,889</u>	<u>8,745,223</u>	<u>58,581</u>	<u>1,305,050</u>	<u>189,696,254</u>

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

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

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and 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.

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2019			
Amount due to Manager	5,384,381	-	5,384,381
Accrued management fee	1,707,521	-	1,707,521
Amount due to Trustee	55,746	-	55,746
Other payables and accruals #	-	25,440	25,440
Contractual undiscounted cash flows	7,147,648	25,440	7,173,088
2018			
Amount due to stockbrokers	5,477,382	-	5,477,382
Amount due to Manager	5,325,870	-	5,325,870
Accrued management fee	1,710,372	-	1,710,372
Amount due to Trustee	56,195	-	56,195
Donation to charitable bodies	-	24,424	24,424
Other payables and accruals #	108,971	19,116	128,087
Contractual undiscounted cash flows	12,678,790	43,540	12,722,330

Excludes Goods and Services Tax ("GST") reverse charge payable amounting to Nil (2018: RM1,522).

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

(d) Capital risk management

The capital of the Fund is represented by equity consisting of unit holders' capital of RM1,157,473,039 (2018: RM1,054,077,942) and accumulated losses of RM55,570,251 (2018: retained earnings of RM19,884,470). The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year 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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2019				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	9,155,374	-	-	9,155,374
- Shariah-compliant quoted securities	<u>978,795,423</u>	<u>-</u>	<u>-</u>	<u>978,795,423</u>
	<u>987,950,797</u>	<u>-</u>	<u>-</u>	<u>987,950,797</u>
2018				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment scheme	8,938,911	-	-	8,938,911
- Shariah-compliant quoted securities	<u>888,052,859</u>	<u>-</u>	<u>-</u>	<u>888,052,859</u>
	<u>896,991,770</u>	<u>-</u>	<u>-</u>	<u>896,991,770</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 Shariah-compliant equities and Shariah-compliant 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 financial liabilities are a reasonable approximation of their fair values due to their short term nature.

4. OTHER INCOME

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

For the financial year ended 31 May 2019, the rebate is recognised at a rate of 3.00% per annum (2018: 3.00% per annum) for PT. CIMB Principal Asset Management Islamic Equity Growth, calculated and accrued daily based on the NAV of the Shariah-compliant collective investment schemes.

5. MANAGEMENT FEE

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

For the financial year ended 31 May 2019, the management fee is recognised at a rate of 1.85% per annum (2018: 1.85% per annum).

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

6. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a fee of 0.06% per annum, calculated daily based on the NAV of the Fund.

The foreign custody charges (safekeeping fee and transaction fee, including out of pocket charges) are subject to a minimum of USD500 per month and are charged monthly in arrears. The safekeeping fee ranges from a minimum of 0.04% per annum to a maximum of 0.38% per annum of the market value of the respective foreign portfolio, depending on the country invested. The transaction fee is charged for every transaction and the amount is dependent on the country invested.

For the financial year ended 31 May 2019, the Trustee's fee is recognised at a rate of 0.06% per annum (2018: 0.06% per annum) while the foreign custodian fee is recognised at RM259,562 (2018: RM273,350) and local custodian fee is recognised at RM25,803 (2018: RM31,156).

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

7. DONATION TO CHARITABLE BODIES

This is a provision on donation derived from net realised gain on the disposal of non Shariah-compliant securities of Sunway Construction Group Bhd, which was excluded from the List of Shariah-Compliant Securities by the Shariah Advisory Council of the Securities Commission ("SACSC") as at 27 May 2016. Sunway Construction Group has been fully disposed on 5th July 2017. The excess capital gains amounting to RM146,541 arising from disposal of the said security has been partially channelled to charitable bodies as approved by Shariah Adviser during the financial year ended 31 May 2018. The balance of RM24,424 has been channelled to charitable bodies as approved by Shariah Adviser during the financial year ended 31 May 2019.

8. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	2019	2018
	RM	RM
Dividend income	25,516,032	10,229,385
Profit income	4,445,853	606,341
Net realised gain on disposal of Shariah-compliant investments	1,548,065	43,150,611
Other income	58,116	474
Prior financial years' realised income	-	7,393,516
	<u>31,568,066</u>	<u>61,380,327</u>
Less:		
Expenses	<u>(2,112,725)</u>	<u>(1,410,424)</u>
Net distribution amount	<u>29,455,341</u>	<u>59,969,903</u>
Distribution on 04 July 2018		
Gross/Net distribution per unit (sen)	<u>3.03</u>	<u>-</u>
Distribution on 23 November 2017		
Gross/Net distribution per unit (sen)	<u>-</u>	<u>7.20</u>

Gross distribution is derived using total income less total expenses. The net distribution is sourced from current and prior financial years' realised income.

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

There are unrealised losses of RM20,095,003 (2018: RM63,496,639) arising during the financial year.

9. TAXATION

	2019	2018
	RM	RM
Tax charged for the financial year:		
- Withholding tax	718,421	887,153
- Capital gains tax	204,357	934,242
	<u>922,778</u>	<u>1,821,395</u>

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

	2019	2018
	RM	RM
Loss before taxation	<u>(45,076,602)</u>	<u>(1,860,003)</u>
Taxation at Malaysian statutory rate of 24% (2018: 24%)	(10,818,384)	(446,401)
Tax effects of:		
Loss not deductible for tax purposes/(Income not subject to tax)	4,967,084	(5,986,751)
Expenses not deductible for tax purposes	1,018,522	1,397,336
Restriction on tax deductible expenses for Unit Trust Funds	4,832,778	5,035,816
Investment income subject to withholding tax	718,421	887,153
Capital gains tax	204,357	934,242
Taxation	<u>922,778</u>	<u>1,821,395</u>

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019	2018
	RM	RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment scheme	9,155,374	8,938,911
- Shariah-compliant quoted securities	978,795,423	888,052,859
	<u>987,950,797</u>	<u>896,991,770</u>
Net loss on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(29,889,693)	60,730,305
- Unrealised fair value loss	(21,052,284)	(62,609,215)
	<u>(50,941,977)</u>	<u>(1,878,910)</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
INDONESIA				
PT. CIMB Principal Asset Management Islamic Equity Growth	<u>22,020,795</u>	<u>9,727,611</u>	<u>9,155,374</u>	<u>0.83</u>
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME	<u>22,020,795</u>	<u>9,727,611</u>	<u>9,155,374</u>	<u>0.83</u>
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME		<u>(572,237)</u>		
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>9,155,374</u>		
SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Basic Materials				
BHP Group Ltd	<u>61,353</u>	<u>5,919,609</u>	<u>6,714,924</u>	<u>0.61</u>
Industrials				
Cimic Group Ltd	44,567	6,827,139	5,833,654	0.53
Cleanaway Waste Management Ltd	<u>1,527,317</u>	<u>8,498,635</u>	<u>9,872,050</u>	<u>0.90</u>
	<u>1,571,884</u>	<u>15,325,774</u>	<u>15,705,704</u>	<u>1.43</u>
TOTAL AUSTRALIA	<u>1,633,237</u>	<u>21,245,383</u>	<u>22,420,628</u>	<u>2.04</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
CAYMAN ISLANDS				
Consumer Products				
Alibaba Group Holding Ltd	40,083	26,537,965	25,061,901	2.27
TOTAL CAYMAN ISLANDS	40,083	26,537,965	25,061,901	2.27
CHINA				
Consumer Products				
Midea Group Co Ltd	113,900	3,299,549	3,427,741	0.31
Energy				
China Petroleum & Chemical Corporation	1,910,000	5,562,102	5,327,078	0.48
Finance				
China Vanke Co Ltd - H ²	628,000	9,951,086	9,311,246	0.85
TOTAL CHINA	2,651,900	18,812,737	18,066,065	1.64
HONG KONG				
Consumer Products				
Shenzhou International Group	63,000	3,182,416	3,111,950	0.28
Energy				
CNOOC Ltd	918,000	5,731,067	6,268,429	0.57
Finance				
China Resources Land Ltd	398,000	4,625,883	6,783,580	0.61
Henderson Land Development Co Ltd	466,400	10,779,069	10,092,500	0.92
	864,400	15,404,952	16,876,080	1.53
REITs				
Link REIT	351,000	13,725,818	17,591,186	1.60

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
HONG KONG (CONTINUED)				
Technology				
Tencent Holdings Ltd	44,200	9,064,394	7,698,836	0.70
Telecommunications				
China Mobile Ltd	341,500	14,386,614	12,489,623	1.13
Utilities				
China Resources Gas Group Ltd	570,000	11,191,927	11,435,890	1.04
CK Infrastructure Holdings Ltd	102,000	3,176,552	3,299,890	0.30
	672,000	14,368,479	14,735,780	1.34
TOTAL HONG KONG	3,254,100	75,863,740	78,771,884	7.15
INDIA				
Consumer Products				
Dabur India Ltd	267,212	6,317,679	6,358,736	0.58
Energy				
Reliance Industries Ltd	160,855	12,175,699	12,859,073	1.17
Technology				
Tata Consultancy Services Ltd	26,115	3,226,266	3,447,510	0.31
TOTAL INDIA	454,182	21,719,644	22,665,319	2.06
INDONESIA				
Consumer Products				
Indofood Sukses Makmur Tbk PT	1,727,100	5,313,839	4,967,658	0.45

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
INDONESIA (CONTINUED)				
Telecommunications				
Telekomunikasi Tbk PT	6,651,200	7,280,660	7,613,296	0.69
TOTAL INDONESIA	8,378,300	12,594,499	12,580,954	1.14
MALAYSIA				
Basic Materials				
ATA IMS Bhd	3,041,800	4,781,436	5,079,806	0.46
Petronas Chemicals Group Bhd	5,577,300	43,520,813	46,403,136	4.21
	8,619,100	48,302,249	51,482,942	4.67
Consumer Products				
FGV Holdings Bhd	8,836,900	10,891,885	10,074,066	0.91
Genting Plantations Bhd	858,600	9,211,777	8,895,096	0.81
IOI Corporation Bhd	5,451,000	24,680,706	23,493,810	2.13
Kuala Lumpur Kepong Bhd	812,400	19,685,973	20,147,520	1.83
UMW Holdings Bhd	1,071,600	4,943,051	5,454,444	0.50
MBM Resources Bhd	952,700	2,369,967	2,781,884	0.25
	17,983,200	71,783,359	70,846,820	6.43
Energy				
Dialog Group Bhd	7,991,824	17,728,016	26,532,856	2.41
Hibiscus Petroleum Bhd	5,344,600	5,680,896	5,558,384	0.50
Petronas Dagangan Bhd	825,800	21,972,194	21,272,608	1.93
Sapura Energy Bhd	24,125,200	8,223,194	7,116,934	0.65
	38,287,424	53,604,300	60,480,782	5.49
Finance				
BIMB Holdings Bhd	3,967,820	16,744,942	18,291,650	1.66
Sunway Bhd	2,990,812	4,847,775	5,054,472	0.46
Sunway Bhd - Warrant	1,333,320	-	493,329	0.04
	8,291,952	21,592,717	23,839,451	2.16

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Health Care				
Hartalega Holdings Bhd	2,579,900	13,566,585	13,415,480	1.22
IHH Healthcare Bhd	5,340,800	29,085,964	29,374,400	2.66
	<u>7,920,700</u>	<u>42,652,549</u>	<u>42,789,880</u>	<u>3.88</u>
Industrials				
Cypark Resources Bhd	2,757,200	4,852,180	4,301,232	0.39
Frontken Corporation Bhd	10,080,400	6,305,633	12,701,304	1.15
IJM Corporation Bhd	3,105,200	6,091,796	6,893,544	0.63
Lingkar Trans Kota Holdings Bhd	1,155,000	6,486,343	4,874,100	0.44
Malaysian Resources Corporation Bhd	15,989,600	14,376,139	14,870,328	1.35
MI Technovation Bhd	1,433,500	3,200,521	2,393,945	0.22
MISC Bhd	3,308,800	23,675,770	22,996,160	2.09
Muhibbah Engineering (M) Bhd	3,708,400	10,600,257	10,198,100	0.92
Pentamaster Corporation Bhd	4,178,700	12,930,953	17,341,605	1.57
Pos Malaysia Bhd	978,900	3,251,664	1,311,726	0.12
Serba Dinamik Holdings Bhd	2,148,300	7,886,070	8,808,030	0.80
Sime Darby Bhd	11,194,500	27,124,724	25,971,240	2.36
Sime Darby Plantation Bhd	4,898,500	26,499,009	22,827,010	2.07
Sime Darby Property Bhd	1,931,000	1,903,966	2,046,860	0.19
V.S. Industry	5,363,775	9,967,938	5,310,137	0.48
Westports Holdings Bhd	3,471,200	12,175,963	13,468,256	1.22
Yinson Holdings Bhd	3,745,600	13,284,454	18,465,808	1.68
	<u>79,448,575</u>	<u>190,613,380</u>	<u>194,779,385</u>	<u>17.68</u>
REITs				
KLCCP Stapled Group	<u>748,800</u>	<u>5,746,306</u>	<u>5,773,248</u>	<u>0.52</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Technology				
Globetronics Technology Bhd	7,205,500	19,356,228	11,384,690	1.03
Inari Amertron Bhd	4,406,200	8,169,022	6,785,548	0.62
JHM Consolidation Bhd	7,923,600	9,089,132	8,953,668	0.81
Malaysian Pacific Industries Bhd	753,100	8,632,125	6,732,714	0.61
	<u>20,288,400</u>	<u>45,246,507</u>	<u>33,856,620</u>	<u>3.07</u>
Telecommunications				
Axiata Group Bhd	8,977,229	44,783,564	42,103,204	3.82
Digi.com Bhd	3,668,800	16,460,465	18,233,936	1.65
Telekom Malaysia Bhd	3,986,200	12,083,331	14,390,182	1.31
Time Dotcom Bhd	1,483,830	12,015,309	13,176,410	1.20
	<u>18,116,059</u>	<u>85,342,669</u>	<u>87,903,732</u>	<u>7.98</u>
Utilities				
Malakoff Corporation Bhd	6,478,700	5,575,183	5,377,321	0.49
Petronas Gas Bhd	1,498,500	27,910,004	26,463,510	2.40
Tenaga Nasional Bhd	7,142,375	99,507,280	90,708,163	8.23
	<u>15,119,575</u>	<u>132,992,467</u>	<u>122,548,994</u>	<u>11.12</u>
TOTAL MALAYSIA	<u>214,823,785</u>	<u>697,876,503</u>	<u>694,301,854</u>	<u>63.00</u>
SINGAPORE				
Consumer Products				
ComfortDelGro Corporation Ltd	725,000	5,525,905	5,424,515	0.49
Energy				
Keppel Corporation Ltd	265,200	5,805,021	4,863,833	0.44
REITs				
CapitaLand Commercial Trust	1,469,500	7,679,561	8,626,105	0.78
CapitaLand Mall Trust	1,675,100	11,038,909	12,278,508	1.12
	<u>3,144,600</u>	<u>18,718,470</u>	<u>20,904,613</u>	<u>1.90</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SINGAPORE (CONTINUED)				
Telecommunications				
NetLink NBN Trust	<u>2,552,500</u>	<u>6,488,606</u>	<u>6,443,646</u>	<u>0.58</u>
TOTAL SINGAPORE	<u>6,687,300</u>	<u>36,538,002</u>	<u>37,636,607</u>	<u>3.41</u>
SOUTH KOREA				
Basic Materials				
Posco	<u>3,385</u>	<u>4,305,844</u>	<u>2,827,287</u>	<u>0.26</u>
Consumer Products				
LG HouseHold & Health Care Ltd	841	3,080,461	3,779,850	0.34
Samsung Electronics Co. Ltd	160,060	28,083,346	23,923,208	2.17
Samsung Electronics Co. Ltd - Preference Share	<u>89,500</u>	<u>12,908,557</u>	<u>10,953,425</u>	<u>1.00</u>
	<u>250,401</u>	<u>44,072,364</u>	<u>38,656,483</u>	<u>3.51</u>
Technology				
SK Hynix Inc	<u>32,158</u>	<u>8,285,187</u>	<u>7,384,989</u>	<u>0.67</u>
TOTAL SOUTH KOREA	<u>285,944</u>	<u>56,663,395</u>	<u>48,868,759</u>	<u>4.44</u>
TAIWAN				
Basic Materials				
Formosa Plastics Corporation	<u>391,000</u>	<u>5,491,261</u>	<u>5,724,729</u>	<u>0.52</u>
Industrials				
AirTac International Group	<u>58,000</u>	<u>3,381,081</u>	<u>2,505,310</u>	<u>0.23</u>
Technology				
Taiwan Semiconductor Manufacturing Co Ltd	<u>211,000</u>	<u>6,638,395</u>	<u>6,583,991</u>	<u>0.60</u>
TOTAL TAIWAN	<u>660,000</u>	<u>15,510,737</u>	<u>14,814,030</u>	<u>1.35</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
THAILAND				
Health Care				
Bangkok Dusit Medical Services	<u>1,066,400</u>	<u>3,230,790</u>	<u>3,607,422</u>	<u>0.33</u>
TOTAL THAILAND	<u>1,066,400</u>	<u>3,230,790</u>	<u>3,607,422</u>	<u>0.33</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>239,935,231</u>	<u>986,593,395</u>	<u>978,795,423</u>	<u>88.83</u>
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT QUOTED SECURITIES		<u>(7,797,972)</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>978,795,423</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME				
INDONESIA				
PT. CIMB Principal Asset Management Islamic Equity Growth	<u>22,020,795</u>	<u>9,727,611</u>	<u>8,938,911</u>	<u>0.83</u>
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME	<u>22,020,795</u>	<u>9,727,611</u>	<u>8,938,911</u>	<u>0.83</u>
ACCUMULATED UNREALISED LOSS ON SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME		<u>(788,700)</u>		
TOTAL SHARIAH- COMPLIANT COLLECTIVE INVESTMENT SCHEME AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>8,938,911</u>		
SHARIAH-COMPLIANT QUOTED SECURITIES				
AUSTRALIA				
Basic Materials				
BHP Billiton Ltd	<u>180,820</u>	<u>17,446,313</u>	<u>17,892,801</u>	<u>1.67</u>
TOTAL AUSTRALIA	<u>180,820</u>	<u>17,446,313</u>	<u>17,892,801</u>	<u>1.67</u>
CAYMAN ISLANDS				
Consumer Products				
Alibaba Group Holding Ltd	<u>44,108</u>	<u>29,536,689</u>	<u>34,756,256</u>	<u>3.24</u>
TOTAL CAYMAN ISLANDS	<u>44,108</u>	<u>29,536,689</u>	<u>34,756,256</u>	<u>3.24</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
CHINA				
Basic Materials				
Anhui Conch Cement Co Ltd	462,000	7,146,918	11,277,767	1.05
Consumer Products				
Midea Group Co Ltd - A ¹	316,840	11,214,484	10,406,926	0.97
Energy				
China Petroleum & Chemical Corporation	1,910,000	5,562,102	7,434,723	0.69
REITs				
China Vanke Co Ltd - H ²	628,000	9,951,086	8,939,816	0.83
TOTAL CHINA	3,316,840	33,874,590	38,059,232	3.54
HONG KONG				
Consumer Products				
Brilliance China Automotive Holdings Ltd	796,000	8,128,946	5,922,200	0.55
China Mengniu Dairy Co Ltd	849,000	9,907,314	12,279,724	1.14
MTR Corp Ltd	254,000	4,935,844	5,691,155	0.53
Techtronic Industries Co Ltd	268,000	4,668,922	6,399,271	0.60
Tingyi (Cayman Islands) Holding Corporation	1,384,000	10,975,987	12,333,793	1.15
	3,551,000	38,617,013	42,626,143	3.97
Energy				
CNOOC Ltd	658,000	3,314,869	4,407,942	0.41
REITs				
China Resources Land Ltd	398,000	4,625,883	5,817,168	0.54
Technology				
Tencent Holdings Ltd	49,600	11,055,640	10,048,662	0.94
TOTAL HONG KONG	4,656,600	57,613,405	62,899,915	5.86

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
INDIA				
Consumer Products				
Maruti Suzuki India Ltd	18,391	9,353,603	9,263,451	0.86
Energy				
Reliance Industries Ltd	334,001	17,826,565	18,156,177	1.69
TOTAL INDIA	352,392	27,180,168	27,419,628	2.55
INDONESIA				
Energy				
Adaro Energy Tbk PT	9,454,300	5,631,246	5,102,254	0.48
TOTAL INDONESIA	9,454,300	5,631,246	5,102,254	0.48
MALAYSIA				
Construction				
Gabungan AQRS Bhd	1,594,100	1,516,149	1,020,224	0.09
IJM Corporation Bhd	2,064,040	6,589,057	3,488,228	0.32
Muhibbah Engineering (M) Bhd	3,562,700	10,166,815	10,509,965	0.98
Sunway Construction Group Bhd	3,100,300	7,343,559	5,394,522	0.50
	10,321,140	25,615,580	20,412,939	1.89
Consumer Products				
Fraser & Neave Holdings Bhd	293,200	8,749,406	11,088,824	1.03
Nestle Malaysia Bhd	57,300	4,665,840	8,480,400	0.79
UMW Holdings Bhd	1,162,900	6,897,633	7,442,560	0.69
	1,513,400	20,312,879	27,011,784	2.51
Finance				
BIMB Holdings Bhd	4,129,820	17,637,897	16,230,193	1.51

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Industrials				
Denko Industrial Corporation Bhd	3,522,000	5,492,472	5,283,000	0.49
Hartalega Holdings Bhd	2,039,700	11,554,528	12,442,170	1.16
Petronas Chemicals Group Bhd	6,268,800	45,702,707	50,463,840	4.70
Petronas Gas Bhd	618,500	12,216,655	10,873,230	1.01
Top Glove Corporation Bhd	1,577,400	12,178,493	16,184,124	1.51
V.S. Industry Bhd	5,646,975	11,496,055	10,333,964	0.96
	<u>19,673,375</u>	<u>98,640,910</u>	<u>105,580,328</u>	<u>9.83</u>
IPC				
Lingkaran Trans Kota Holdings Bhd	1,155,000	6,486,343	4,943,400	0.46
TIME dotCom Bhd	1,612,530	13,057,456	12,093,975	1.13
	<u>2,767,530</u>	<u>19,543,799</u>	<u>17,037,375</u>	<u>1.59</u>
Plantation				
Genting Plantations Bhd	549,700	5,938,537	5,222,150	0.49
IOI Corporation Bhd	5,451,000	24,680,706	25,238,130	2.35
Kuala Lumpur Kepong Bhd	519,300	12,381,931	12,930,570	1.20
Sime Darby Plantation Bhd	3,401,500	19,014,385	18,844,310	1.75
	<u>9,921,500</u>	<u>62,015,559</u>	<u>62,235,160</u>	<u>5.79</u>
Properties				
SP Setia Bhd - Preference Share	276,000	276,000	273,240	0.03
SP Setia Bhd - Rights	123,080	108,310	110,157	0.01
	<u>399,080</u>	<u>384,310</u>	<u>383,397</u>	<u>0.04</u>
Technology				
Frontken Corporation Bhd	8,872,000	4,016,390	3,593,160	0.33
Inari Amertron Bhd	4,836,000	7,974,011	11,074,440	1.03
JHM Consolidation Bhd	4,942,900	5,216,302	4,769,899	0.44
Pentamaster Corporation Bhd	1,432,100	3,815,803	3,336,793	0.31
	<u>20,083,000</u>	<u>21,022,506</u>	<u>22,774,292</u>	<u>2.11</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
MALAYSIA (CONTINUED)				
Trading/Services				
Axiata Group Bhd	8,904,175	45,159,418	38,822,203	3.61
Bermaz Auto Bhd	5,308,700	11,720,263	11,679,140	1.09
Cypark Resources Bhd	1,789,000	4,747,525	4,293,600	0.40
Dialog Group Bhd	6,254,824	12,153,461	20,328,178	1.89
IHH Healthcare Bhd	4,388,500	26,901,464	26,331,000	2.45
MBM Resources Bhd	862,100	2,108,393	2,181,113	0.20
MISC Bhd	2,237,900	17,237,028	13,136,473	1.22
Petronas Dagangan Bhd	524,800	14,070,271	13,140,992	1.22
Pos Malaysia Bhd	1,846,700	7,083,174	6,592,719	0.61
Sime Darby Bhd	10,251,100	25,446,263	25,012,684	2.33
Sunway Bhd	10,929,566	19,984,482	15,957,166	1.49
Sunway Bhd - Warrant	1,333,320	-	486,662	0.05
Telekom Malaysia Bhd	5,563,537	34,832,077	20,418,181	1.90
Tenaga Nasional Bhd	5,075,775	70,926,677	73,091,160	6.81
Westports Holdings Bhd	4,746,100	16,586,127	16,374,045	1.52
Yinson Holdings Bhd	4,708,900	16,700,974	20,577,893	1.92
	<u>74,724,997</u>	<u>325,657,597</u>	<u>308,423,209</u>	<u>28.71</u>
TOTAL MALAYSIA	<u>143,533,842</u>	<u>590,831,037</u>	<u>580,088,677</u>	<u>53.98</u>
SINGAPORE				
Technology				
Venture Corp Ltd	<u>156,800</u>	<u>5,568,307</u>	<u>9,844,382</u>	<u>0.92</u>
TOTAL SINGAPORE	<u>156,800</u>	<u>5,568,307</u>	<u>9,844,382</u>	<u>0.92</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
SOUTH KOREA				
Basic Materials				
Posco	5,699	7,249,337	7,143,707	0.67
Consumer Products				
LG Household & Health Care Ltd	841	3,080,461	4,170,203	0.39
Technology				
LG Electronics Inc	15,294	5,578,444	5,228,984	0.49
Samsung Electronics Co Ltd	170,500	29,915,098	31,916,669	2.97
Samsung Electronics Co Ltd - Preference Share	89,500	12,908,557	13,383,302	1.25
SK Hynix Inc	32,158	8,285,187	11,089,734	1.03
	307,452	56,687,286	61,618,689	5.74
TOTAL SOUTH KOREA	313,992	67,017,084	72,932,599	6.80
TAIWAN				
Industrials				
AirTac International Group	167,000	11,119,120	11,412,864	1.06
Technology				
Largan Precision Co Ltd	8,000	5,874,843	4,352,560	0.41
Taiwan Semiconductor Manufacturing Co Ltd	345,000	10,937,963	10,255,056	0.95
	353,000	16,812,806	14,607,616	1.36
TOTAL TAIWAN	520,000	27,931,926	26,020,480	2.42
UNITED STATES				
Technology				
Nvidia Corp	12,990	11,951,319	13,036,635	1.21
TOTAL UNITED STATES	12,990	11,951,319	13,036,635	1.21

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>162,542,684</u>	874,582,084	<u>888,052,859</u>	<u>82.67</u>
ACCUMULATED UNREALISED GAIN ON SHARIAH-COMPLIANT QUOTED SECURITIES		<u>13,470,775</u>		
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>888,052,859</u>		

¹ 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 select foreign institutions through the Qualified Foreign Institutional Investor ("QFII") system.

² 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.

11. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	2019	2018
	RM	RM
Shariah-compliant deposits with licensed Islamic financial institutions	80,741,242	143,580,279
Bank balances	32,640,108	20,719,232
	<u>113,381,350</u>	<u>164,299,511</u>

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

	2019	2018
	%	%
Shariah-compliant deposits with licensed Islamic financial institutions	3.03	3.32

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average maturity of 10 days (2018: 9 days).

12. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2019	2018
	No. of units	No. of units
At the beginning of the financial year	960,391,656	843,704,328
Add: Creation of units from applications	235,103,006	316,047,158
Add: Creation of units from distribution	27,497,950	49,950,091
Less: Cancellation of units	(166,548,718)	(249,309,921)
At the end of the financial year	<u>1,056,443,894</u>	<u>960,391,656</u>

13. MANAGEMENT EXPENSE RATIO ("MER")

	2019	2018
	%	%
MER	1.92	2.06

MER is derived from the following calculation:

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

- A = Management fee (including management fee rebates)
- B = Trustee's and custodian fees
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses excluding GST on transaction costs
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM1,087,162,605 (2018: RM1,065,479,014).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	2019	2018
PTR (times)	<u>0.65</u>	<u>0.96</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year = RM775,925,285 (2018: RM1,034,567,239)
 total disposal for the financial year = RM634,024,282 (2018: RM1,006,630,679)

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

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) 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
CIMB Islamic Bank Bhd	Fellow related party to the Manager

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

Units held by the Manager and parties related to the Manager

Manager	2019		2018	
	No. of units	RM	No. of units	RM
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	319,880	333,635	446,727	499,530

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.

	2019 RM	2018 RM
<u>Significant related party transaction</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	806,090	530,927
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	727,901,000	630,860,000
<u>Significant related party balance</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	-	13,775,304

16. TRANSACTIONS WITH BROKERS

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Kaf Seagroatt & Campbell Securities Sdn Bhd	141,295,966	10.09	301,613	12.38
Macquarie (Malaysia) Sdn Bhd	131,540,017	9.39	276,670	11.36
CLSA Securities (M) Sdn Bhd	130,413,358	9.31	145,443	5.97
JP Morgan Securities Singapore Pte Ltd	101,673,226	7.26	30,502	1.25
JP Morgan Securities (Malaysia) Sdn Bhd	99,661,175	7.12	137,647	5.65
RHB Investment Bank Bhd	82,971,335	5.92	171,504	7.04
CIMB Investment Bank Bhd #	67,921,358	4.85	112,366	4.61
Citigroup Global Markets Ltd	64,475,521	4.60	90,890	3.73
Affin Hwang Investment Bank Bhd	57,911,432	4.13	122,035	5.01
Macquarie Bank Ltd	54,901,889	3.92	68,580	2.82
Others #	467,926,120	33.41	978,675	40.18
	<u>1,400,691,397</u>	<u>100.00</u>	<u>2,435,925</u>	<u>100.00</u>

16. TRANSACTIONS WITH BROKERS (CONTINUED)

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

Brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Maybank Investment Bank Bhd	213,146,551	10.87	444,145	13.18
Macquarie (Malaysia) Sdn Bhd	186,419,802	9.51	391,993	11.63
JP Morgan Securities Singapore Pte Ltd	154,777,307	7.89	74,976	2.23
Citigroup Global Markets Ltd	154,768,065	7.89	133,410	3.96
CIMB Investment Bank Bhd #	145,666,483	7.43	279,264	8.29
RHB Investment Bank Bhd	132,603,731	6.76	281,255	8.35
Credit Suisse Securities (Malaysia) Sdn Bhd	128,517,172	6.55	272,479	8.09
Kaf Seagroatt & Campbell Securities Sdn Bhd	99,590,543	5.08	211,805	6.29
PT J.P. Morgan Sekuritas Indonesia	99,569,359	5.08	32,713	0.97
JP Morgan Securities (Malaysia) Sdn Bhd	94,040,292	4.80	202,466	6.01
Others	551,856,922	28.14	1,044,797	31.00
	<u>1,960,956,227</u>	<u>100.00</u>	<u>3,369,303</u>	<u>100.00</u>

Included in the transactions are trades conducted with CIMB Investment Bank Bhd and CIMB Securities (S) Pte Ltd, related parties to the Manager amounting to RM67,921,358 (2018: RM145,666,483) and RM5,187,550 (2018: Nil) 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.

17. SEGMENT INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The investment objective of the Fund is to achieve a consistent capital growth over the medium to long-term. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of profit income and dividend income earned from Shariah-compliant investments and gains on the appreciation in the value of Shariah-compliant investments, which are derived from Ringgit-denominated Shariah-compliant deposits with licensed Islamic financial institutions in Malaysia, Shariah-compliant quoted securities listed on the Bursa Securities, Malaysia, Shariah-compliant collective investment scheme and Shariah-compliant quoted securities of companies domiciled in, listed in and/or have significant operations in countries in the Asia Pacific ex Japan.

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

18. MFRS 9 FINANCIAL INSTRUMENTS

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

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

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139)	Reclassifi- -cations	Remeasu- -rements	New (MFRS 9)
			RM	RM	RM	RM
Assets						
Cash and cash equivalents	Financing and receivables	Amortised cost	164,299,511	-	-	164,299,511
Shariah-compliant collective investment schemes	FVTPL	FVTPL	8,938,911	-	-	8,938,911
Shariah-compliant quoted securities	FVTPL	FVTPL	888,052,859	-	-	888,052,859
Amount due from stockbrokers	Financing and receivables	Amortised cost	15,287,889	-	-	15,287,889
Amount due from Manager	Financing and receivables	Amortised cost	8,745,223	-	-	8,745,223
Amount due from Manager of collective investment schemes	Financing and receivables	Amortised cost	58,581	-	-	58,581
Dividends receivable	Financing and receivables	Amortised cost	1,305,050	-	-	1,305,050

18. MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

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

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139)	Reclassifi- -cations	Remeasu- -rements	New (MFRS 9)
			RM	RM	RM	RM
<i>Liabilities</i>						
Amount due to stockbrokers	Amortised cost	Amortised cost	5,477,382	-	-	5,477,382
Amount due to Manager	Amortised cost	Amortised cost	5,325,870	-	-	5,325,870
Accrued management fee	Amortised cost	Amortised cost	1,710,372	-	-	1,710,372
Amount due to Trustee	Amortised cost	Amortised cost	56,195	-	-	56,195
Donation to charitable bodies	Amortised cost	Amortised cost	24,424	-	-	24,424
Other payables and accruals	Amortised cost	Amortised cost	129,609	-	-	129,609

19. APPROVAL OF FINANCIAL STATEMENTS

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

DIRECTORY

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