

CIMB Islamic Global Equity Fund

Annual Report

For the financial year ended 30 April 2019

CIMB ISLAMIC GLOBAL EQUITY FUND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 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 RM55.7 billion in Asset under Management ("AUM") as of April 2019.

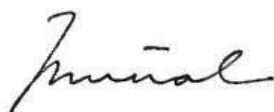
We continue to achieve prestigious recognitions, grabbing six individual awards at The Edge-Thomson Reuters Lipper Fund Awards 2018. In addition, we received recognition from Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for six funds.

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.

Thank you.

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



Munirah Khairuddin
Chief Executive Officer

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

The Fund aims to achieve capital appreciation over the long-term through Shariah-compliant investments primarily in the global markets.

Has the Fund achieved its objective?

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

What are the Fund investment policy and principal investment strategy?

The Fund will invest a minimum of 70% and up to a maximum of 98% of its Net Asset Value ("NAV") in Shariah-compliant equities and equities related securities globally in order to gain long-term capital growth, with at least 2% of the Fund's NAV in Shariah-compliant liquid assets. The Fund may also invest up to 28% of the Fund's NAV in Sukuk, Shariah-compliant money market instruments and Islamic Deposits. The Fund may also opt to seek investment exposure via Shariah-compliant collective investment scheme that is in line with the objective of the Fund, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines.

When deemed necessary by the Fund Manager, the Fund may invest a significant portion in Shariah-compliant collective investment scheme with underlying in Shariah-compliant equities, in order to achieve a broad exposure to the global markets, especially in times when the Fund's NAV is deemed small (i.e. the Fund's NAV is insufficient to invest in a diversified portfolio similar to Morgan Stanley Capital International ("MSCI") All Country World Islamic ("ACWI Islamic") Index. In these circumstances, the investment via Shariah-compliant collective investment scheme aims to provide the portfolio with an overall exposure of equities globally. The Fund will invest in Shariah-compliant collective investment scheme with underlying in equities of companies that are domiciled in, listed in and/or have operations or businesses in any countries globally.

The Fund's investments will be limited to markets where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commissions ("IOSCO"). Where necessary, we will obtain the license or permits for investments in countries that require license or permits. In the event that we are unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets.

Base Currency

US Dollar ("USD")

Fund category/type

Equity (Shariah-compliant)/Growth

How long should you invest for?

Recommended three (3) years or more

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

Moderate

When was the Fund launched?**Class MYR**

19 September 2017

What was the size of the Fund as at 30 April 2019?

USD19.45 million (319.94 million units)

FUND OBJECTIVE AND POLICY (CONTINUED)

What is the Fund's benchmark?

MSCI ACWI Islamic Index

Note: The Fund's benchmark is for performance comparison purpose only.

What is the Fund distribution policy?

The Manager has the discretion to make income distribution on an ad-hoc basis, depending on the availability of realised income and/or realised gains and at the Manager's discretion.

What was the net income distribution for the financial year ended 30 April 2019?

There was no income distribution for the financial year ended 30 April 2019.

FUND OBJECTIVE AND POLICY (CONTINUED)**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the financial year/period are as follow:

	2019	2018
	%	%
Shariah-compliant collective investment schemes	98.27	98.32
Cash and other net assets	1.73	1.68
	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the financial year/period are as follow:

	2019	30.04.2018
NAV (USD Million)	19.45	23.61
Units in circulation (Million)	319.94	388.24
NAV per unit (USD)	0.0607	0.0608
		19.09.2017
		(date of launch)
	2019	to 30.04.2018
Highest NAV per unit (USD)	0.0624	0.0646
Lowest NAV per unit (USD)	0.0529	0.0587
Total return (%)	5.41	(4.68)
Capital growth (%)	5.41	(4.68)
Income distribution (%)	-	-
Management Expense Ratio ("MER") (%) ^	1.11	0.70
Portfolio Turnover Ratio ("PTR") (times) #	0.35	0.65

^ The Fund's MER increase from 0.70% to 1.11% due to increase in expenses.

The Fund's PTR fell from 0.65 times to 0.35 times as there were less trading activities for the financial year under review.

	2019	Since inception to 30.04.2018
	%	%
Annual total return	5.41	(4.68)

(Launch date: 19 September 2017)

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

MARKET REVIEW (1 MAY 2018 TO 30 APRIL 2019)

During the financial year under review, the MSCI ACWI Islamic Index posted a gain of 2.55% in USD terms. While in Ringgit Malaysia ("RM") terms, the Index gained by 7.22% as USD strengthened by 5.38% against the RM during the year.

Global Equities had a divergent month in May 2018 with US assets outperforming Europe and Emerging Markets ("EM") comfortably. Adverse developments in Europe (Italian political musical chairs) and ex-Asia EMs (higher yields amidst weakening currencies and funding concerns) caused drawdown in those markets while US, powered by small caps and technology rose to pole position. The global breadth was weak as only 35% of the markets we track ended with gains. Markets like Brazil, Russia, H-shares are now down by between 12% to 14% from their 52-week highs. Credit spreads widened, led by high yield as investors continued to pull out of the asset class in favor of more defensive fixed income options. Lower sovereign yields caused sovereigns to outperform in an environment of wider spreads.

In June 2018, global equities had a divergent month with US assets outperforming both Europe and EM. In fact, several of the EM markets recorded negative returns during the month. In addition, markets like "H-shares", Shanghai, and Brazil were also approximately 20% lower from their 52-week highs. Tighter financial conditions, continuing USD strength, as well as trade tension worries ultimately caused investors to pull money out of equities. To note, during the month, President Trump released a list of tariffs on USD50 billion worth of Chinese imports. Consequently, this led China to retaliate by imposing a 25% tariff on 659 US goods worth the same amount. Meanwhile, on fixed income, global assets underperformed the US assets due to the USD strength. To note, the Federal Open Market Committee ("FOMC") had raised its benchmark funds rate by 25 basis points ("bps") to a range between 1.75% and 2.00%. The guidance by the FOMC also turned more hawkish as the central bank now pencils in two more rate hikes for second half of 2018.

During July 2018, global equities showed recovery especially for those regions that were impacted by deeply negative sentiment in second quarter of 2018. However, Chinese equity sentiment remained skittish as markets were not convinced of a quick resolution to China's trade dispute with the US. While incremental easing by People's Bank of China ("PBOC") on the fiscal side helped, it was not sufficient to turn sentiment around enough for markets to be bull. "H-shares" and Shanghai are the only two markets that remain in a technical "bear market", staying 20% below their recent peaks. On the other hand, global fixed income markets made a solid recovery as credit spreads tightened, led by high yield. Asian spreads followed the global cue despite continuing concerns about Chinese onshore defaults

Global equity markets were generally higher in August 2018, although the divergence in regional performance was significant. US equities outperformed other major regions, buoyed by robust earnings and solid economic data. Eurozone equities declined, led by Italian banks impacted by the decline in Italian sovereign debt, and those with exposure to Turkey. EM equities fell, with a currency crisis in Turkey and further escalation in US-China trade relations. Within fixed income, the US 10-year yield dropped from 2.96% to 2.86% as risk appetite waned, and US high yield was positive as yields modestly fell. Trade-related volatility in EM currencies saw local currency bonds fall over 6%, while EM USD denominated and EM corporate bonds experienced smaller declines.

In September 2018, equity markets were modestly higher with investors relatively sanguine in the face of broadening, but expected, US-China trade sanctions. The US labour market report for August 2018 showed further gains and the fastest wage growth since 2009. European stocks were narrowly positive, although the final day of the month saw some weakness after Italy proposed a budget deficit that was higher than some had expected. EM equities posted a negative return, as China and India lagged. Government bond yields rose over the month amid strong economic data. US 10-year yields rose from 2.86% to 3.06%. In addition to raising rates, the Federal Reserve (the "Fed") removed references to "accommodative" policy and struck an optimistic tone. EM bonds enjoyed a broad-based rebound reflecting a plethora of idiosyncratic factors, including a larger-than-expected rate rise in Turkey, as well as USD weakness.

MARKET REVIEW (1 MAY 2018 TO 30 APRIL 2019) (CONTINUED)

October 2018 saw the sharpest one-month decline for global equities since May 2012. US equities fell as a mix of trade concerns, higher interest rates, and uninspiring financial results from some mega-cap tech companies combined to make for a volatile month. Concerns about slowing growth globally, especially in China, held back energy and materials companies, while the more defensive consumer staples and utilities sectors led the market. Meanwhile, the US economy grew at an annualized 3.5% rate in the third quarter of 2018, slower than the second quarter of 2018 at 4.2% growth, but ahead of expectations. The US added 250,000 jobs in October 2018, while the unemployment rate held at 3.7%, the lowest since 1969, and wages rose 3.1% year-over-year (“y-o-y”). Oil prices weakened in a sell-off that coincided with weakness in the equity markets. The price for a barrel of crude for West Texas Intermediate (“WTI”) fell from USD73.25 per barrel to USD65.30 per barrel in October 2018, driven by concerns about the health of the Chinese economy and threats to demand growth from rising trade tensions.

November 2018 proved to be a much calmer month for global markets. Equities posted modest gains, helped by a slightly more moderate tone from the Fed suggesting that current rates could be close to neutral. Against this backdrop US, Asian and EM equities in particular posted gains. US Treasury (“UST”) 10-year yields fell over the month due to a combination of the Fed comments and the mid-term election results making further pro-growth measures less likely. While corporate bonds were negative as risk sentiment remained subdued, the softening in the USD, as expectations of rate rises in 2019 ebbed, helped EM local bonds post positive returns

Global equities endured their most difficult December 2018 since 1970 to cap off a very challenging final quarter and MSCI World Index returned -7.6%. All major markets posted losses over the month, primarily due to concerns over economic and earnings growth. While the Fed enacted its rate hike as anticipated, it signalled a more cautious outlook for economic growth through a dovish shift in tone. Data continued to point to slowing momentum in the eurozone economy, while Chinese data which highlighted slowing industrial production and retail sales further heightened growth concerns. Meanwhile, as expected, the European Central Bank (“ECB”) confirmed the end of its bond-buying programme. Government bond yields were generally lower in December 2018 given broader risk aversion. EM local bonds saw positive total returns as the USD softened over the month.

Global equities gained in January 2019 and the MSCI World Index returned 7.8%. US equities gained ground in January 2019 to recover a substantial proportion of the sharp falls seen in December 2018. Although the Fed left its headline policy rate unchanged, it highlighted a greater degree of flexibility in future rate decisions, confirming any changes will be based on economic momentum. Government bonds rallied in tandem with higher-risk corporates, highlighting the market’s surprise from the Fed’s dovish shift. Corporates were particularly strong with the spread over Government bonds narrowing significantly. The rally in credit was especially forceful in high yield, particularly in the USD market, which had been hit hard in the fourth quarter of 2018 and reversed nearly all of the substantial spread widening seen in December 2018. EM bonds had a strong month across the board with both USD denominated and local currency bonds performing particularly well as the USD continued to moderate.

Global equities made further progress in February 2019 and the MSCI World index returned 3.0% with sentiment boosted by news that the US has suspended the imposition of increased tariffs on USD200 billion of Chinese goods. European stocks also benefited from the suggestion that the European Central Bank could restart its targeted long-term refinancing operations, which offer cheap loans for banks. Chinese stocks were further buoyed by news that Index provider MSCI would increase the weighting of China-listed shares in its benchmark indices.

MARKET REVIEW (1 MAY 2018 TO 30 APRIL 2019) (CONTINUED)

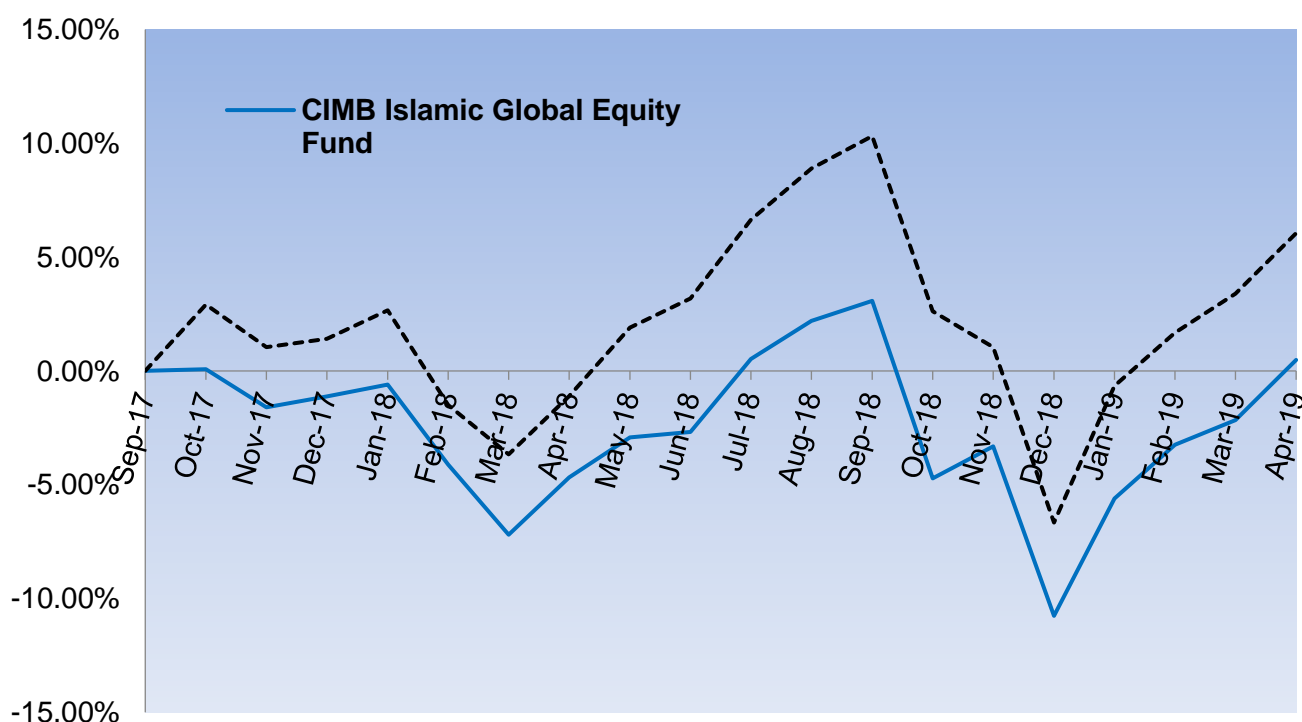
Global equity markets rose in March 2019, but progress was more tentative than in the opening two months of the year due to growing caution on global growth. The Fed lowered its projections for US growth and inflation and reduced its expectations for interest rates hikes. Indeed, the “dot plot” now shows no rate hikes this year and only one in 2020. The ECB also altered its guidance on interest rates, saying that rates would now be on hold until at least 2020. EM equities recorded a positive return over the month, supported by ongoing optimism toward a US-China trade deal and the dovish policy shift from the Fed.

Lastly, global equity markets rose in April 2019, with encouraging economic data points and ongoing supportive policy from major Central Banks supporting risk appetite. US equities advanced, supported by strong labour market data as well as better-than-expected first quarter of 2019 Gross Domestic Product (“GDP”) growth. Eurozone equities also posted further gains, as economic growth in the first three months of the year proved more resilient than feared. EM equities posted a positive return as easing global growth concerns supported risk appetite.

FUND PERFORMANCE**Class MYR**

	1 year to 30.04.2019 %	Since inception to 30.04.2019 %
Income	-	-
Capital	5.41	0.48
Total Return	5.41	0.48
Benchmark	8.31	6.05
Average Total Return	5.41	0.30

For the financial year under review, the fund gained 5.41% but underperformed the benchmark by 2.90%.



FUND PERFORMANCE (CONTINUED)**Changes in NAV**

	2019	2018	Changes %
NAV (USD Million)	19.45	23.61	(17.62)
NAV/Unit (USD)	0.0607	0.0608	(0.16)

For the financial year under review, the Fund's NAV fell by 17.62%, while the NAV per unit declined by 0.16%. The lower NAV was mainly due to net redemptions, while the decrease in NAV per unit was mainly due to weak investment performance

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

PORTFOLIO STRUCTURE**Asset allocation**

(% of NAV)	2019	2018
Shariah-compliant collective investment schemes	98.27	98.32
Cash and other net assets	1.73	1.68
TOTAL	100.00	100.00

During the financial year under review, the Fund was fully invested with minimal level of liquid assets maintained primarily for redemption purposes.

MARKET OUTLOOK*

Global growth has undoubtedly slowed this year on fading US tax-effects. Consensus global GDP growth estimates are down from 3.70% to 3.40% in the past few months. We are expecting for US to grow 2.50% this year. Despite a pronounced slowdown in second half of 2018, Chinese growth should be around 6.00% for 2019 versus 6.60% in 2018, riding the recent expansionary shift in both fiscal and monetary policy. A US-China trade deal will help.

Eurozone is likely to grow around 1.2% from 1.8% last year but even that could be at risk if a hard "Brexit" takes place. Japan is likely to grow about 1% and EM economies about 5%. Easier financial conditions should help growth going forward, which we expect to bottom in 2019. Political risks (Brexit, failure of trade talks, Euro-Area disturbances) are key hurdles to our assessment.

* 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

Going forward, we will continue to be fully invested in global and regional funds.

Our asset allocation decision will nevertheless continue to be subject to the unfolding of the global economic situation.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 April 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	2,746	4.26	1.33
5,001-10,000	1,005	7.48	2.34
10,001-50,000	1,508	35.40	11.06
50,001-500,000	847	138.95	43.43
500,001 and above	110	133.85	41.84
Total	6,216	319.94	100.00

SOFT COMMISSIONS AND REBATES

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

During the financial year under review, the Manager and 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 GLOBAL EQUITY FUND**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 18 to 47 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 April 2019 and of its financial performance, changes in equity and cash flows for the financial year ended 30 April 2019 in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
18 June 2019

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

We have acted as Trustee of CIMB Islamic Global Equity Fund (the "Fund") for the financial year ended 30 April 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 Deed, 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 Deed and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
18 June 2019

**SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC GLOBAL EQUITY FUND****For The Financial Period from 1 May 2018 to 31 March 2019**

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

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

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

For and on behalf of Shariah Adviser
CIMB Islamic Bank Berhad

ASHRAF GOMMA ALI

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

Kuala Lumpur
31 March 2019

**SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC GLOBAL EQUITY FUND****For The Financial Period from 1 April 2019 to 30 April 2019**

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

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

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

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

For **Amanie Advisors Sdn Bhd**,

DATUK DR MOHD DAUD BAKAR
Executive Chairman

18 June 2019

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC GLOBAL EQUITY FUND****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Our opinion**

In our opinion, the financial statements of CIMB Islamic Global Equity Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 30 April 2019, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 47.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC GLOBAL EQUITY FUND (CONTINUED)****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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

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

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT

LLP0014401-LCA & AF 1146

Chartered Accountants

Kuala Lumpur

18 June 2019

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019**

		2019	19.09.2017
			(date of launch)
			to 30.04.2018
	Note	USD	USD
INCOME			
Dividend income		217,901	100,722
Profit income		23	1,751
Net (loss)/gain on financial assets at fair value through profit or loss	8	(33,794)	644,244
Net foreign exchange (loss)/gain		(32,404)	30,376
Other income	4	169,934	110,752
		<u>321,660</u>	<u>887,845</u>
EXPENSES			
Management fee	5	379,501	232,415
Trustee's and custodian fees	6	14,947	10,175
Audit fee		3,304	2,448
Tax agent's fee		992	1,020
Transaction costs		2,727	9,881
Other expenses		4,705	15,792
		<u>406,176</u>	<u>271,731</u>
(LOSS)/PROFIT BEFORE TAXATION		(84,516)	616,114
Taxation	7	-	-
(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR/PERIOD		<u>(84,516)</u>	<u>616,114</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		(133,036)	(20,548)
Unrealised amount		48,520	636,662
		<u>(84,516)</u>	<u>616,114</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2019**

	Note	2019 USD	2018 USD
ASSETS			
Cash and cash equivalents (Shariah-compliant)	9	371,446	598,400
Financial assets at fair value through profit or loss (Shariah-compliant)	8	19,113,038	23,217,263
Amount due from Manager		22,319	53,179
Amount due from Manager of collective investment schemes			
- Management fee rebates		10,783	13,738
TOTAL ASSETS		19,517,586	23,882,580
LIABILITIES			
Amount due to Manager		45,294	239,845
Accrued management fee		18,169	21,759
Amount due to Trustee		970	1,184
Other payables and accruals		4,566	5,067
TOTAL LIABILITIES		68,999	267,855
NET ASSET VALUE OF THE FUND		19,448,587	23,614,725
EQUITY			
Unit holders' capital		18,916,989	22,998,611
Retained earnings		531,598	616,114
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		19,448,587	23,614,725
NUMBER OF UNITS IN CIRCULATION (UNITS)	10	319,943,018	388,241,504
NET ASSET VALUE PER UNIT (USD)			
- Class MYR		0.0607	0.0608
NET ASSET VALUE PER UNIT IN MYR CURRENCY			
- Class MYR		MYR0.2509	MYR0.2385

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019**

	Unit holders' capital USD	Retained earnings USD	Total USD
Balance as at 1 May 2018	22,998,611	616,114	23,614,725
Movement in unit holders' contributions:			
- Creation of units from applications	3,060,609	-	3,060,609
- Cancellation of units	(7,142,231)	-	(7,142,231)
Total comprehensive loss for the financial year	-	(84,516)	(84,516)
Balance as at 30 April 2019	<u>18,916,989</u>	<u>531,598</u>	<u>19,448,587</u>
Balance as at 19 September 2017 (date of launch)	-	-	-
Movement in unit holders' contributions:			
- Creation of units from applications	26,491,815	-	26,491,815
- Cancellation of units	(3,493,204)	-	(3,493,204)
Total comprehensive income for the financial period	-	616,114	616,114
Balance as at 30 April 2018	<u>22,998,611</u>	<u>616,114</u>	<u>23,614,725</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019**

		2019	19.09.2017
			(date of launch)
	Note	USD	to 30.04.2018
			USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant collective investment schemes		9,404,477	2,713,083
Purchase of Shariah-compliant collective investment schemes		(5,214,445)	(25,288,307)
Dividend income received		99,904	90,202
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions		23	1,751
Management fee paid		(385,931)	(196,884)
Management fee rebates received		175,065	78,167
Trustee's and custodian fees paid		(15,161)	(8,991)
Payments for other fees and expenses		(8,837)	(9,117)
Net realised exchange loss		(45,648)	(884)
Net cash generated from/(used in) operating activities		4,009,447	(22,620,980)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		3,089,639	26,472,958
Payments for cancellation of units		(7,323,801)	(3,255,814)
Net cash (used in)/generated from financing activities		(4,234,162)	23,217,144
Net (decrease)/increase in cash and cash equivalents		(224,715)	596,164
Effect of foreign exchange differences		(2,239)	2,236
Cash and cash equivalents at the beginning of the financial year/period		598,400	-
Cash and cash equivalents at the end of the financial year/period	9	371,446	598,400
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		371,446	598,400
Cash and cash equivalents at the end of the financial year/period	9	371,446	598,400

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

CIMB Islamic Global Equity Fund (the “Fund”) was constituted pursuant to a Deed dated 15 June 2017 (“Initial Deed”), between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will invest a minimum of 70% and up to a maximum of 98% of its NAV in Shariah-compliant equities and equities related securities globally in order to gain long-term capital growth, with at least 2% of the Fund’s NAV in Shariah-compliant liquid assets. The Fund may also invest up to 28% of the Fund’s NAV in Sukuk, Shariah-compliant money market instruments and Islamic Deposits. The Fund may also opt to seek investment exposure via Shariah-compliant collective investment scheme that is in line with the objective of the Fund, subject to the requirements of the SC Guidelines.

When deemed necessary by the Fund Manager, the Fund may invest a significant portion in Shariah-compliant collective investment scheme with underlying in Shariah-compliant equities, in order to achieve a broad exposure to the global markets, especially in times when the Fund’s NAV is deemed small (i.e. the Fund’s NAV is insufficient to invest in a diversified portfolio similar to MSCI ACWI Islamic Index). In these circumstances, the investment via Shariah-compliant collective investment scheme aims to provide the portfolio with an overall exposure of equities globally. The Fund will invest in Shariah-compliant collective investment scheme with underlying in equities of companies that are domiciled in, listed in and/or have operations or businesses in any countries globally.

The Fund’s investments will be limited to markets where the regulatory authority is an ordinary or associate member of the IOSCO. Where necessary, we will obtain the license or permits for investments in countries that require license or permits. In the event that we are unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

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

Standard that is effective:

The Fund has applied the following standard for the first time for the financial year beginning 1 May 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.

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

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)

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

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

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

- Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income 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 the amendments to published standard when effective. These amendments to published standard are not expected to have a significant impact on the Fund's financial statements.

(b) Financial assets and financial liabilities

Classification

Up to 30 April 2018, the Fund designates its investment in Shariah-compliant collective investment schemes 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 Manager and amount due from Manager of collective investment schemes.

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

From 1 May 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Classification (continued)

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.

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

The Fund classifies cash and cash equivalents, amount due from Manager and amount due from Manager of collective investment schemes 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 Manager, accrued management fee, amount due to Trustee, and other payables and accruals as financial liabilities measured at amortised cost.

Recognition and measurement

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

Financial liabilities, within the scope of MFRS 139 up to 30 April 2018 and MFRS 9 from 1 May 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 with net gain or loss on financial assets at fair value through profit or loss in the financial year/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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

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

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 Shariah-compliant 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 cost

Up to 30 April 2018, for assets carried at amortised cost, the Fund assesses at the end of the reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

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

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

From 1 May 2018 onwards, 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 year.

(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 and unquoted Sukuk are recognised on a time proportionate basis using the effective profit rate method on an accrual basis.

Up to 30 April 2018, when a financing and receivable is impaired, the Fund reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective profit rate of the instrument, and continue unwinding the discount as profit income. Profit income on impaired financing and receivables are recognised using the original effective profit rate.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Functional and presentation currencies

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”).

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 USD primarily due to the following factors:

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

Transactions and balances

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

(e) Unit holder’s capital

The Fund is established with a multi-class structure where the Deed allows for establishment of more than one Class with similar interests in the assets of the Fund. However, during the financial year/period and as the end of the financial year/period, only one class (Class MYR) is offered for sale.

Hence, the unit holders’ contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 “Financial Instruments: Presentation”. Those criteria include:

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

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

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

(f) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances which are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 year.

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

(h) Transaction costs

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

(i) Management fee rebate

Management fee rebate is derived from the Manager and Manager of Shariah-compliant collective investment scheme on an accruals basis to ensure no double charging of management fee. It is accrued daily based on the fair value of Shariah-compliant collective investment schemes held.

(j) 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.

(k) Critical accounting estimates and judgements in applying accounting policies

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

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

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

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Total USD
2019			
Cash and cash equivalents (Shariah-compliant) (Note 9)	-	371,446	371,446
Shariah-compliant collective investment schemes (Note 8)	19,113,038	-	19,113,038
Amount due from Manager	-	22,319	22,319
Amount due from Manager of collective investment schemes	-	10,783	10,783
	<u>19,113,038</u>	<u>404,548</u>	<u>19,517,586</u>
	Financial assets at fair value through profit or loss USD	Financing and receivables USD	Total USD
2018			
Cash and cash equivalents (Shariah-compliant) (Note 9)	-	598,400	598,400
Shariah-compliant collective investment schemes (Note 8)	23,217,263	-	23,217,263
Amount due from Manager	-	53,179	53,179
Amount due from Manager of collective investment schemes	-	13,738	13,738
	<u>23,217,263</u>	<u>665,317</u>	<u>23,882,580</u>

All liabilities are financial liabilities which are carried at amortised cost.

The Fund aims to achieve capital appreciation over the long-term through Shariah-compliant investments primarily in the global markets.

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

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

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in Shariah-compliant collective investment schemes will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of Shariah-compliant collective investment schemes may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of Shariah-compliant collective investment schemes and other financial instruments within specified limits according to the Deed.

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

	2019	2018
	USD	USD
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment schemes	<u>19,113,038</u>	<u>23,217,263</u>

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

% Change in price of Shariah-compliant collective investment schemes	Market value USD	Impact on profit or loss/NAV USD
2019		
-5%	18,157,386	(955,652)
0%	19,113,038	-
+5%	<u>20,068,690</u>	<u>955,652</u>
2018		
-5%	22,056,400	(1,160,863)
0%	23,217,263	-
+5%	<u>24,378,126</u>	<u>1,160,863</u>

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

(a) Market risk (continued)

(ii) Interest rate risk

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

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

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

The Fund's exposure to fair value interest rate risk arises from investment in Shariah-compliant investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term Shariah-compliant deposits with approved licensed Islamic financial institutions. The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable profit rate.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

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

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

(iii) Currency risk

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

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

Financial assets	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from Manager USD	Total USD
2019				
MYR	32,094	2,499,911	22,319	2,554,324
2018				
MYR	35,772	2,718,583	53,179	2,807,534

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

(a) Market risk (continued)

(iii) Currency risk (continued)

Financial liabilities	Amount due to Manager USD	Other payables and accruals USD	Total USD
2019			
MYR	45,294	4,566	49,860
2018			
MYR	239,845	3,676	243,521

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

	Change in foreign exchange rate %	Impact on profit or loss/NAV	
		2019 USD	2018 USD
MYR	+/-5	+/-125,223	+/-128,201

(b) Credit risk

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

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

For amount due from Manager of collective investment schemes, the Fund will invest with an investment management company of the collective investment scheme which is authorised or approved by the relevant regulatory authority in its home jurisdiction.

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

(b) Credit risk (continued)

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

	Cash and cash equivalents USD	Amount due from Manager USD	Amount due from Manager of collective investment schemes USD	Total USD
2019				
Finance				
- HSBC Bank (Malaysia) Bhd (AAA)	371,446	-	-	371,446
Others				
- Not Rated	-	22,319	10,783	33,102
	<u>371,446</u>	<u>22,319</u>	<u>10,783</u>	<u>404,548</u>
2018				
Finance				
- HSBC Bank (Malaysia) Bhd (AAA)	598,400	-	-	598,400
Others				
- Not Rated	-	53,179	13,738	66,917
	<u>598,400</u>	<u>53,179</u>	<u>13,738</u>	<u>665,317</u>

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

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

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

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

(c) Liquidity risk (continued)

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
2019			
Amount due to Manager	45,294	-	45,294
Accrued management fee	18,169	-	18,169
Amount due to Trustee	970	-	970
Other payables and accruals #	-	4,566	4,566
Contractual undiscounted cash flows	64,433	4,566	68,999
2018			
Amount due to Manager	239,845	-	239,845
Accrued management fee	21,759	-	21,759
Amount due to Trustee	1,184	-	1,184
Other payables and accruals #	1,377	3,675	5,052
Contractual undiscounted cash flows	264,165	3,675	267,840

Other payables and accruals excludes Goods & Services Tax ("GST") reverse charge payable amounting to nil (2018: USD15).

(d) Capital risk management

The capital of the Fund is represented by unit holder's capital of USD18,916,989 (2018: USD22,998,611) and retained earnings of USD531,598 (2018: USD616,114). 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. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

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

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

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

(e) Fair value estimation (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2019				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment schemes	<u>19,113,038</u>	<u>-</u>	<u>-</u>	<u>19,113,038</u>
2018				
Financial assets at fair value through profit or loss:				
- Shariah-compliant collective investment schemes	<u>23,217,263</u>	<u>-</u>	<u>-</u>	<u>23,217,263</u>

Investments whose 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 Manager, amount due from Manager of collective investment schemes and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

4. OTHER INCOME

Other income represents the Fund's entitlement to management fee rebate from the Manager and the Manager of Shariah-compliant collective investment schemes the Fund invests in.

For the financial year ended 30 April 2019, the other income is recognised at a rate as per table below, calculated and accrued daily based on the NAV of the Shariah-compliant collective investment schemes.

	%
CIMB Islamic Asia Pacific Equity Fund	1.80
BNP Paribas Islamic Fund - Equity Optimiser	0.60
Comgest Growth Europe S	1.00
Oasis Crescent Global Equity Fund	1.00

5. MANAGEMENT FEE

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

For the financial year ended 30 April 2019, the management fee is recognised at a rate of 1.80% per annum (2018: 1.80% per annum).

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

6. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deed, the Trustee is entitled to a maximum fee of 0.06% per annum, calculated daily based on the NAV of the Fund. The Trustee's fee includes local custodian fee but excludes the foreign sub-custodian fee and charges (if any). The foreign sub-custodian fee and charges is dependent on the country invested and is charged monthly in arrears. For the financial year ended 30 April 2019, the foreign sub-custodian fee amounted to USD2,297 (2018: USD2,428).

For the financial year ended 30 April 2019, the Trustee's fee is recognised at the rate of 0.06% per annum (2018: 0.06% per annum).

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

7. TAXATION

	2019 USD	19.09.2017 (date of launch) to 30.04.2018 USD
Tax charged for the financial year/period:		
- Current taxation	<u>-</u>	<u>-</u>

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

	2019 USD	19.09.2017 (date of launch) to 30.04.2018 USD
(Loss)/Profit before taxation	<u>(84,516)</u>	<u>616,114</u>
Taxation at Malaysian statutory rate of 24% (2018: 24%)	(20,284)	147,867
Tax effects of:		
Income not subject to tax	(77,198)	(213,082)
Expenses not deductible for tax purposes	4,800	5,466
Restriction on tax deductible expenses for Unit Trust Funds	<u>92,682</u>	<u>59,749</u>
Taxation	<u>-</u>	<u>-</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 USD	2018 USD
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment schemes	<u>19,113,038</u>	<u>23,217,263</u>

	2019 USD	19.09.2017 (date of launch) to 30.04.2018 USD
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(84,681)	9,939
- Unrealised fair value gain	<u>50,887</u>	<u>634,305</u>
	<u>(33,794)</u>	<u>644,244</u>

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

	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES				
IRELAND				
Comgest Growth Europe S	196,014	3,549,181	3,808,554	19.58
iShares MSCI EM Islamic UCITS ETF USD Dist	60,264	1,131,930	1,050,853	5.40
iShares MSCI USA Islamic UCITS ETF USD Dist	64,747	2,667,860	2,850,487	14.66
iShares MSCI World Islamic UCITS ETF USD Dist	108,775	3,518,330	3,607,523	18.55
Oasis Crescent Global Equity Fund	63,132	1,931,777	1,958,346	10.07
TOTAL IRELAND	492,932	12,799,078	13,275,763	68.26
LUXEMBOURG				
BNP Paribas Islamic Fund - Equity Optimiser	15	3,126,394	3,337,364	17.16
TOTAL LUXEMBOURG	15	3,126,394	3,337,364	17.16
MALAYSIA				
CIMB Islamic Asia Pacific Equity Fund	12,962,154	2,502,374	2,499,911	12.85
TOTAL MALAYSIA	12,962,154	2,502,374	2,499,911	12.85
TOTAL COLLECTIVE INVESTMENT SCHEMES	13,455,101	18,427,846	19,113,038	98.27
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		685,192		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		19,113,038		

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

	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018				
SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES				
IRELAND				
Comgest Growth Europe S	235,036	4,239,205	4,284,699	18.14
iShares MSCI EM Islamic UCITS ETF USD Dist	65,501	1,230,296	1,263,678	5.35
iShares MSCI USA Islamic UCITS ETF USD Dist	82,164	3,368,333	3,443,082	14.58
iShares MSCI World Islamic UCITS ETF USD Dist	72,105	2,320,721	2,375,139	10.06
Oasis Crescent Global Equity Fund	143,776	4,397,266	4,549,650	19.28
TOTAL IRELAND	598,582	15,555,821	15,916,248	67.41
LUXEMBOURG				
BNP Paribas Islamic Fund - Equity Optimiser	21	4,346,283	4,582,432	19.40
TOTAL LUXEMBOURG	21	4,346,283	4,582,432	19.40
MALAYSIA				
CIMB Islamic Asia Pacific Equity Fund	12,642,022	2,680,854	2,718,583	11.51
TOTAL MALAYSIA	12,642,022	2,680,854	2,718,583	11.51
TOTAL COLLECTIVE INVESTMENT SCHEMES	13,240,625	22,582,958	23,217,263	98.32
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		634,305		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		23,217,263		

9. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	2019 USD	2018 USD
Bank balances	<u>371,446</u>	<u>598,400</u>

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2019 No. of units	19.09.2017 (date of launch) to 30.04.2018 No. of units
At the beginning of the financial year/period	388,241,504	-
Add: Creation of units from applications	50,761,291	445,413,127
Less: Cancellation of units	<u>(119,059,777)</u>	<u>(57,171,623)</u>
At the end of the financial year/period	<u>319,943,018</u>	<u>388,241,504</u>

11. MANAGEMENT EXPENSE RATIO ("MER")

	2019 %	19.09.2017 (date of launch) to 30.04.2018 %
MER	<u>1.11</u>	<u>0.70</u>

MER is derived based on the following calculation:

MER	=	$\frac{(A + B + C + D + E) \times 100}{F}$
A	=	Management fee (including management fee rebate)
B	=	Trustee's and custodian fees
C	=	Audit fee
D	=	Tax agent's fee
E	=	Other expenses excluding GST on transaction costs
F	=	Average NAV of the Fund calculation on a daily basis

The average NAV of the Fund for the financial year/period calculated on a daily basis is USD21,065,110 (2018: USD21,509,506).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2019	19.09.2017 (date of launch) to 30.04.2018
PTR (times)	0.35	0.65

PTR is derived from the following calculation:

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

where:

total acquisition for the financial year/period = USD5,338,472 (2018: USD25,280,547)

total disposal for the financial year/period = USD9,408,901 (2018: USD2,718,047)

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 (formerly known as CIMB-Principal Asset Management Berhad)	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

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

	No. of units	2019 USD	No. of units	2018 USD
Manager				
Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad)				
- Class MYR	220,213	13,367	58,502	3,557

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

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

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

	2019 USD	19.09.2017 (date of launch) to 30.04.2018 USD
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	-	153
Cash placements with licensed Islamic financial Institution:		
- CIMB Islamic Bank Bhd	-	1,892,671

Other than those mentioned elsewhere in the financial statements, there is no other significant related party balance held as at the end of the financial year ended 30 April 2019 (2018: nil).

14. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the brokers/dealers for the financial year ended 30 April 2019 are as follows:

Brokers/Dealers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Principal Asset Management Berhad #	5,454,523	37.28	-	-
BNP Paribas Asset Management (Luxembourg)	2,664,000	18.21	-	-
Oasis Crescent Global Investment Fund	2,539,000	17.36	-	-
Macquarie Bank Ltd	1,975,160	13.50	1,975	72.42
Comgest Asset Management International Ltd	1,245,000	8.51	-	-
Macquarie Capital Securities (Singapore) Pte Ltd	751,823	5.14	752	27.58
	<u>14,629,506</u>	<u>100.00</u>	<u>2,727</u>	<u>100.00</u>

Details of transactions with the brokers/dealers for the financial period from 19 September 2017 (date of launch) to 30 April 2018 are as follows:

Brokers/Dealers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Macquarie Capital Securities (Singapore) Pte Ltd	9,166,110	32.77	9,166	92.77
Comgest Asset Management International Ltd	4,640,000	16.59	-	0.00
BNP Paribas Asset Management (Luxembourg)	4,539,863	16.23	-	0.00
Oasis Crescent Global Investment Fund	4,360,000	15.59	-	0.00
Principal Asset Management Berhad #	2,884,533	10.31	-	0.00
PT J.P. Morgan Sekuritas Indonesia	2,381,341	8.51	715	7.23
	<u>27,971,847</u>	<u>100.00</u>	<u>9,881</u>	<u>100.00</u>

Included in the transactions are trades conducted with Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad), the Manager, amounting to USD5,454,523 (2018: USD2,884,533). 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 achieve capital appreciation over the long-term through Shariah-compliant investments primarily in the global markets. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of profit income and dividend income earned from Shariah-compliant investments and gains on the appreciation in the value of Shariah-compliant investments, which are derived from Ringgit-denominated Shariah-compliant deposits with licensed Islamic financial institutions in Malaysia, Shariah-compliant collective investment schemes listed on the Bursa Securities, Malaysia, and Shariah-compliant collective investment schemes that invests in Ireland and Luxembourg.

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

16. 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 May 2018 are compared as follows:

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139) USD	Reclassifi- -cations USD	Remeasu- -rements USD	New (MFRS 9) USD
Assets						
Cash and cash equivalents	Financing and receivables	Amortised cost	598,400	-	-	598,400
Shariah-compliant collective investment schemes	FVTPL	FVTPL	23,217,263	-	-	23,217,263
Amount due from Manager	Financing and receivables	Amortised cost	53,179	-	-	53,179
Amount due from Manager of collective investment schemes	Financing and receivables	Amortised cost	13,738	-	-	13,738

16. MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

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

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139) USD	Reclassifi- cations USD	Remeasu- rements USD	New (MFRS 9) USD
<i>Liabilities</i>						
Amount due to Manager	Amortised cost	Amortised cost	239,845	-	-	239,845
Accrued management fee	Amortised cost	Amortised cost	21,759	-	-	21,759
Amount due to Trustee	Amortised cost	Amortised cost	1,184	-	-	1,184
Other payables and accruals	Amortised cost	Amortised cost	5,067	-	-	5,067

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 18 June 2019.

DIRECTORY**Head office of the Manager**

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