

# CIMB Islamic Equity Aggressive Fund

Unaudited Interim Report

For The Six Months Financial Period Ended 30 June 2019

**CIMB ISLAMIC EQUITY AGGRESSIVE FUND**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2019**

<b>CONTENTS</b>	<b>PAGE(S)</b>
INVESTORS' LETTER	1
MANAGER'S REPORT	2 - 7
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Unit Holdings Statistics	
Soft Commissions and Rebates	
STATEMENT BY MANAGER	8
TRUSTEE'S REPORT	9
SHARIAH ADVISER'S REPORT	10 - 11
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	12
UNAUDITED STATEMENT OF FINANCIAL POSITION	13
UNAUDITED STATEMENT OF CHANGES IN EQUITY	14
UNAUDITED STATEMENT OF CASH FLOWS	15
NOTES TO THE FINANCIAL STATEMENTS	16 - 39
DIRECTORY	40

## INVESTORS' LETTER

Dear Valued Investor,

As we have announced in April this year, we are now officially known as Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("Principal Malaysia"). With Principal Financial Group ("Principal") taking on the role of primary shareholder, Principal Malaysia is able to bring additional global perspectives and asset management capabilities into the region. With the combination of scale, investment expertise, and deep regional relationships, we are optimistic of solidifying our position as an Association of Southeast Asian Nations ("ASEAN") market leader in the asset management and retirement industry of the region.

As of June 2019, our Assets under Management ("AUM") in Malaysia stands at RM56.1 billion. For the second quarter of fiscal 2019, our dividend distribution was RM126.51 million for 25 of our Funds. Today, we have a total of 83 Funds including both conventional, Islamic Unit Trust Funds, and Exchange-traded Funds ("ETFs"), and 10 Private Retirement Scheme ("PRS") Funds.

Thanks to the trust you've placed in us, we have been recognized Asia Asset Management 2019 Awards for the Fund Launch of the Year Award in Best of the Best Awards Malaysia category, and the Best Asset Management House in ASEAN in Best of the Best ASEAN category.

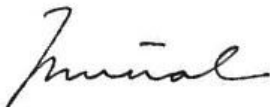
Effective 1 April 2019, we have appointed Amanie Advisors Sdn Bhd ("Amanie") as our new Shariah advisor. Amanie is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. It is a registered Shariah 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.

Going forward, you will be receiving e-newsletter from us as part of our commitment in helping you along your financial journey. On a monthly basis, we will share information that will help you better understand your investments and keep you updated on the industry. We have also revamped our website to keep it fresh and aligned with our new brand. Please visit [www.principal.com.my](http://www.principal.com.my) should you decide to have a peek at our new website.

Once again, thank you for your continuous support and allowing us to help you achieve your financial goals and live your best life.

Thank you.

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



**Munirah Khairuddin**  
Chief Executive Officer

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

The Fund aims to earn reasonable returns for investors by investing in approved equities listed on Bursa Malaysia as well as unlisted securities and other non-interest bearing assets acceptable under Shariah principles.

**Has the Fund achieved its objective?**

For the financial period under review, the Fund has achieved its objective of providing long-term capital growth.

**What are the Fund investment policy and principal investment strategy?**

The Fund may invest a minimum of 70% and up to a maximum of 98% of Net Asset value ("NAV") in local Shariah-compliant equities. The Fund may also invest up to 28% of its NAV in other permissible investments and at least 2% of the Fund's NAV in Shariah-compliant liquid assets. As an aggressive Fund, the Fund will be managed with higher beta and tracking error. The investment policy and strategy of the Fund is to invest in Shariah-compliant stocks which are selected based on their future growth prospects with benchmarking of the Fund being a secondary consideration. As such, the Fund may hold a larger percentage of its NAV (may exceed 10%) in Shariah-compliant stocks of companies with small capitalisation. 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 addition, Shariah-compliant liquid assets may also be strategically used if we feel that the market downside risk is high in the short-term.

**Fund category/type**

Equity (Shariah-compliant)/Growth

**How long should you invest for?**

Recommended five (5) years or more

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

High

**When was the Fund launched?**

15 June 1995

**What was the size of the Fund as at 30 June 2019?**

RM110.76 million (165.47 million units)

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

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

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

**What is the Fund distribution policy?**

Distribution (if any) is expected to be distributed every January at the Manager's discretion.

**What was the net income distribution for the six months financial period ended 30 June 2019?**

The Fund distributed a total net income of RM3.78 million to unit holders for the six months financial period ended 30 June 2019. As a result, the NAV per unit dropped from RM0.6381 to RM0.6141 on 23 January 2019.

**PERFORMANCE DATA**

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

	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>30.06.2017</b>
	%	%	%
Shariah-compliant quoted securities			
- Construction	0.96	7.91	13.65
- Consumer Products	9.37	8.26	1.61
- Energy	15.86	-	-
- Finance	-	1.71	2.70
- Financial Services	5.71	-	-
- Health Care	4.32	-	-
- Industrials	-	17.91	13.84
- Industrial Products & Services	9.18	-	-
- Infrastructure Project Companies ("IPC")	-	-	7.24
- Plantation	17.26	3.74	7.52
- Properties	2.43	3.42	3.38
- Real Estate Investment Trusts ("REITS")	2.00	-	-
- Technology	6.09	11.58	1.67
- Communication & Media	7.30	-	-
- Trading/Services	-	32.97	44.73
- Transportation & Logistics	3.03	-	-
- Utilities	7.75		
Cash and other net assets	8.74	12.50	3.66
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

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

	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>30.06.2017</b>
NAV (RM Million)	110.76	105.88	101.88
Units in circulation (Million)	165.47	149.70	130.64
NAV per unit (RM)	0.6693	0.7072	0.7798
	<b>01.01.2019</b>	<b>01.01.2018</b>	<b>01.01.2017</b>
	<b>to 30.06.2019</b>	<b>to 30.06.2018</b>	<b>to 30.06.2017</b>
Highest NAV per unit (RM)	0.6731	0.8709	0.7644
Lowest NAV per unit (RM)	0.6138	0.6956	0.7275
Total return (%)	10.01	(8.69)	8.65
- Capital growth (%)	6.10	(14.22)	2.32
- Income distribution (%)	3.91	6.45	6.25
Management Expense Ratio ("MER") (%) ^	0.81	0.84	0.88
Portfolio Turnover Ratio ("PTR") (times) #	0.71	0.64	1.08

^ The Fund's MER decreased from 0.84% to 0.81% due to increase in average NAV during the financial period under review.

# The Fund's PTR increased slightly from 0.64 times to 0.71 times to capitalize on market opportunities during the financial period under review.

**PERFORMANCE DATA (CONTINUED)**

Date of distribution		23.01.2019	26.01.2018	27.01.2017
Gross/Net distribution per unit (sen)		2.40	5.20	4.55
	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Annual total return	(1.66)	(3.46)	6.96	5.55
				<b>30.06.2015</b>
				<b>%</b>
				(6.21)

(Launch date: 15 June 1995)

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 JANUARY 2019 TO 30 JUNE 2019)**

For the financial period under review, the FBMS Index increased by 5.46% from 11,504.43 points to 12,132.94 points.

FBMS Index commenced 2019 with a rally and Ringgit Malaysia (“RM”) strengthened to RM4.09 against USD from RM4.13 in the previous month. Brent crude oil rose to USD61.89 per barrel, up by 15.03% month-on-month (“m-o-m”). On the external front, investors will continue to follow closely the latest developments on the ongoing US-China trade tensions, ongoing development of Brexit and negotiations on the US Federal Government (the “Fed”) budget as the temporary bill to fund US Government spending will expire on 15 February 2019. Policy uncertainty continues to be the order of the day as the The East Coast Rail 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. Business and Consumer sentiment continued slipping for the second consecutive quarter in fourth quarter in 2018.

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

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

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

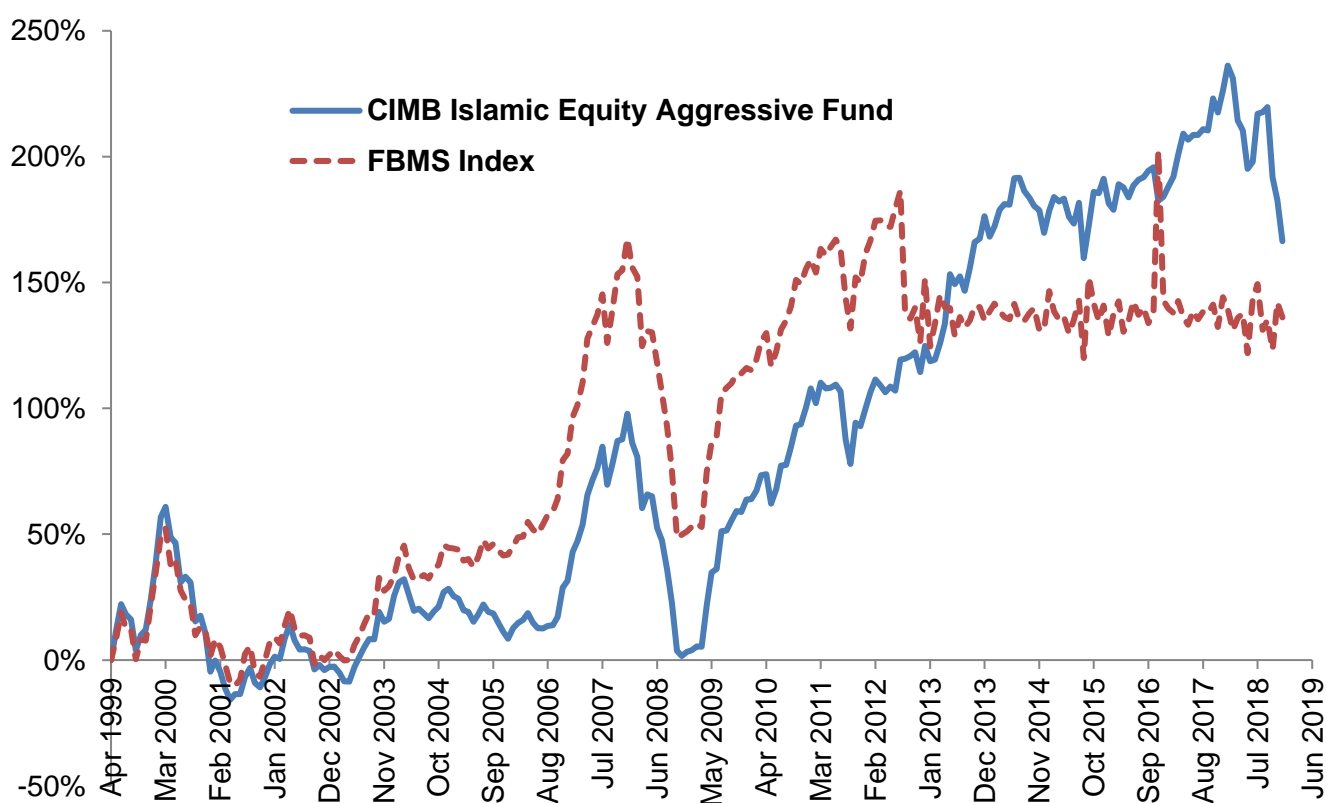
**MARKET REVIEW (1 JANUARY 2019 TO 30 JUNE 2019) (CONTINUED)**

Malaysian equities benefitted from relief rally in June stemming from expectation of Fed rate cuts and de-escalation of US-China trade war. Domestic factors which also helped to boost the market include dissipating concern over regulatory risk particularly for airport operator Malaysia Airports Holdings Bhd (“MAHB”) following the release of the latest consultation paper on the implementation of Regulatory Asset Base (“RAB”) framework. We also observed improving investors’ risk appetite for small and mid-cap stocks judging by FBM Small Cap (“FBMSC”) Index’s gain of 3.6% in June 2019. Malaysia’s Nikkei Manufacturing PMI fell again in June 2019 to 47.8 from 48.8 in May 2019, largely dragged by weak external demand. While Malaysia is expected to be a medium-term beneficiary of trade diversion arising from trade war between US and China, adverse impact from supply chain disruption and weaker end demand will hurt Malaysia’s near-term export. As such, we expect downside risk to Malaysian Gross Domestic Product (“GDP”) going forward. To counter the growth slowdown, BNM has pre-emptively slashed Overnight Policy Rate (“OPR”) by 25 basis point (“bps”) in May 2019 to 3%. With benign inflation, BNM has further room to cut its OPR should the need arises. On the other hand, we expect government fiscal spending to pick up going forward following the recent revival of mega projects such as ECRL and Light Rail Transit 3 (“LRT3”). Most recently, the RM32 billion Penang Transport Master Plan will likely be sanctioned to proceed, which is a positive for the construction sector.

**FUND PERFORMANCE**

	<b>6 months to 30.06.2019</b>	<b>1 year to 30.06.2019</b>	<b>3 years to 30.06.2019</b>	<b>5 years to 30.06.2019</b>	<b>Since inception to 30.06.2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	3.91	3.91	17.52	31.61	162.28
Capital	5.87	(5.36)	(13.56)	(23.58)	11.22
Total Return	10.01	(1.66)	1.54	0.53	193.06
Benchmark	5.46	0.33	0.25	(9.37)	143.12
Average Total Return	N/A	(1.66)	0.51	0.11	4.57

For the financial period under review, the Fund's increased by 10.01%, while the benchmark gained by 5.46%. As such, the Fund outperformed its benchmark by 4.55%.





**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV**

	<b>30.06.2019</b>	<b>31.12.2018</b> <b>Audited</b>	<b>Changes</b> <b>%</b>
NAV (RM Million)	110.76	100.14	10.61
NAV/Unit (RM)	0.6693	0.6322	5.87

The NAV per unit increased by 5.87% due to positive investment performance during the financial period under review.

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

**PORTFOLIO STRUCTURE**

**Asset allocation**

<b>(% of NAV)</b>	<b>30.06.2019</b>	<b>31.12.2018</b> <b>Audited</b>
Quoted securities	91.26	76.95
Cash and other net assets	8.74	23.05
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

Asset allocation increased from 76.95% as at 31 December 2018 to 91.26% as at 30 June 2019 to capitalize on market opportunities during the financial period under review.

**MARKET OUTLOOK \***

Towards the end of May 2019, sentiment was buoyed by two merger and acquisition announcements involving Axiata Group Bhd and Telenor ASA and YTL Cement Bhd and Lafarge Malaysia 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 while positive results came from Automotive, Construction, Telecommunication and Utilities. 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. Freshly out May 2019 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 could shave 1.3% to 1.5% off Malaysia's GDP growth. This suggests that risk to growth is clearly on the downside. In addition to external factors, RM could face additional selling pressure as Malaysia may be dropped from the FTSE WGBI during September 2019 review. On the bright side, recent resumption of mega infrastructure projects such as ECRL and LRT3 will provide some boost to growth from 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 cautious 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 and Malaysia tend to be more defensive when volatility in global equity markets rises. We look to add into names that are domestically driven and companies that payout high dividend. 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 30 June 2019 are as follows:

<b>Size of unit holdings (units)</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	3,050	8.12	4.91
5,001-10,000	1,951	13.98	8.45
10,001-50,000	3,011	63.86	38.59
50,001-500,000	622	62.32	37.66
500,001 and above	12	17.19	10.39
<b>Total</b>	<b>8,646</b>	<b>165.47</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

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

During the financial period under review, the Manager and 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 EQUITY AGGRESSIVE 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 12 to 39 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 30 June 2019 and of its financial performance, changes in equity and cash flows for the financial period then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

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

**MUNIRAH KHAIRUDDIN**

Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**

Director

Kuala Lumpur

14 August 2019

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

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of CIMB ISLAMIC EQUITY AGGRESSIVE FUND for the six months financial period ended 30 June 2019. In our opinion, PRINCIPAL ASSET MANAGEMENT BERHAD (*FORMERLY KNOWN AS CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD*) (the "Manager") has operated and managed CIMB ISLAMIC EQUITY AGGRESSIVE FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds for the six months financial period ended 30 June 2019.

We are also of the opinion that:

- a) Valuation and pricing is carried out in accordance with the Deed and relevant regulatory requirements;
- b) Creation and cancellation of units are carried out in accordance with the Deed and any relevant regulatory requirement; and
- c) The distribution of income made by CIMB ISLAMIC EQUITY AGGRESSIVE FUND as declared by the Manager is appropriate and reflects the investment objective of CIMB ISLAMIC EQUITY AGGRESSIVE FUND.

Yours faithfully,  
**AMANAHRAYA TRUSTEES BERHAD**

**HABSAH BINTI BAKAR**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
14 August 2019

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

**For the Financial Period from 1 January 2019 to 31 March 2019**

We have acted as the Shariah Adviser of CIMB Islamic Equity Aggressive Fund (the "Fund") for the financial period from 1 January 2019 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 six months financial period from 1 January 2019 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 ("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 EQUITY AGGRESSIVE FUND**

**For the Financial Period from 1 April 2019 to 30 June 2019**

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

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

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

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

**For Amanie Advisors Sdn Bhd,**

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

14 August 2019

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2019**

	<b>Note</b>	<b>01.01.2019 to 30.06.2019 RM</b>	<b>01.01.2018 to 30.06.2018 RM</b>
<b>INCOME/(LOSS)</b>			
Dividend income		963,773	1,121,472
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah at amortised cost		209,242	158,984
Net gain/(loss) on financial assets at fair value through profit or loss	<b>8</b>	<u>10,240,553</u>	<u>(10,154,189)</u>
		<u>11,413,568</u>	<u>(8,873,733)</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	792,890	775,817
Trustee's fee	<b>5</b>	47,573	46,549
Audit fee		8,550	8,100
Tax Agent's fee		2,400	200
Transaction costs		415,757	399,719
Other expenses		9,868	68,762
		<u>1,277,038</u>	<u>1,299,147</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		10,136,530	(10,172,880)
Taxation	<b>7</b>	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>		<u><u>10,136,530</u></u>	<u><u>(10,172,880)</u></u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		(4,289,031)	(2,243,139)
Unrealised amount		14,425,561	(7,929,741)
		<u>10,136,530</u>	<u>(10,172,880)</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

		<b>30.06.2019</b>	<b>31.12.2018</b>
			<b>Audited</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>			
Cash and cash equivalents (Shariah-compliant)	<b>9</b>	10,364,744	21,229,471
Financial assets at fair value through profit or loss (Shariah-compliant)	<b>8</b>	101,075,616	77,055,363
Amount due from stockbrokers		555,580	3,765,766
Amount due from Manager		313,262	210,531
Dividends receivable		89,797	189,154
Tax recoverable		59,660	59,660
<b>TOTAL ASSETS</b>		<u>112,458,659</u>	<u>102,509,945</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		1,127,282	2,185,994
Amount due to Manager		410,991	27,244
Accrued management fee		135,867	130,029
Amount due to Trustee		8,152	7,802
Other payables and accruals		19,050	17,700
<b>TOTAL LIABILITIES</b>		<u>1,701,342</u>	<u>2,368,769</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>119,757,317</u>	<u>100,141,176</u>
<b>EQUITY</b>			
Unit holders' capital		108,527,909	104,264,920
Retained earnings/(Accumulated losses)		2,229,408	(4,123,744)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>110,757,317</u>	<u>100,141,176</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	<b>10</b>	<u>165,468,631</u>	<u>158,381,443</u>
<b>NET ASSET VALUE PER UNITS (RM)</b>		<u>0.6693</u>	<u>0.6322</u>

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



**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2019**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 January 2019</b>				
Movement in unit holders' contributions:				
- Creation of units from applications		104,264,920	(4,123,744)	100,141,176
- Creation of units from distribution		12,291,630	-	12,291,630
- Cancellation of units		3,644,325	-	3,644,325
		(11,672,966)	-	(11,672,966)
Total comprehensive income for the financial period		-	10,136,530	10,136,530
Distribution	6	-	(3,783,378)	(3,783,378)
<b>Balance as at 30 June 2019</b>		<u>108,527,909</u>	<u>2,229,408</u>	<u>110,757,317</u>
<b>Balance as at 1 January 2018</b>		65,216,504	24,785,549	90,002,053
Movement in unit holders' contributions:				
- Creation of units from applications		41,065,208	-	41,065,208
- Creation of units from distribution		5,866,273	-	5,866,273
- Cancellation of units		(14,371,951)	-	(14,371,951)
Total comprehensive loss for the financial period		-	(10,172,880)	(10,172,880)
Distribution	6	-	(6,511,795)	(6,511,795)
<b>Balance as at 30 June 2018</b>		<u>97,776,034</u>	<u>8,100,874</u>	<u>105,876,908</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2019**

	01.01.2019 to 30.06.2019	01.01.2018 to 30.06.2018
Note	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of Shariah-compliant quoted securities	72,043,972	57,496,099
Purchases of Shariah-compliant quoted securities	(84,087,955)	(79,974,476)
Dividend income received	1,063,130	1,078,798
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	209,242	158,984
Management fee paid	(787,052)	(756,634)
Trustee's and custodian fees paid	(47,223)	(45,398)
Payments for other fees and expenses	(19,468)	(100,520)
<b>Net cash used in operating activities</b>	<u>(11,625,354)</u>	<u>(22,143,147)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	12,188,899	40,980,954
Payments for cancellation of units	(11,289,219)	(14,156,227)
Distribution paid	(139,053)	(645,522)
<b>Net cash generated from financing activities</b>	<u>760,627</u>	<u>26,179,205</u>
Net (decrease)/increase in cash and cash equivalents	(10,864,727)	4,036,058
Cash and cash equivalents at the beginning of the financial period	<u>21,229,471</u>	<u>8,794,058</u>
Cash and cash equivalents at the end of the financial period	<u><u>10,364,744</u></u>	<u><u>12,830,116</u></u>
<u>Cash and cash equivalents comprised of:</u>		
Shariah-compliant deposits with licensed Islamic financial institutions	10,281,359	12,740,586
Bank balances	<u>83,385</u>	<u>89,530</u>
Cash and cash equivalents at the end of financial period	<u><u>10,364,744</u></u>	<u><u>12,830,116</u></u>

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 30 JUNE 2019****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

CIMB Islamic Equity Aggressive Fund (the "Fund") is governed by a Principal Master Deed dated 15 May 2008, a First Supplemental Deed dated 26 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 Twelfth Supplemental Master Deed dated 14 June 2010, 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 AmanahRaya Trustees Berhad (the "Trustee").

The Fund may invest a minimum of 70% and up to a maximum of 98% of NAV in local Shariah-compliant equities. The Fund may also invest up to 28% of its NAV in other permissible investments and at least 2% of the Fund's NAV in Shariah-compliant liquid assets. As an aggressive Fund, the Fund will be managed with higher beta and tracking error. The investment policy and strategy of the Fund is to invest in Shariah-compliant stocks which are selected based on their future growth prospects with benchmarking of the Fund being a secondary consideration. As such, the Fund may hold a larger percentage of its NAV (may exceed 10%) in Shariah-compliant stocks of companies with small capitalisation. 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 addition, Shariah-compliant liquid assets may also be strategically used if we feel that the market downside risk is high in the short-term.

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 International Financial Reporting Standards ("IFRS").

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

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

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

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

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

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

#### Standard that is effective:

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

#### (i) Financial year beginning on/after 1 January 2019

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

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

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2019 that have a material effect on the financial statements of the Fund.

### (b) Financial assets and financial liabilities

#### Classification

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

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

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

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

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

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

Recognition and measurement

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

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

Financial assets are derecognised when the rights to receive cash flows from the 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.

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.

Financing and receivables and other financial liabilities are subsequently carried at amortised cost using the effective profit method.

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

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

Significant increase in credit risk

A significant increase in credit risk is defined by management 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.

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

Realised gain or loss on disposal of 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) 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.

**(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 period.

**(g) Distribution**

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

**(h) Transaction costs**

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

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

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

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

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(j) Unit holders' capital**

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

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

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

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

**(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.

**(l) 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.

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



**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund aims to earn reasonable returns for investors by investing in approved equities listed on Bursa Malaysia as well as unlisted securities and other non-interest bearing assets acceptable under Shariah principles.

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

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

**(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) 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.

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.

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

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

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(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. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

**(d) Capital risk management**

The capital of the Fund is represented by equity consisting of unit holder's capital of RM108,527,909 (31.12.2018: RM104,264,920) and retained earnings/(accumulated loss) of RM2,229,408 (31.12.2018: (RM4,123,744)). 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
<b>30.06.2019</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	101,075,616	-	-	101,075,616
<b>31.12.2018</b>				
<b>Audited</b>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	77,055,363	-	-	77,055,363

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 1.50% per annum calculated daily based on the NAV of the Fund.

For the six months financial period ended 30 June 2019, the Manager's fee is recognised at a rate of 1.50% per annum (30.06.2018: 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 Deeds, the Trustee is entitled to a fee not exceeding 0.09% per annum calculated daily based on the NAV of the Fund. The Trustee's fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any).

For the six months financial period ended 30 June 2019, the Trustee's fee is recognised at a rate of 0.09% per annum (30.06.2018: 0.09% per annum).

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

**6. DISTRIBUTION**

Distribution to unit holders is derived from the following sources:

	<b>01.01.2019 to 30.06.2019</b>	<b>01.01.2018 to 30.06.2018</b>
	<b>RM</b>	<b>RM</b>
Dividend income	982,944	759,049
Profit income	151,292	88,433
Net realised (loss)/gain on disposal of Shariah-compliant investments	(1,916,480)	2,482,744
Prior financial periods' realised income	<u>4,873,835</u>	<u>3,560,220</u>
	4,091,591	6,890,446
Less:		
Expenses	<u>308,213</u>	<u>(378,651)</u>
Net distribution amount	<u>3,783,378</u>	<u>6,511,795</u>
<b>Distribution on 23 January 2019</b>		
Gross/Net distribution per unit (sen)	<u>2.40</u>	<u>-</u>
<b>Distribution on 26 January 2018</b>		
Gross/Net distribution per unit (sen)	<u>-</u>	<u>5.20</u>

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current and prior financial periods' realised income.

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

During the six month financial period ended 30 June 2018, the Fund incurred unrealised loss of RM7,929,741.

**7. TAXATION**

	<b>01.01.2019 to 30.06.2019</b>	<b>01.01.2018 to 30.06.2018</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial period:		
- Current taxation	<u>-</u>	<u>-</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:

	<b>01.01.2019 to 30.06.2019</b>	<b>01.01.2018 to 30.06.2018</b>
	<b>RM</b>	<b>RM</b>
Profit/(Loss) before taxation	<u>10,136,530</u>	<u>(10,172,880)</u>
Taxation at Malaysian statutory rate of 24% (30.06.2018: 24%)	2,432,767	(2,441,491)
Tax effects of:		
(Investment income not subject to tax)/ Investment loss not deductible for tax purposes	(2,739,256)	2,129,696
Expenses not deductible for tax purposes	112,196	112,442
Restriction on tax deductible expenses for Unit Trust Funds	<u>194,293</u>	<u>199,353</u>
Taxation	<u>-</u>	<u>-</u>

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

	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>RM</b>	<b>Audited RM</b>
Designated at fair value through profit or loss at inception:		
- Shariah-compliant quoted securities	<u>101,075,616</u>	<u>77,055,363</u>

	<b>01.01.2019 to 30.06.2019</b>	<b>01.01.2018 to 30.06.2018</b>
	<b>RM</b>	<b>RM</b>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(4,185,008)	(2,224,448)
- Unrealised fair value gain/(loss)	14,425,561	(7,929,741)
	<u>10,240,553</u>	<u>(10,154,189)</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.06.2019</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>Construction</b>				
Muhibbah Engineering (M) Bhd	387,100	1,099,027	1,068,396	0.96
<b>Consumer Products &amp; Services</b>				
Bermaz Auto Bhd	1,331,000	3,045,963	3,540,460	3.20
DRB-Hicom Bhd	792,200	1,620,721	1,742,840	1.57
Fraser & Neave Holdings Bhd	45,600	1,496,332	1,575,936	1.42
Sime Darby Bhd	1,556,702	3,553,871	3,518,147	3.18
	<u>3,725,502</u>	<u>9,716,887</u>	<u>10,377,383</u>	<u>9.37</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	2,085,400	2,314,997	2,460,772	2.22
Dialog Group Bhd	1,924,100	5,227,715	6,272,566	5.66
Sapura Energy Bhd	10,107,300	3,098,210	3,032,190	2.74
Serba Dinamik Holdings Bhd	566,600	2,028,036	2,283,398	2.06
Yinson Holdings Bhd	577,300	2,318,140	3,515,757	3.18
	<u>15,260,700</u>	<u>14,987,098</u>	<u>17,564,683</u>	<u>15.86</u>
<b>Financial Services</b>				
BIMB Holding Bhd	989,700	4,260,185	4,522,929	4.08
Syarikat Takaful Malaysia Keluarga Bhd	263,600	1,486,152	1,805,660	1.63
	<u>1,253,300</u>	<u>5,746,337</u>	<u>6,328,589</u>	<u>5.71</u>
<b>Health Care</b>				
Duopharma Biotech Bhd	957,431	1,099,526	1,311,680	1.18
IHH Healthcare Bhd	146,600	787,939	850,280	0.77
KPJ Healthcare Bhd	1,586,000	1,695,715	1,482,910	1.34
Top Glove Corporation Bhd	230,100	1,096,491	1,129,791	1.03
	<u>2,920,131</u>	<u>4,679,671</u>	<u>4,774,661</u>	<u>4.32</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.06.2019 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Industrial Products &amp; Services</b>				
Chemical Co. Malaysia Bhd	723,066	1,252,245	1,511,208	1.36
HSS Engineers Bhd	555,300	527,002	644,148	0.58
Pecca Group Bhd	782,700	676,301	907,932	0.82
Petronas Chemicals Group Bhd	730,500	6,141,808	6,136,200	5.54
Uchi Technologies Bhd	338,000	936,535	973,440	0.88
	<u>3,129,566</u>	<u>9,533,891</u>	<u>10,172,928</u>	<u>9.18</u>
<b>Plantation</b>				
FGV Holdings Bhd	4,019,100	4,747,094	4,501,392	4.06
IOI Corporation Bhd	752,100	3,431,237	3,196,425	2.89
Kuala Lumpur Kepong Bhd	170,800	4,234,241	4,194,848	3.79
Sime Darby Plantation Bhd	1,466,800	7,569,293	7,216,656	6.52
	<u>6,408,800</u>	<u>19,981,865</u>	<u>19,109,321</u>	<u>17.26</u>
<b>Property</b>				
Malaysian Resources Corporation Bhd	1,922,400	1,728,261	1,826,280	1.65
Sime Darby Property Bhd	835,100	885,671	860,153	0.78
	<u>2,757,500</u>	<u>2,613,932</u>	<u>2,686,433</u>	<u>2.43</u>
<b>REIT</b>				
Axis REIT	<u>1,268,700</u>	<u>2,261,421</u>	<u>2,220,225</u>	<u>2.00</u>
<b>Technology</b>				
JHM Consolidation	2,131,200	2,478,756	2,685,312	2.42
Pentamaster Corporation Bhd	1,250,916	2,242,868	3,602,638	3.25
Revenue Group Bhd	325,300	372,935	461,926	0.42
	<u>3,707,416</u>	<u>5,094,559</u>	<u>6,749,876</u>	<u>6.09</u>
<b>Telecommunications/ Media</b>				
Axiata Group Bhd	1,181,709	5,137,530	5,884,911	5.31
Binasat Communications Bhd	1,249,300	532,059	393,529	0.36
Digi.com Bhd	133,400	596,263	673,670	0.61
Telekom Malaysia Bhd	281,700	921,023	1,126,800	1.02
	<u>2,846,109</u>	<u>7,186,875</u>	<u>8,078,910</u>	<u>7.30</u>



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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>30.06.2019 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Transportation/Logistics</b>				
MISC Bhd - Local	388,900	2,607,965	2,780,635	2.51
Westports Holdings Bhd	146,300	573,182	576,422	0.52
	<u>535,200</u>	<u>3,181,147</u>	<u>3,357,057</u>	<u>3.03</u>
<b>Utilities</b>				
Ranhill Holdings Bhd	587,880	586,206	734,850	0.66
Taliworks Corporation Bhd	1,144,866	914,751	1,036,104	0.94
Tenaga Nasional Bhd	492,500	6,775,025	6,816,200	6.15
	<u>2,225,246</u>	<u>8,275,982</u>	<u>8,587,154</u>	<u>7.75</u>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<b><u>46,425,270</u></b>	<b><u>94,358,692</u></b>	<b><u>101,075,616</u></b>	<b><u>91.26</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>6,716,924</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>101,075,616</u></b>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.12.2018</b>				
<b>Audited</b>				
<b>SHARIAH-COMPLIANT</b>				
<b>QUOTED SECURITIES</b>				
<b>Construction</b>				
Econpile Holdings Bhd	2,073,200	1,425,752	798,182	0.80
Gabungan AQRS Bhd	555,600	785,461	475,038	0.47
Gamuda Bhd	449,400	1,528,436	1,051,596	1.05
Kerjaya Prospek Group Bhd	366,940	484,240	421,981	0.42
Muhibbah Engineering (Malaysia) Bhd	402,900	1,143,885	1,124,091	1.12
Sunway Construction Group Bhd	471,200	1,060,394	626,696	0.63
Vizione Holdings Bhd	290,328	267,932	248,230	0.25
	<u>4,609,568</u>	<u>6,696,100</u>	<u>4,745,814</u>	<u>4.74</u>
<b>Consumer Products &amp; Services</b>				
Aeon Co. Malaysia Bhd	883,200	1,698,689	1,298,304	1.30
Bermaz Auto Berhad	554,800	1,248,140	1,192,820	1.19
Bioalpha Holdings Bhd	1,640,200	391,753	344,442	0.34
DRB-Hicom Bhd	360,600	753,999	613,020	0.60
Fraser & Neave Holdings Bhd	34,000	1,108,905	1,139,000	1.14
Kawan Food Bhd	318,600	1,005,162	608,526	0.60
Magni-Tech Industries Bhd	224,600	1,241,386	898,400	0.90
Nestle Malaysia Bhd	1,600	234,085	235,840	0.24
Padini Holdings Bhd	227,100	993,733	797,121	0.80
Power Root Bhd	671,960	951,058	927,305	0.93
QL Resources Bhd	198,900	921,397	1,354,509	1.35
Salutica Bhd	616,900	347,362	252,929	0.25
Sime Darby Bhd	1,079,302	2,503,778	2,590,325	2.59
UMW Holdings Bhd	209,900	1,026,189	1,148,153	1.15
	<u>7,021,662</u>	<u>14,425,636</u>	<u>13,400,694</u>	<u>13.38</u>
<b>Energy</b>				
Dialog Group Bhd	1,310,500	3,249,944	4,075,655	4.07
Hibiscus Petroleum Bhd	1,545,900	1,553,781	1,298,556	1.30
Serba Dinamik Holdings Bhd	287,500	965,815	1,086,750	1.09
Uzma Bhd	1,234,900	1,404,770	710,068	0.70
Yinson Holdings Bhd	484,000	1,777,893	2,032,800	2.03
	<u>4,862,800</u>	<u>8,952,203</u>	<u>9,203,829</u>	<u>9.19</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.12.2018 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Financial Services</b>				
BIMB Holdings Bhd	444,771	1,852,229	1,583,385	1.58
<b>Health Care</b>				
CCM Duopharma Biotech Bhd	983,231	1,129,155	934,069	0.93
Hartalega Holdings Bhd	312,500	1,868,495	1,918,750	1.92
IHH Healthcare Bhd	302,400	1,613,956	1,629,936	1.63
Kossan Rubber Industries Sdn Bhd	253,700	991,399	1,101,058	1.10
KPJ Healthcare Bhd	1,586,000	1,695,715	1,649,440	1.65
Top Glove Corporation Bhd	380,600	2,013,287	2,131,360	2.13
	<u>3,818,431</u>	<u>9,312,007</u>	<u>9,364,613</u>	<u>9.36</u>
<b>Industrial Products &amp; Services</b>				
ATA IMS Bhd	579,000	884,882	955,350	0.95
Cahaya Mata Sarawak Bhd	69,900	191,449	188,031	0.19
Chemical Co. Malaysia Bhd	623,766	1,069,046	1,116,541	1.11
EG Industries Bhd	870,175	527,489	426,386	0.43
EG Industries Bhd – Preference Shares	416,649	197,908	197,908	0.20
HSS Engineers Bhd	239,100	206,643	205,626	0.21
Pecca Group Bhd	693,500	601,993	509,723	0.51
Petronas Chemicals Group Bhd	469,200	3,708,908	4,358,868	4.35
Rohas Tecnic Bhd	712,800	822,100	484,704	0.48
SKP Resources Bhd	63,500	104,188	66,675	0.07
Success Transformer Corporation Sdn Bhd	886,200	1,369,133	460,824	0.46
Sunway Bhd	326,400	530,805	479,808	0.48
Uchi Technologies Bhd	338,000	936,535	858,520	0.86
V.S. Industry	1,168,600	2,057,940	853,078	0.85
V.S. Industry -Warrant	2,611,450	1,019,020	13,057	0.01
	<u>10,068,240</u>	<u>14,228,039</u>	<u>11,175,099</u>	<u>11.16</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.12.2018 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Property</b>				
LBS Bina Group Bhd	802,960	698,525	513,894	0.51
Malaysian Resources Corporation Bhd	789,400	665,920	485,481	0.48
	<u>1,592,360</u>	<u>1,364,445</u>	<u>999,375</u>	<u>0.99</u>
<b>Technology</b>				
Elsoft Research Bhd	367,480	412,839	400,553	0.40
Frontken Corporation Bhd	3,244,900	1,416,451	2,287,654	2.28
Globetronics Technology Bhd	1,013,433	2,239,646	1,773,508	1.77
Inari Amertron Bhd	998,650	2,006,382	1,497,975	1.50
Inari Amertron Bhd – Warrant	58,400	81,316	56,648	0.06
JHM Consolidation	1,392,800	1,493,945	1,183,880	1.18
MI Technovation Bhd	187,900	442,619	420,896	0.42
My Eg Services Bhd	579,100	675,087	564,623	0.56
Pentamaster Corporation Bhd	907,344	2,291,797	2,495,196	2.49
Revenue Group Bhd	76,900	57,421	105,353	0.11
Unisem Bhd	13,200	41,421	43,296	0.04
Visdynamics Holdings Bhd	248,800	163,084	123,156	0.12
Vitrox Corporation Bhd	101,300	599,666	637,177	0.64
	<u>9,190,207</u>	<u>11,921,674</u>	<u>11,589,915</u>	<u>11.57</u>
<b>Telecommunications/ Media</b>				
Axiata Group Bhd	745,709	3,216,452	2,930,636	2.93
Binasat Communications Bhd	1,510,300	643,216	566,363	0.57
Digi.com Bhd	111,400	499,283	501,300	0.50
Sasbadi Holdings Bhd	1,517,400	588,106	333,828	0.33
Sedania Innovator Bhd	1,015,900	169,843	101,590	0.10
	<u>4,900,709</u>	<u>5,116,900</u>	<u>4,433,717</u>	<u>4.43</u>
<b>Transportation/Logistics</b>				
MISC Bhd	110,400	677,925	739,680	0.74
Pos Malaysia Bhd	16,700	28,056	28,724	0.03
	<u>127,100</u>	<u>705,981</u>	<u>768,404</u>	<u>0.77</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.12.2018 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Utilities</b>				
Petronas Gas Bhd	39,400	687,314	756,480	0.76
Ranhill Holdings Bhd	285,200	330,809	342,240	0.34
Taliworks Corporation Bhd	1,289,466	1,161,239	1,018,678	1.02
Tenaga Nasional Bhd	564,200	8,009,424	7,673,120	7.66
	<u>2,178,266</u>	<u>10,188,786</u>	<u>9,790,518</u>	<u>9.78</u>
<b>TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES</b>	<b><u>48,814,114</u></b>	<b><u>84,764,000</u></b>	<b><u>77,055,363</u></b>	<b><u>76.95</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b><u>(7,708,637)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b><u>77,055,363</u></b>		

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

	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>RM</b>	<b>Audited RM</b>
Shariah-compliant deposits with licensed Islamic financial institutions	10,281,359	21,191,661
Bank balances	83,385	37,810
	<u>10,364,744</u>	<u>21,229,471</u>

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

	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>%</b>	<b>Audited %</b>
Shariah-compliant deposits with licensed Islamic financial institutions	3.28	3.46

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average maturity of 2 days (31.12.2017: 1 day).

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

	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>No. of units</b>	<b>Audited No. of units</b>
At the beginning of the financial period/year	158,381,443	109,180,791
Add: Creation of units from applications	19,244,783	78,198,653
Add: Creation of units from distribution	5,934,415	7,272,841
Less: Cancellation of units	(18,092,010)	(36,270,842)
At the end of the financial period/year	<u>165,468,631</u>	<u>158,381,443</u>

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

	<b>01.01.2019 to 30.06.2019</b>	<b>01.01.2018 to 30.06.2018</b>
	<b>%</b>	<b>%</b>
MER	0.81	0.84

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 Goods and Services Tax ("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 RM106,777,255 (30.06.2018: RM104,499,042).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.01.2019 to 30.06.2019	01.01.2018 to 30.06.2018
PTR (times)	<u>0.71</u>	<u>0.64</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period = RM82,801,393 (30.06.2018: RM76,345,999)  
total disposal for the financial period = RM69,021,693 (30.06.2018: RM58,051,969)

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

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

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

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

Units held by the Manager and parties related to the Manager

<b>Manager</b>	<b>30.06.2019</b>		<b>31.12.2018 Audited</b>	
	<b>No. of units</b>	<b>RM</b>	<b>No. of units</b>	<b>RM</b>
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	100,180	67,050	32,093	20,289

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.

	<b>01.01.2019 to 30.06.2019 RM</b>	<b>01.01.2018 to 30.06.2018 RM</b>
<u>Significant related party transaction</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions:		
- CIMB Islamic Bank Bhd	<u>60,270</u>	<u>33,792</u>
Shariah-compliant deposits with licensed Islamic financial institutions		
- CIMB Islamic Bank Bhd	<u>140,579,000</u>	<u>88,450,000</u>
	<b>30.06.2019 RM</b>	<b>31.12.2018 Audited RM</b>
<u>Significant related party balances</u>		
Bank balances		
- CIMB Islamic Bank Bhd	<u>46,031</u>	<u>37,810</u>



14. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 June 2019 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades</b> <b>RM</b>	<b>Percentage of total trades</b> <b>%</b>	<b>Brokerage fees</b> <b>RM</b>	<b>Percentage of total brokerage fees</b> <b>%</b>
RHB Investment Bank Bhd	23,164,491	15.26	51,442	16.39
Macquarie Capital Securities (M) Sdn. Bhd.	20,375,756	13.42	41,200	13.13
Kaf Seagroatt & Campbell Securities Sdn. Bhd	18,677,255	12.30	42,119	13.42
Affin Hwang Investment Bank Bhd	17,186,013	11.32	38,766	12.35
Maybank Investment Bank Bhd	16,171,985	10.65	33,508	10.68
CLSA Securities (M) Sdn Bhd	14,184,290	9.34	27,236	8.68
UBS Securities (M) Sdn Bhd	13,885,697	9.15	20,648	6.58
CIMB Investment Bank Bhd #	10,588,322	6.97	23,326	7.43
J.P. Morgan Securities (M) Sdn Bhd	9,917,684	6.53	19,081	6.08
Credit Suisse Securities (M) Sdn Bhd	3,353,647	2.21	6,863	2.19
Others	4,317,946	2.85	9,656	3.07
	<u>151,823,086</u>	<u>100.00</u>	<u>313,845</u>	<u>100.00</u>

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 June 2018 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades</b> <b>RM</b>	<b>Percentage of total trades</b> <b>%</b>	<b>Brokerage fees</b> <b>RM</b>	<b>Percentage of total brokerage fees</b> <b>%</b>
CIMB Investment Bank Bhd #	16,531,584	12.68	35,766	12.11
Credit Suisse Securities (Malaysia) Sdn Bhd	16,528,894	12.68	37,213	12.60
RHB Investment Bank Bhd	16,401,265	12.58	39,133	13.25
CLSA Securities Malaysia Sdn Bhd	15,382,688	11.80	34,138	11.56
Maybank Investment Bank Bhd	15,035,773	11.54	34,101	11.54
Affin Hwang Investment Bank Bhd	10,807,040	8.29	23,048	7.80
JPMorgan Securities (Malaysia) Sdn Bhd	10,240,964	7.86	23,082	7.81
Hong Leong Investment Bank Bhd	9,711,413	7.45	21,909	7.42
Macquarie Malaysia Sdn Bhd	9,302,963	7.14	20,932	7.09
KAF-Seagroatt & Campbell Securities Sdn Bhd	5,566,809	4.27	12,525	4.24
Others	4,832,678	3.71	13,568	4.58
	<u>130,342,071</u>	<u>100.00</u>	<u>295,415</u>	<u>100.00</u>

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

# Included in transactions are trades conducted with CIMB Investment Bank Bhd, fellow related party of the Manager amounting to RM10,588,322 (30.06.2018: RM16,531,584) 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.

**15. 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 earn reasonable returns for investors by investing in approved equities listed on Bursa Malaysia as well as unlisted securities and other non-interest bearing assets acceptable under 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.

## DIRECTORY

### Head office of the Manager

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

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### Shariah Adviser of the CIMB Islamic Equity Aggressive Fund

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