

CIMB Islamic Dali Equity Theme Fund

Unaudited Interim Report

For The Six Months Financial Period Ended 31 May 2019

CIMB ISLAMIC DALI EQUITY THEME FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD 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 Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for six funds.

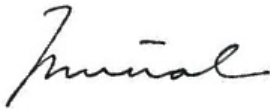
We were also bestowed the 'Best Wealth Manager' in Malaysia at The Asset Triple A Private Banking, Wealth Management, Investment and Exchange-Traded Fund ("ETF") Awards 2018. Latest, we were named the 'Best Asset Management Company' in Malaysia at the International Finance Awards 2018.

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.

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 provide investors with medium to long-term capital appreciation through investments in securities of Malaysian companies that will benefit from prevailing investment themes and that conform with Shariah principles.

Has the Fund achieved its objective?

For the financial period under review, the Fund has achieved its stated objective.

What are the Fund investment policy and principal investment strategy?

The strategy of the Fund is to invest in sectors that are related to the prevailing domestic and/or global investment themes.

At least 70% of the Fund's Net Asset Value ("NAV") will be invested in equities listed on Bursa Malaysia that conform with Shariah principles and up to 28% of the Fund's NAV may be invested in other permissible investments. At least 2% of the Fund's NAV will be invested in Shariah-compliant liquid assets for liquidity purposes.

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)

High

When was the Fund launched?

Class MYR

28 February 2008

Class SGD

18 February 2016

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

RM702.84 million (2,464.16 million units)

What is the Fund's benchmark?

Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index

Note: Investors should note that the risk profile of the Fund is not same as the risk profile of the benchmark.

What is the Fund distribution policy?

Given the Fund's investment objective, the Fund is not expected to pay any distribution. All income earned by the Unit holders is proportionately reinvested within the Fund. Distributions, if any, will be incidental and vary from period to period depending on market conditions and performance of the Fund.

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

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

PERFORMANCE DATA

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

	31.05.2019	31.05.2018	31.05.2017
	%	%	%
Shariah-compliant quoted securities			
- Construction	4.92	-	12.10
- Consumer Products	-	10.94	0.08
- Consumer Products & Services	11.66	-	-
- Energy	7.53	-	-
- Finance	-	6.92	2.68
- Financial Services	2.33	-	-
- Health care	6.41	-	-
- Industrials	-	51.21	9.79
- Industrial Products & Services	15.17	-	-
- Infrastructure Project Companies ("IPC")	-	-	5.51
- Plantation	9.31	-	7.64
- Properties	3.44	-	4.25
- Real Estate Investment Trusts ("REITs")	2.35	0.22	0.53
- Technology	3.34	1.76	1.52
- Telecommunication	-	7.20	-
- Telecommunications/Media	9.25	-	-
- Trading/Services	-	6.18	50.48
- Transportation & Logistics	4.29	-	-
- Utilities	14.85	-	-
Cash and other net assets	5.15	15.57	5.42
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.05.2019	31.05.2018	31.05.2017
NAV (RM Million)			
- Class MYR	702.74	848.76	1,309.50
- Class SGD	0.10	0.045	0.016
Units in circulation (Million)			
- Class MYR	2,464.12	2,808.97	3,876.92
- Class SGD	0.04	0.02	0.005
NAV per unit (RM)			
- Class MYR	0.2851	0.3021	0.3377
- Class SGD	2.5258	2.6059	2.9125
	01.12.2018 to 31.05.2019	01.12.2017 to 31.05.2018	01.12.2016 to 31.05.2017
Highest NAV per unit (RM)			
- Class MYR	0.2905	0.3478	0.3443
- Class SGD	2.5729	2.9997	2.9695
Lowest NAV per unit (RM)			
- Class MYR	0.2619	0.3005	0.3183
- Class SGD	2.3201	2.5923	2.7447
Total return (%)			
- Class MYR	4.54	(7.30)	5.89
- Class SGD	4.82	(7.51)	6.48
Capital growth (%)			
- Class MYR	4.54	(7.30)	5.89
- Class SGD	4.82	(7.51)	6.48
Income distribution (%)			
- Class MYR	-	-	-
- Class SGD	-	-	-

PERFORMANCE DATA (CONTINUED)

	01.12.2018 to 31.05.2019	01.12.2017 to 31.05.2018	01.12.2016 to 31.05.2017
Management Expense Ratio ("MER") (%) ^	0.78	0.85	0.72
Portfolio Turnover Ratio ("PTR") (times) #	0.19	0.43	0.44

^ The Fund's MER decreased from 0.85% to 0.78% due to decrease in expenses during the financial period under review

For the financial period under review, the Fund's PTR decreased from 0.43 times to 0.19 times, as there were lesser investment activities during the period.

	31.05.2019	31.05.2018	31.05.2017	31.05.2016	31.05.2015
	%	%	%	%	%
Annual total return					
- Class MYR	0.81	(7.71)	6.61	(5.77)	0.48

(Launch date: 28 February 2008)

	31.05.2019	31.05.2018	31.05.2017	31.05.2016	Since inception to 31.05.2016
	%	%	%	%	%
Annual total return					
- Class SGD	0.87	(7.77)	4.81	(3.91)	

(Launch date: 18 February 2016)

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

MARKET REVIEW (1 DECEMBER 2018 TO 31 MAY 2019)

The FBMS Index declined slightly by 86.31 points or 0.73% to 11,795.77 points during the financial period under review.

In December 2018, the FBMS Index ended the year lower by 1.11% month-on-month ("m-o-m") and closed 13.52% lower for whole of 2018 versus 2017. During the month, the Ringgit Malaysia ("RM") strengthened to RM4.133 against the US Dollar ("USD") from RM4.184 in the previous month. Brent crude oil slumped to USD53.80 per barrel, down by 8.36% m-o-m. December 2018 saw foreign institutional investors sold RM1.0 billion versus RM0.7 billion in the previous month. Total outflow for 2018 amounted to RM11.6 billion versus net inflow of RM10.8 billion in 2017.

The FBMS Index started off January 2019 marginally higher by 0.40% to close at 11,552 points driven by plantations stocks. RM strengthened to RM4.09 against USD from RM4.13 in the previous month. Brent crude oil rose to USD61.89 per barrel, up by 15.03% m-o-m. On the external front, investors will continue to follow closely the latest developments on the ongoing US-China trade tensions, ongoing development of "Brexit" and negotiations on the US Federal (the "Fed") Government budget as the temporary bill to fund US Government spending will expire on 15 February 2019. Policy uncertainty continues to be the order of the day as the East-Coast Railway Link ("ECRL") on-again, off-again saga plays out. As of now, there is still no conclusive decision on the said mega project and a gag order has been issued to avoid any further confusion and escalation of rift with the Chinese Government. But the damage seems to have been done already. Conversation with business leaders revealed that the Government relationship with China is at all-time low.

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

Business and consumer sentiment continued slipping for the second consecutive quarter in the fourth quarter of 2018 ("4Q18"). According to a survey done by Malaysian Institute of Economic Research ("MIER"), the 4Q18 Consumer Sentiments Index ("CSI") dipped below the threshold of 100 points for the first time after two quarters, recording 96.8 points, while the business conditions index ("BCI") slipped to 95.3 points.

The FBMS Index ended February 2019 higher by 1.55% to close at 11,732 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 announcement made the Communications and Multimedia Minister, which indicated there will not be further reductions in high speed broadband prices in 2019 and Fitch re-affirmed Malaysia's sovereign rating. Investors will be watching out for new developments (policies) from the upcoming Parliament sitting which will take place from 11 March 2019 to 11 April 2019, the release of the Federal Land Development Authority ("FELDA") White Paper as well as Bank Negara Malaysia ("BNM") Annual report (slated for 27 March 2019).

The FBMS Index dipped 0.38% in March 2019 on receding concerns over moderation in global economic growth following the yield curve inversion in the US. March 2019 saw FBMS Index outperforming the Kuala Lumpur Composite Index ("KLCI") and FBMS Index driven by construction and plantation sectors. Domestically, the downgrade in BNM's growth forecast also weighed on sentiments, stoking expectation of a policy rate cut as early as May 2019. Growth trajectory remains lackluster in Malaysia as flagged by BNM during the release of its annual report in March 2019.

In April 2019, the FBMS Index rose by 1.27%. which were largely driven by rebound in construction, technology and energy sectors. Positive news flow continues to buoy the construction sector as the revival of Bandar Malaysia project has lifted sentiment and expectation that the shelved High-Speed Rail ("HSR") and Mass Rapid Transit 3 ("MRT3") projects may be revived soon. Sustained rebound in crude oil prices have also seen the revival of job flows to oil & gas service providers. Additionally, news that China had also recently agreed to purchase a minimum of 1.9 million tonnes of crude palm oil ("CPO") over 5 years' worth RM4.5 billion in addition to the earlier purchase contracts signed for 1.62 million tonnes for RM3.64 billion provide support to plantation names such as Felda Global Ventures Holdings Bhd ("FGV") and Sime Darby Plantation Bhd which closed higher by 5.93% and 2.79% respectively.

The FBMS Index ended May 2019 marginally lower by 0.35%. The broader market's sentiment was buoyed by two merger & acquisition announcements involving Axiata Group Bhd and Telenor Group, and YTL Cement Bhd and Lafarge Malaysia and partly driven by foreign buying in the last three days of May 2019. The first quarter of 2019 ("1Q19") earnings season ended with another disappointment as there were still more misses than beats. Plantation, technology, aviation and basic materials were the major disappointments while positive results came from automotive, construction, telco and utilities.

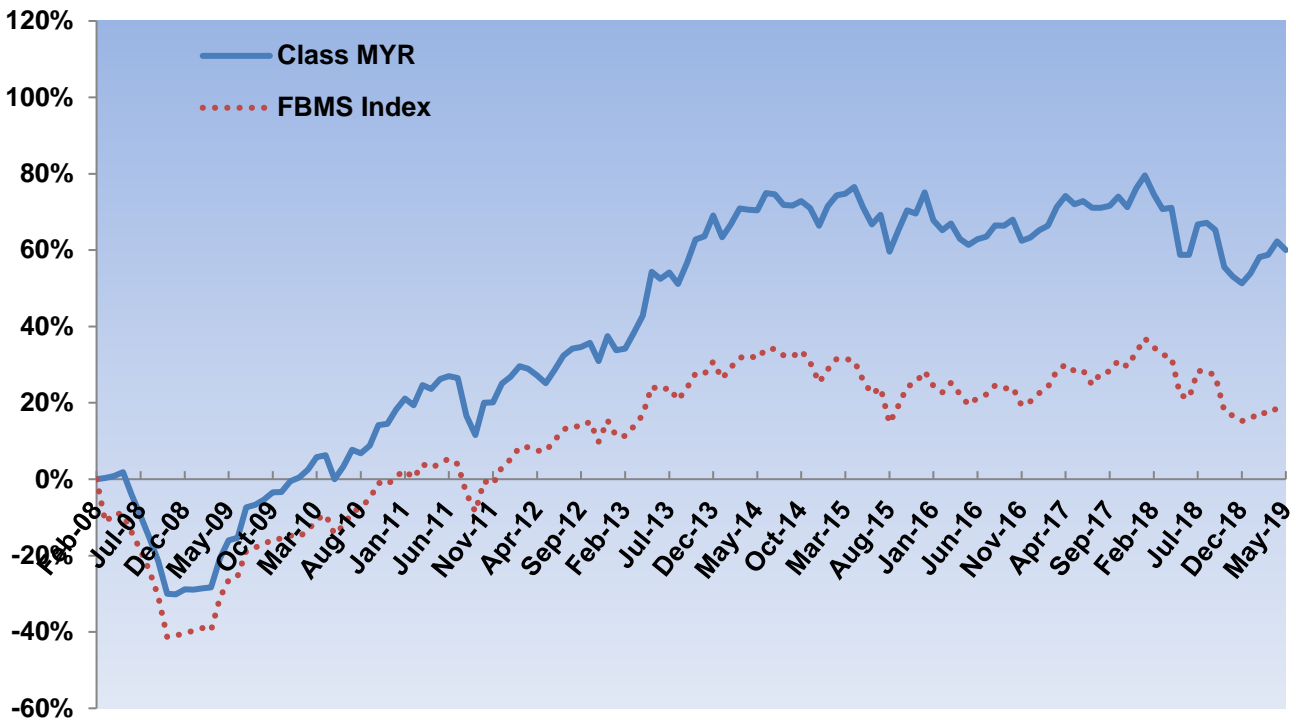
FUND PERFORMANCE

Class MYR	6 months to 31.05.2019	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	-	6.78	17.05	30.94	40.23
Capital	4.54	(5.59)	(15.17)	(28.22)	14.23
Total Return	4.54	0.81	(0.82)	(6.09)	60.03
Benchmark	1.40	(3.12)	(1.06)	(10.20)	18.19
Average Total Return	N/A	0.81	(0.27)	(1.25)	4.26

Class SGD	6 months to 31.05.2019	1 year to 31.05.2019	3 years to 31.05.2019	Since inception to 31.05.2019
	%	%	%	%
Income	-	3.96	7.26	7.26
Capital	4.82	(2.97)	(9.01)	(12.62)
Total Return	4.82	0.87	(2.49)	(6.30)
Benchmark	1.40	(3.12)	(1.06)	(5.95)
Average Total Return	N/A	0.87	(0.84)	(3.36)

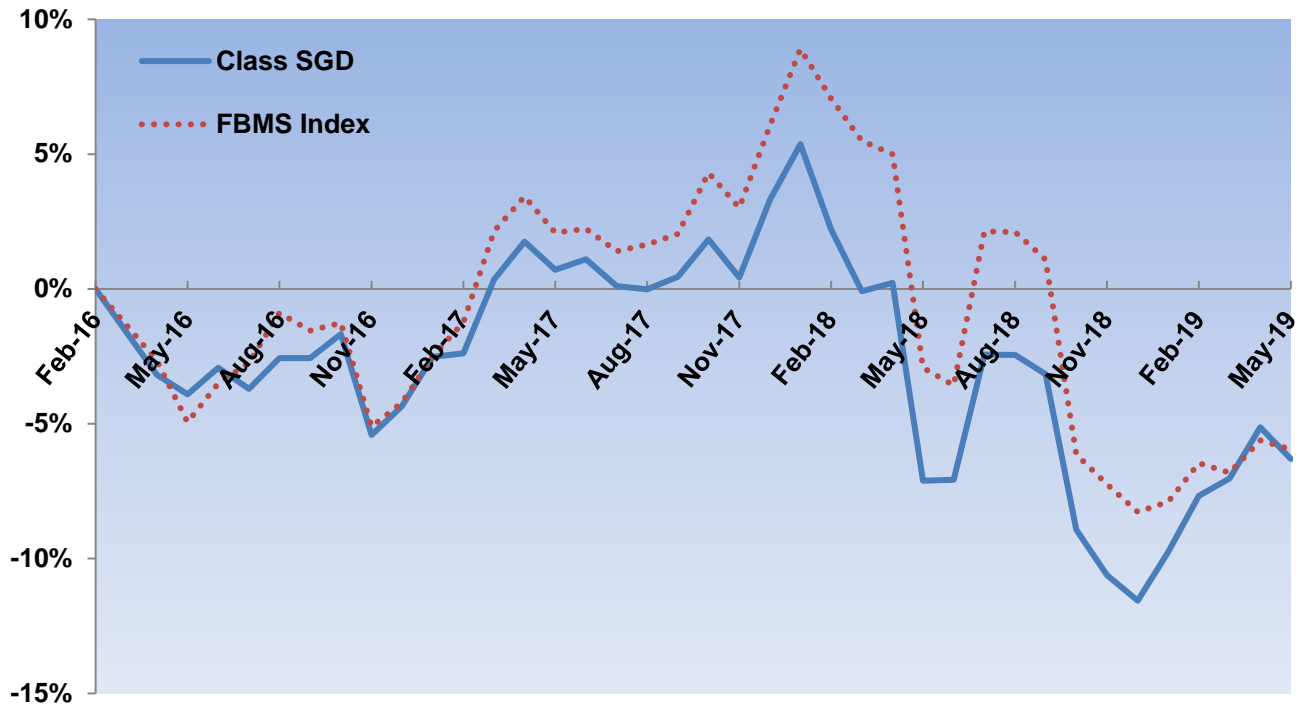
For the financial period under review, the total return increased for both Classes - Class MYR and Class SGD which gained 4.54% and 4.82% respectively. Both classes managed to outperform the corresponding benchmark which only gained by 1.40%.

CLASS MYR



FUND PERFORMANCE (CONTINUED)

CLASS SGD



Changes in NAV

	31.05.2019	30.11.2018 Audited	Changes %
Class MYR			
NAV (RM Million)	702.74	718.55	(2.20)
NAV/Unit (RM)	0.2851	0.2728	4.51

Class SGD

NAV (RM Million)	0.10	0.056	78.57
NAV/Unit (RM)	2.5258	2.4165	4.52

For the financial period under review, the Fund's NAV per unit for both Class MYR and Class SGD increased by 4.51% and 4.52% respectively.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.05.2019	30.11.2018 Audited
Shariah-compliant quoted securities	94.85	86.53
Cash and other net assets	5.15	13.47
TOTAL	100.00	100.00

We are fully invested for the financial period under review.

MARKET OUTLOOK*

While the moderation in 1Q19 Gross Domestic Product (“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. Freshly out May 2019 Purchasing Manager Index (“PMI”) numbers (48.8 versus 49.4 in April 2019) for Malaysia showed further weakening in external demand. While still maintaining its 4.3% to 4.8% GDP forecast for 2019, BNM has flagged that a full-blown US-China trade war could shave 1.3% to 1.5% off Malaysia’s GDP growth. This suggests that risk to growth is clearly on the downside. On the bright side, recent resumption of mega infrastructure projects such as ECRL and MRT3 will provide some boost to growth from the second half of 2019 onwards.

*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

Overall, we remain neutral on Malaysia given lack of earnings growth (consensus penciled 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% year-to-date (“YTD”) and Malaysia tend to be more defensive when volatility in global equity markets rises. While we will continue with the high equity weighting with low beta investment strategy, we will continuously accumulate some alphas for the portfolios. 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:

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	4,606	15.63	0.63
5,001-10,000	8,894	65.53	2.66
10,001-50,000	26,239	637.79	25.88
50,001-500,000	11,563	1,315.70	53.39
500,001 and above	224	429.47	17.44
Total	51,526	2,464.12	100.00

CLASS SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	2	0.00	0.00
5,001-10,000	-	-	-
10,001-50,000	2	0.04	100.00
50,001-500,000	-	-	-
500,001 and above	-	-	-
Total	4	0.04	100.00

SOFT COMMISSIONS AND REBATES

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

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

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 14 to 48 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 net assets attributable to unit holders and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
16 July 2019

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

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

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

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
16 July 2019

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

For the Financial Period from 1 December 2018 to 31 March 2019

We have acted as the Shariah Adviser of CIMB Islamic DALI Equity Theme Fund (the "Fund") for the financial period from 1 December 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 December 2018 to 31 March 2019.

In addition, we also 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 ("SACSC") 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 THEME 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 Theme 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

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

	Note	01.12.2018 to 31.05.2019 RM	01.12.2017 to 31.05.2018 RM
INCOME			
Dividend income		10,178,833	17,075,152
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions at amortised cost		1,204,546	1,076,778
Net gain/(loss) on financial assets at fair value through profit or loss	7	26,531,873	(71,720,785)
Net foreign exchange gain/(loss)		223	(564)
		<u>37,915,475</u>	<u>(53,569,419)</u>
EXPENSES			
Management fee	4	5,331,012	7,390,305
Trustee's fee	5	177,701	246,344
Audit fee		10,350	9,750
Tax agent's fee		2,600	(6,400)
Transaction costs		527,282	2,136,631
Other expenses		9,218	739,023
		<u>6,058,163</u>	<u>10,515,653</u>
PROFIT/(LOSS) BEFORE TAXATION		31,857,312	(64,085,072)
Taxation	6	(21,250)	(5,628)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>31,836,062</u>	<u>(64,090,700)</u>
Increase/(Decrease) in net assets attributable to unit holders are made up as follows:			
Realised amount		(2,193,971)	14,975,680
Unrealised amount		34,030,033	(79,066,380)
		<u>31,836,062</u>	<u>(64,090,700)</u>

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

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

		31.05.2019	30.11.2018
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents (Shariah-compliant)	8	38,833,444	86,775,924
Financial assets at fair value through profit or loss (Shariah-compliant)	7	666,656,834	621,831,886
Amount due from stockbrokers		-	10,673,408
Amount due from Manager		27,088	268,271
Dividends receivable		555,792	867,996
TOTAL ASSETS		<u>706,073,158</u>	<u>720,417,485</u>
LIABILITIES			
Amount due to stockbrokers		1,395,819	148,071
Amount due to Manager		888,682	684,681
Accrued management fee		889,443	912,547
Amount due to Trustee		29,648	30,418
Other payables and accruals		29,741	32,176
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>3,233,333</u>	<u>1,807,893</u>
NET ASSET VALUE OF THE FUND		<u>702,839,825</u>	<u>718,609,592</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>702,839,825</u>	<u>718,609,592</u>

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

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

	31.05.2019	30.11.2018
Note	RM	Audited RM
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS (RM)		
- Class MYR	702,741,097	718,553,543
- Class SGD	<u>98,728</u>	<u>56,049</u>
	<u>702,839,825</u>	<u>718,609,592</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- Class MYR	2,464,124,728	2,633,716,220
- Class SGD	<u>39,087</u>	<u>23,194</u>
9	<u>2,464,163,815</u>	<u>2,633,739,414</u>
NET ASSET VALUE PER UNIT (RM)		
- Class MYR	0.2851	0.2728
- Class SGD	<u>2.5258</u>	<u>2.4165</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- Class MYR	MYR0.2851	MYR0.2728
- Class SGD	<u>SGD0.8304</u>	<u>SGD0.7907</u>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2019**

	01.12.2018 to 31.05.2019 RM	01.12.2017 to 31.05.2018 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	718,609,592	1,067,299,951
Movement due to units created and cancelled during the financial period:		
- Creation of units from applications		
- Class MYR	3,796,654	8,805,751
- Class SGD	58,891	46,075
	3,855,545	8,851,826
- Cancellation of units		
- Class MYR	(51,443,125)	(163,218,583)
- Class SGD	(18,249)	(35,642)
	(51,461,374)	(163,254,225)
Profit/(Loss) after taxation	31,836,062	(64,090,700)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	702,839,825	848,806,852

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

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

	01.12.2018 to 31.05.2019 RM	01.12.2017 to 31.05.2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of Shariah-compliant quoted securities	133,688,278	536,869,379
Purchases of Shariah-compliant quoted securities	(140,587,478)	(318,858,212)
Dividend income received	10,469,787	17,493,525
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions	1,204,546	1,076,778
Management fee paid	(5,354,116)	(7,602,598)
Trustee's fee paid	(178,471)	(253,421)
Payments for other fees and expenses	(24,603)	(812,117)
Net cash (used in)/generated from operating activities	(782,057)	227,913,334
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	4,096,695	8,813,900
Payments for cancellation of units	(51,257,397)	(167,874,633)
Net cash used in financing activities	(47,160,702)	(159,060,733)
Net (decrease)/increase in cash and cash equivalents	(47,942,759)	68,852,601
Effects of foreign exchange differences	279	(480)
Cash and cash equivalents at the beginning of the financial period	86,775,924	36,367,178
Cash and cash equivalents at the end of the financial period	38,833,444	105,219,299
<u>Cash and cash equivalents comprised of:</u>		
Shariah-compliant deposits with licensed financial institutions	38,170,245	125,262
Bank balances	663,199	105,094,037
Cash and cash equivalents at the end of the financial period	38,833,444	105,219,299

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2019****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

CIMB Islamic DALI Equity Theme Fund (the "Fund") is governed by a Principal Master Deed dated 15 May 2008, a Third Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, a Fifteenth Supplemental Master Deed dated 21 September 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015 all executed between the Management Company and the AmTrustee Berhad (hereinafter known as the "Previous Trustee"), and a Principal Master Deed dated 10 April 2015 (collectively referred to as the "Deeds"), between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager") and HSBC (Malaysia) Trustee Berhad (the "Trustee").

The strategy of the Fund is to invest in sectors that are related to the prevailing domestic and/or global investment themes.

At least 70% of the Fund's NAV will be invested in equities listed on Bursa Malaysia that conform with Shariah principles and up to 28% of the Fund's NAV may be invested in other permissible investments. At least 2% of the Fund's NAV will be invested in Shariah-compliant liquid assets for liquidity purposes.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Standard that is effective:

The Fund has applied the following amendments for the first time for the financial period beginning 1 December 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 assets¹ 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 ("OCI") 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 OCI. MFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

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 December 2018 that have a material effect on the financial statements of the Fund.

¹ For the purposes of the investments made by the Fund, debt instruments refers to Sukuk.

² For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

³ For the purposes of the investments made by the Fund, equity instruments and derivatives refers to Shariah-compliant equity instruments and Shariah-compliant derivatives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

(i) Financial period beginning on/after 1 November 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 this amendment to published standard when effective. This amendment to published standard is not expected to have a significant impact on the Fund's financial statements.

(b) Financial assets and financial liabilities

Classification

Up to 30 November 2018, the Fund designates its investments in 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 and dividends receivable.

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, and other payables and accruals as other financial liabilities.

From 1 December 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.

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

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

The contractual cash flows of the Fund's debt securities are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

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

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 30 November 2018 and MFRS 9 from 1 December 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.

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

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

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

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

If a valuation based on the market price does not represent the fair value of the Shariah-compliant quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant quoted securities are valued as determined in good faith by the Manager, based on the methods or basis 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 period 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 30 November 2018, for assets carried at amortised cost, the Fund assesses at the end of the reporting period 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.

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 period, 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 December 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

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

Up to 30 November 2018, when a loans 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 loans and receivables are recognised using the original effective profit rate.

From 1 December 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 quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant quoted securities, determined on a weighted average cost basis.

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

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

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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(e) Creation and cancellation of units

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

The Fund issues cancellable units, in two classes of units, known respectively as the Class MYR and Class SGD which are cancelled at the unit holder’s option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund’s NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unit holders’ option at prices based on the Fund’s NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund’s NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

(f) 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.

(g) Taxation

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

(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, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Increase/Decrease in net asset attributable to unit holders**

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

(j) Amount due from/to stockbrokers

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost 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.

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.

(k) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(I) Critical accounting estimates and judgments 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 judgments 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 Shariah-compliant 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.

Functional 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 MYR primarily due to the following factors:

- i) Significant portion of the NAV is invested in the form of cash denominated in MYR for the purpose of making settlement of the foreign trades.
- ii) Significant portion of the Fund's expenses are denominated in MYR.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide investors with medium to long-term capital appreciation through investments in securities of Malaysian companies that will benefit from prevailing investment themes and that conform to Shariah principles.

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

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

(a) Market risk

(i) Price risk

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

(ii) 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.

(iii) Interest rate risk

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

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.

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

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

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

(b) Credit risk

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

The credit risk arising from placements of Shariah-compliant deposits in licensed Islamic financial institutions is managed by ensuring that the Fund will only place Shariah-compliant deposits in reputable licensed Islamic financial institutions. For amount due from Manager, the settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

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

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and Shariah-compliant deposits with licensed Islamic financial institutions, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

The capital of the fund is represented by net assets attributable to unit holders of RM702,839,825 (30.11.2018: RM718,609,592). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation

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

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

The Fund utilises the last traded market price for financial assets where the last traded market price falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.05.2019				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	666,656,834	-	-	666,656,834
30.11.2018				
Audited Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	621,831,886	-	-	621,831,886

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

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

4. MANAGEMENT FEE

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

For the six months financial period ended 31 May 2019, the management fee is recognised at a rate of 1.50% per annum (31.05.2018: 1.50% per annum).

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

5. TRUSTEE'S FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.07% per annum calculated daily based on the NAV of the Fund. The Trustee's fee includes local/custodian fee but excludes foreign sub-custodian fees and charges.

For the six months financial period ended 31 May 2019, the Trustee's fee is recognised at a rate of 0.05% per annum (31.05.2018: 0.05% per annum).

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

6. TAXATION

	01.12.2018 to 31.05.2019	01.12.2017 to 31.05.2018
	RM	RM
Tax charged for the financial period:		
- Current taxation	<u>21,250</u>	<u>5,628</u>

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

	01.12.2018 to 31.05.2019	01.12.2017 to 31.05.2018
	RM	RM
Profit/(Loss) before taxation	<u>31,857,312</u>	<u>(64,085,072)</u>
Taxation at Malaysian statutory rate of 24% (31.05.2018: 24%)	7,645,755	(15,380,417)
Tax effects of:		
(Income not subject to tax)/Loss not deductible for tax purposes	(9,099,714)	12,856,660
Expenses not deductible for tax purposes	171,132	607,381
Restriction on tax deductible expenses for Unit Trust Funds	1,282,827	1,916,376
Income subject to different tax rate	<u>21,250</u>	<u>5,628</u>
Taxation	<u>21,250</u>	<u>5,628</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.05.2019	30.11.2018
	RM	Audited RM
At fair value through profit or loss at inception:		
- Shariah-compliant quoted securities	<u>666,656,834</u>	<u>621,831,886</u>
	01.12.2018 to 31.05.2019	01.12.2017 to 31.05.2018
	RM	RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(7,497,881)	7,345,138
- Unrealised fair value gain/(loss)	<u>34,029,754</u>	<u>(79,065,923)</u>
	<u><u>26,531,873</u></u>	<u><u>(71,720,785)</u></u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	2,931,100	3,226,830	1,949,181	0.28
Gabungan AQRS Bhd	3,611,470	5,626,438	4,731,026	0.67
Gamuda Bhd	2,102,800	6,165,732	7,338,772	1.04
IJM Corporation Bhd	3,963,340	11,348,584	8,798,615	1.25
MGB Bhd	3,763,800	6,054,038	2,691,117	0.38
Muhibbah Engineering (M) Bhd	2,447,600	6,730,436	6,730,900	0.96
Sunway Construction Group Bhd	<u>1,232,700</u>	<u>2,940,704</u>	<u>2,416,092</u>	<u>0.34</u>
	<u>20,052,810</u>	<u>42,092,762</u>	<u>34,655,703</u>	<u>4.92</u>
Consumer Products & Services				
Bermaz Auto Bhd	2,759,100	6,174,017	6,345,930	0.90
DRB-Hicom Bhd	3,471,200	7,461,557	7,220,096	1.03
MBM Resources Bhd	1,450,600	3,736,678	4,235,752	0.60
Nestle (Malaysia) Bhd	81,900	11,835,521	12,039,300	1.71
Padini Holdings Bhd	1,753,000	9,166,213	6,521,160	0.93
Petronas Dagangan Bhd	693,900	17,415,050	17,874,864	2.54
Sime Darby Bhd	7,176,405	16,848,539	16,649,260	2.37
UMW Holdings Bhd	<u>2,174,900</u>	<u>13,355,931</u>	<u>11,070,241</u>	<u>1.58</u>
	<u>19,561,005</u>	<u>85,993,506</u>	<u>81,956,603</u>	<u>11.66</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019 (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Energy				
Dialog Group Bhd	7,580,430	23,040,882	25,167,028	3.58
Hibiscus Petroleum Bhd	1,960,400	2,131,044	2,038,816	0.29
Serba Dinamik Holdings Bhd	4,615,500	16,834,785	18,923,550	2.69
Yinson Holdings Bhd	1,382,600	4,675,599	6,816,218	0.97
	<u>15,538,930</u>	<u>46,682,310</u>	<u>52,945,612</u>	<u>7.53</u>
Financial Services				
BIMB Holdings Bhd	<u>3,547,700</u>	<u>14,803,429</u>	<u>16,354,897</u>	<u>2.33</u>
Health Care				
Duopharma Biotech Bhd	4,620,900	6,017,854	6,192,006	0.88
Hartalega Holdings Bhd	1,522,800	7,757,906	7,918,560	1.13
IHH Healthcare Bhd	1,954,600	11,960,839	10,750,300	1.53
Kossan Rubber Industries Bhd	1,766,100	7,538,031	6,993,756	1.00
KPJ Healthcare Bhd	2,934,000	3,187,882	2,728,620	0.39
Top Glove Corporation Bhd	2,054,500	10,066,730	10,375,225	1.48
	<u>14,852,900</u>	<u>46,529,242</u>	<u>44,958,467</u>	<u>6.41</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	1,537,600	6,438,344	4,751,184	0.68
Chemical Company of Malaysia Bhd	922,000	2,033,136	1,825,560	0.26
Cypark Resources Bhd	5,376,150	9,362,836	8,386,794	1.19
Petronas Chemicals Group Bhd	6,545,300	56,033,957	54,456,896	7.75
SKP Resources Bhd	6,183,300	9,584,972	8,038,290	1.14
Sunway Bhd	6,476,716	10,348,231	10,945,650	1.56
Sunway Bhd - Warrant	1,794,600	-	664,002	0.09
Uchi Technologies Bhd	4,048,000	11,030,733	11,617,760	1.65
UEM Edgenta Bhd	2,218,400	6,716,015	5,945,312	0.85
	<u>35,102,066</u>	<u>111,548,224</u>	<u>106,631,448</u>	<u>15.17</u>
Plantation				
FGV Holdings Bhd	7,826,700	12,566,370	8,922,438	1.27
Genting Plantations Bhd	458,400	4,361,612	4,749,024	0.68
IOI Corporation Bhd	4,627,200	21,829,871	19,943,232	2.84
Kuala Lumpur Kepong Bhd	531,100	12,548,186	13,171,280	1.87
Sime Darby Plantation Bhd	3,991,305	22,311,395	18,599,481	2.65
	<u>17,434,705</u>	<u>73,617,434</u>	<u>65,385,455</u>	<u>9.31</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019 (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Property				
LBS Bina Group Bhd	10,596,160	9,163,791	5,510,003	0.78
Malaysian Resources Corporation Bhd	13,217,100	10,720,738	12,291,903	1.75
Sime Darby Property Bhd	1,387,605	2,081,408	1,470,861	0.21
SP Setia Bhd	2,246,024	7,357,697	4,918,793	0.70
	<u>27,446,889</u>	<u>29,323,634</u>	<u>24,191,560</u>	<u>3.44</u>
REITs				
Axis REIT	2,387,100	4,186,097	4,081,941	0.58
KLCCP Stapled Group	1,617,300	12,419,858	12,469,383	1.77
	<u>4,004,400</u>	<u>16,605,955</u>	<u>16,551,324</u>	<u>2.35</u>
Technology				
Frontken Corporation Bhd	5,925,300	2,862,912	7,465,878	1.06
Globetronics Technology Bhd	2,502,900	5,275,569	3,954,582	0.56
Inari Amertron Bhd	3,409,800	6,661,798	5,251,092	0.75
Pentamaster Corporation Bhd	1,644,200	4,378,458	6,823,430	0.97
	<u>13,482,200</u>	<u>19,178,737</u>	<u>23,494,982</u>	<u>3.34</u>
Telecommunications & media				
Axiata Group Bhd	6,196,154	32,142,092	29,059,962	4.13
Digi.com Bhd	4,546,900	21,556,546	22,598,093	3.22
Telekom Malaysia Bhd	1,272,700	3,946,161	4,594,447	0.65
Time Dotcom Bhd	992,820	7,276,735	8,816,242	1.25
	<u>13,008,574</u>	<u>64,921,534</u>	<u>65,068,744</u>	<u>9.25</u>
Transportation & Logistics				
MISC Bhd	2,419,100	17,375,911	16,812,745	2.39
Pos Malaysia Bhd	3,607,600	17,469,750	4,834,184	0.69
Tasco Bhd	4,272,600	9,761,257	5,981,640	0.85
Westports Holdings Bhd	643,600	2,403,534	2,497,168	0.36
	<u>10,942,900</u>	<u>47,010,452</u>	<u>30,125,737</u>	<u>4.29</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019 (Continued)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Utilities				
Gas Malaysia Bhd	1,494,000	3,937,027	4,272,840	0.61
Malakoff Corporation Bhd	7,182,300	6,793,560	5,961,309	0.85
Petronas Gas Bhd	974,000	20,154,662	17,200,840	2.45
Ranhill Holdings Bhd	9,086,880	6,021,298	10,631,650	1.51
Taliworks Corporation Bhd	5,404,600	4,791,249	4,918,186	0.70
Tenaga Nasional Bhd	4,830,825	67,430,334	61,351,477	8.73
	<u>28,972,605</u>	<u>109,128,130</u>	<u>104,336,302</u>	<u>14.85</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>223,947,684</u>	<u>707,435,349</u>	<u>666,656,834</u>	<u>94.85</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(40,778,515)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>666,656,834</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2018				
Audited				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	4,765,300	5,246,090	2,096,732	0.29
Gabungan AQRS Bhd	4,412,700	6,903,646	3,618,414	0.50
Gabungan AQRS Bhd - Warrant	1,103,175	-	259,246	0.04
IJM Corporation Bhd	2,654,040	8,567,338	4,326,085	0.60
MGB Bhd	6,629,300	10,663,168	5,237,147	0.73
Muhibbah Engineering (M) Bhd	3,372,100	9,272,635	9,138,391	1.27
Sunway Construction Group Bhd	1,232,700	2,940,704	1,898,358	0.26
	<u>24,169,315</u>	<u>43,593,581</u>	<u>26,574,373</u>	<u>3.69</u>
Consumer Products & Services				
Bermaz Auto Bhd	4,740,000	10,606,662	9,954,000	1.39
DRB-Hicom Bhd	1,183,600	2,889,463	2,189,660	0.31
MBM Resources Bhd	5,856,200	15,085,297	11,068,218	1.54
Nestle (Malaysia) Bhd	60,700	8,689,601	9,068,580	1.26
Padini Holdings Bhd	2,213,900	11,576,200	10,626,720	1.48
Petronas Dagangan Bhd	693,900	17,415,050	17,902,620	2.49
Sime Darby Bhd	4,362,705	10,254,803	9,990,594	1.39
Sime Darby Plantation Bhd	4,400,105	24,596,587	20,680,493	2.88
Sime Darby Property Bhd	5,218,305	7,827,458	5,192,213	0.72
UMW Holdings Bhd	2,180,400	13,389,706	11,011,020	1.53
	<u>30,909,815</u>	<u>122,330,827</u>	<u>107,684,118</u>	<u>14.99</u>
Energy				
Dialog Group Bhd	3,614,930	10,724,083	11,459,328	1.59
Serba Dinamik Holdings Bhd	1,929,000	6,443,372	6,944,400	0.97
Yinson Holdings Bhd	1,892,400	6,399,611	8,137,320	1.13
	<u>7,436,330</u>	<u>23,567,066</u>	<u>26,541,048</u>	<u>3.69</u>
Financial Services				
BIMB Holdings Bhd	5,105,400	21,303,218	19,451,574	2.71
BIMB Holdings Bhd - Warrant	458,300	-	84,786	0.01
	<u>5,563,700</u>	<u>21,303,218</u>	<u>19,536,360</u>	<u>2.72</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2018				
(CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
Health Care				
CCM Duopharma Biotech Bhd	4,620,900	6,017,854	4,805,736	0.67
Hartalega Holdings Bhd	934,100	4,788,261	5,978,240	0.83
IHH Healthcare Bhd	2,254,100	13,793,577	12,104,517	1.68
Kossan Rubber Industries Bhd	3,252,800	13,883,533	13,987,040	1.95
KPJ Healthcare Bhd	2,934,000	3,187,882	3,080,700	0.43
Top Glove Corporation Bhd	2,046,200	10,462,346	12,215,814	1.70
	<u>16,042,100</u>	<u>52,133,453</u>	<u>52,172,047</u>	<u>7.26</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	2,661,900	11,146,090	8,518,080	1.19
Chemical Company of Malaysia Bhd	922,000	2,033,136	1,631,940	0.23
Cypark Resources Bhd	3,584,100	9,362,836	8,924,409	1.24
Petronas Chemicals Group Bhd	4,584,200	38,402,758	42,174,640	5.87
SKP Resources Bhd	6,183,300	9,584,972	6,987,129	0.97
Sunway Bhd	13,711,900	21,895,493	20,019,374	2.79
Sunway Bhd - Warrant	1,794,600	-	484,542	0.07
Uchi Technologies Bhd	4,048,000	11,030,733	11,658,240	1.62
UEM Edgenta Bhd	2,218,400	6,716,015	5,568,184	0.77
V.S. Industry Bhd	2,824,700	4,883,027	4,491,273	0.62
	<u>42,533,100</u>	<u>115,055,060</u>	<u>110,457,811</u>	<u>15.37</u>
Plantation				
FGV Holdings Bhd	4,425,300	8,542,755	3,916,391	0.55
Genting Plantations Bhd	458,400	4,361,612	4,354,800	0.61
IOI Corporation Bhd	4,294,300	20,281,886	18,250,775	2.54
Kuala Lumpur Kepong Bhd	531,100	12,548,186	13,011,950	1.81
	<u>9,709,100</u>	<u>45,734,439</u>	<u>39,533,916</u>	<u>5.51</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2018				
(CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
Property				
LBS Bina Group Bhd	10,296,160	8,962,791	7,207,312	1.00
SP Setia Bhd	2,567,266	8,296,619	5,519,622	0.77
SP Setia Bhd - Preferred Shares A	2,767,920	2,767,920	2,491,128	0.35
SP Setia Bhd - Preferred Shares B	218,600	192,368	155,206	0.02
	<u>15,849,946</u>	<u>20,219,698</u>	<u>15,373,268</u>	<u>2.14</u>
REITs				
KLCCP Stapled Group	<u>725,700</u>	<u>5,434,481</u>	<u>5,573,376</u>	<u>0.78</u>
Technology				
Frontken Corporation Bhd	11,309,100	5,464,189	9,160,371	1.27
Globetronics Technology Bhd	925,700	2,255,098	1,934,713	0.27
Inari Amertron Bhd	3,830,400	8,580,804	6,320,160	0.88
Pentamaster Corporation Bhd	1,644,200	4,378,457	5,031,252	0.70
Unisem (M) Bhd	<u>3,275,900</u>	<u>10,476,928</u>	<u>10,482,880</u>	<u>1.46</u>
	<u>20,985,300</u>	<u>31,155,476</u>	<u>32,929,376</u>	<u>4.58</u>
Telecommunications & media				
Axiata Group Bhd	6,541,754	33,934,867	23,746,567	3.30
Digi.com Bhd	3,586,700	17,256,419	15,207,608	2.12
Time Dotcom Bhd	<u>1,575,720</u>	<u>11,549,019</u>	<u>12,684,546</u>	<u>1.77</u>
	<u>11,704,174</u>	<u>62,740,305</u>	<u>51,638,721</u>	<u>7.19</u>
Transportation & Logistics				
Lingkar Trans Kota Holdings Bhd	1,138,100	5,647,826	4,484,114	0.62
Malaysian Resources Corporation Bhd	2,873,600	2,063,532	1,910,944	0.27
MISC Bhd	1,840,300	13,513,422	11,317,845	1.57
Pos Malaysia Bhd	4,201,400	20,345,217	8,654,884	1.20
Tasco Bhd	<u>4,421,300</u>	<u>10,100,980</u>	<u>4,553,939</u>	<u>0.63</u>
	<u>14,474,700</u>	<u>51,670,977</u>	<u>30,921,726</u>	<u>4.29</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2018				
(CONTINUED)				
Audited (Continued)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
Utilities				
Gas Malaysia Bhd	1,481,100	3,900,731	4,161,891	0.58
Malakoff Corporation Bhd	4,876,300	4,781,776	3,925,422	0.55
Petronas Gas Bhd	974,000	20,154,662	18,447,560	2.57
Ranhill Holdings Bhd	8,417,400	6,693,212	10,016,706	1.39
Taliworks Corporation Bhd	7,797,500	6,999,931	6,354,963	0.88
Tenaga Nasional Bhd	4,212,725	59,171,262	59,989,204	8.35
	<u>27,759,025</u>	<u>101,701,574</u>	<u>102,895,746</u>	<u>14.32</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>227,862,305</u>	<u>696,640,155</u>	<u>621,831,886</u>	<u>86.53</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(74,808,269)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>621,831,886</u>		

8. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	31.05.2019	30.11.2018
	RM	Audited RM
Shariah-compliant deposits with licensed Islamic financial institutions	38,170,245	86,693,110
Bank balances	663,199	82,814
	<u>38,833,444</u>	<u>86,775,924</u>

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

	31.05.2019	30.11.2018
	%	Audited %
Shariah-compliant deposits with licensed Islamic financial institutions	<u>2.98</u>	<u>3.41</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average maturity of 3 days (30.11.2018: 6 days).

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.12.2018 to 31.05.2019	01.06.2017 to 30.11.2018
	No. of units	Audited No. of units
Class MYR (i)	2,464,124,728	2,633,716,220
Class SGD (ii)	39,087	23,194
	<u>2,464,163,815</u>	<u>2,633,739,414</u>
 (i) Class MYR		
At the beginning of the financial period/year	2,633,716,220	3,274,080,765
Add : Creation of units from applications	13,714,096	84,739,890
Add : Creation of units from distribution	-	168,070,796
Less : Cancellation of units	(183,305,588)	(893,175,231)
At the end of the financial period/year	<u>2,464,124,728</u>	<u>2,633,716,220</u>
 (ii) Class SGD		
At the beginning of the financial period/year	23,194	14,000
Add : Creation of units from applications	23,427	33,569
Add : Creation of units from distribution	-	20
Less : Cancellation of units	(7,534)	(24,395)
At the end of the financial period/year	<u>39,087</u>	<u>23,194</u>

10. MANAGEMENT EXPENSE RATIO (“MER”)

	01.12.2018 to 31.05.2019	01.12.2017 to 31.05.2018
	%	%
MER	0.78	0.85

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding GST on transaction costs
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM712,681,333 (31.05.2018: RM987,535,919).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.12.2018 to 31.05.2019	01.12.2017 to 31.05.2018
PTR (times)	0.19	0.43

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period = RM141,554,844 (31.05.2018: RM306,371,016)

total disposal for the financial period = RM123,261,769 (31.05.2018: RM539,528,453)

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

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
CIMB Investment Bank Bhd	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

Class MYR	31.05.2019		30.11.2018	
	No. of units	RM	No. of units	RM
Manager				Audited
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>				
- Class MYR	331,092	94,394	307,237	83,814
- Class SGD	513	1,295	513	1,240

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.

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

	01.12.2018 to 31.05.2019 RM	01.12.2017 to 31.05.2018 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	353,402	28,886
	31.05.2019 RM	30.11.2018 Audited RM
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	7,609,601	11,146,221
<u>Cash placement with financial institution</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	358,000,000	467,862,000

13. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
UBS Securities Malaysia Sdn Bhd	48,333,355	18.25	43,765	10.83
KAF Seagroatt & Campbell Securities Bhd	34,196,573	12.91	75,385	18.65
CLSA Securities Malaysia Sdn Bhd	25,274,243	9.54	26,146	6.47
RHB Investment Bank Bhd	21,035,401	7.94	46,952	11.62
Macquarie Bank Ltd	20,544,370	7.76	14,938	3.70
JP Morgan Securities (Malaysia) Sdn Bhd	18,897,277	7.14	21,395	5.29
Credit Suisse Securities (Malaysia) Sdn Bhd	16,598,098	6.27	32,637	8.08
Maybank Investment Bank Bhd	15,752,392	5.95	33,842	8.37
Macquarie Capital Securities (M) Sdn Bhd	15,625,680	5.90	35,429	8.77
CIMB Investment Bank Bhd #	13,396,603	5.06	18,192	4.50
Others	35,162,622	13.28	55,464	13.72
	<u>264,816,614</u>	<u>100.00</u>	<u>404,145</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Malaysia Sdn Bhd	146,534,612	17.32	306,704	17.00
RHB Investment Bank Bhd	102,091,790	12.07	250,303	13.87
Credit Suisse M Sdn Bhd	98,904,266	11.69	207,136	11.48
Maybank Investment Bank Bhd	98,223,268	11.61	214,230	11.87
CIMB Investment Bank Bhd #	77,789,587	9.20	153,227	8.49
JPMorgan Securities (M) Sdn Bhd	69,972,244	8.27	148,663	8.24
CLSA Securities M Sdn Bhd	60,580,670	7.16	120,029	6.65
Affin Hwang Investment Bank Bhd	56,846,974	6.72	119,560	6.63
KAF Seagroats & Campbell Securities Bhd	48,177,723	5.70	103,005	5.71
Hong Leong Investment Bank Bhd	33,329,997	3.94	71,021	3.94
Others	53,448,338	6.32	110,674	6.12
	<u>845,899,469</u>	<u>100.00</u>	<u>1,804,552</u>	<u>100.00</u>

Included in transactions are trades conducted with CIMB Investment Bank Bhd, fellow related party to the Manager amounting to RM13,396,603 (31.05.2018: RM77,789,587) respectively. 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.

14. 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 Fund aims to provide investors with medium to long-term capital appreciation through investments in securities of Malaysian companies that will benefit from prevailing investment themes and that conform with Shariah principles. 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 and Shariah-compliant quoted securities listed on the Bursa Securities, Malaysia.

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

15. 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 December 2018 are compared as follows:

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139)	Reclassi- - fications	Remeasu- - rements	New (MFRS 9)
			RM	RM	RM	RM
Assets						
Cash and cash equivalents	Financing and receivables	Amortised cost	86,775,924	-	-	86,775,924
Shariah-compliant quoted securities	FVTPL	FVTPL	621,831,886	-	-	621,831,886
Amount due from stockbrokers	Financing and receivables	Amortised cost	10,673,408	-	-	10,673,408
Amount due from Manager	Financing and receivables	Amortised cost	268,271	-	-	268,271
Dividends receivable	Financing and receivables	Amortised cost	867,996	-	-	867,996

15. MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139)	Reclassi- - fications	Remeasu- - rements	New (MFRS 9)
<i>Liabilities</i>						
Amount due to stockbrokers	Amortised cost	Amortised cost	148,071	-	-	148,071
Amount due to Manager	Amortised cost	Amortised cost	684,681	-	-	684,681
Accrued management fee	Amortised cost	Amortised cost	912,547	-	-	912,547
Amount due to Trustee	Amortised cost	Amortised cost	30,418	-	-	30,418
Other payables and accruals	Amortised cost	Amortised cost	32,176	-	-	32,176

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