

CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 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. CIMB-Principal Asset Management Berhad ("CIMB-Principal") Malaysia has achieved RM60.58 billion in Asset under Management ("AUM") as of December 2018.

We continue to achieve prestigious recognitions from **The Edge | Thomson Reuters Lipper Fund Awards 2018 for the following funds:**

- Best Fund Over 5 Years, Equity Global - Malaysia : CIMB-Principal Global Titans Fund
- Best Fund Over 5 Years, Equity Asia Pacific ex Japan - Malaysia : CIMB-Principal Asian Equity Fund
- Best Fund Over 5 Years, Equity Asia Pacific ex Japan - Malaysia : CIMB Islamic Asia Pacific Equity Fund
- Best Fund Over 5 Years, Equity Malaysia Diversified - Malaysia : CIMB-Principal Equity Growth & Income Fund
- Best Fund Over 5 Years, Mixed Asset MYR Bal - Malaysia : CIMB-Principal Income Plus Balanced Fund
- Best Fund Over 3 Years, Equity Global - Malaysia : CIMB-Principal Global Titans Fund

In addition, we received recognition from Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for the funds below:

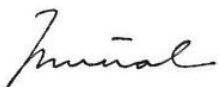
- CIMB-Principal Global Titans Fund
- CIMB-Principal Asia Pacific Dynamic Income Fund
- CIMB Islamic Asia Pacific Equity Fund
- CIMB-Principal Greater China Equity Fund
- CIMB-Principal PRS Plus Conservative
- CIMB-Principal PRS Plus Growth

Our latest win is for **The Asset Triple A Private Banking, Wealth Management, Investment and Exchange-Traded Fund ("ETF") Awards 2018**, where we have been recognized as the 'Best Wealth Manager' in Malaysia.

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.

Thank you.

Yours faithfully,
for **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 medium to long term.

Has the Fund achieved its objective?

The Fund has achieved its objective of capital appreciation over the medium to long term.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim of achieving a stable and positive investment return regardless of market conditions.

As the Fund is an equity fund, under general market conditions, the Fund will invest in equities of companies which the Manager believes will exhibit good growth potential when compared against its peers or the overall market. The Fund may also invest up to 38% of its assets in debt securities, money market instruments and/or Deposits to be in line with the Fund's investment objective. At the discretion of the Manager, the Fund may opt to access into the equities and/or debt securities market via the investment in units of other Collective Investment Schemes, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines and the Standards of Qualifying Collective Investment Schemes. The Manager may also utilise derivative instruments such as futures contracts to hedge the portfolio. The use of derivatives is subject to the prevailing SC Guidelines and Standards of Qualifying Collective Investment Schemes.

The Fund will focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region, where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commission ("IOSCO"), which include but not limited to Australia, the People's Republic of China, Hong Kong Special Administrative Region ("SAR"), India, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of World Federation of Exchanges ("WFE").

The asset allocation strategy for this Fund is as follows:

- Between 60% to 98% (both inclusive) of the Fund's Net Asset Value ("NAV") will be invested in equities;
- Up to 38% of the Fund's NAV may be invested in debt instruments, money market instruments and/or Deposits.
- Up to 20% of the Fund's NAV may be invested in units of other Collective Investment Schemes; and
- At least 2% of the Fund's NAV in liquid assets.

Base Currency

US Dollar ("USD")

Fund category/type

Equity/Growth

How long should you invest for?

Recommended three (3) years or more

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

High

When was the Fund launched?

25 April 2016

FUND OBJECTIVE AND POLICY (CONTINUED)

What was the size of the Fund as at 28 February 2019?

USD143.09 million (365.99 million units)

What is the Fund's benchmark?

The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of nine percent (9%) per annum.

This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the medium to long term.

What is the Fund distribution policy?

Given the Fund's investment objective, the Class of the Fund is not expected to make any distribution. Distributions, if any, are at the discretion of the Manager and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.

What was the net income distribution for the financial year ended 28 February 2019?

There was no distribution made for the financial year ended 28 February 2019.

PERFORMANCE DATA

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

	28.02.2019	28.02.2018	28.02.2017
	%	%	%
Quoted securities			
- Basic Materials	2.12	13.61	11.99
- Consumer Products	31.74	22.73	13.15
- Energy	4.90	2.90	-
- Finance	29.47	25.29	21.64
- Health Care	2.57	-	0.99
- Industrials	12.02	4.29	6.77
- Real Estate Investment Trusts ("REITs")	5.65	-	-
- Technology	6.16	21.26	25.36
- Telecommunications	0.94	-	2.61
- Trading/Services	-	3.37	2.84
- Utilities	-	-	2.27
Cash and other net assets	4.43	6.55	12.38
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

PERFORMANCE DATA (CONTINUED)

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

	28.02.2019	28.02.2018	28.02.2017
NAV (USD Million)			
- Class AUD	22.46	18.36	2.36
- Class MYR	100.57	105.13	21.53
- Class SGD	8.75	9.11	0.82
- Class USD	11.31	14.05	3.93
Units in circulation (Million)			
- Class AUD	24.02	16.69	3.08
- Class MYR	323.33	287.34	84.50
- Class SGD	9.54	8.44	1.08
- Class USD	9.10	9.61	3.86
NAV per unit (USD)			
- Class AUD	0.9349	1.0996	0.7658
- Class MYR	0.3110	0.3658	0.2547
- Class SGD	0.9174	1.0790	0.7514
- Class USD	1.2431	1.4621	1.0182
			25.04.2016
			(date of launch)
	28.02.2019	28.02.2018	to 28.02.2017
Highest NAV per unit (USD)			
- Class AUD	1.1206	1.1364	0.8044
- Class MYR	0.3728	0.3780	0.5099
- Class SGD	1.0996	0.7454	0.7893
- Class USD	1.4899	1.0100	1.0695
Lowest NAV per unit (USD)			
- Class AUD	0.8313	0.7596	0.7102
- Class MYR	0.2766	0.2527	0.2362
- Class SGD	0.8158	1.1151	0.6969
- Class USD	1.1053	1.5109	0.9442
Total return (%)			
- Class AUD	(15.07)	42.90	(0.71)
- Class MYR	(14.95)	43.53	(0.46)
- Class SGD	(15.18)	43.20	1.83
- Class USD	(14.95)	43.57	1.83
Capital growth (%)			
- Class AUD	(15.07)	42.90	(0.71)
- Class MYR	(14.95)	43.53	(0.46)
- Class SGD	(15.18)	43.20	1.83
- Class USD	(14.95)	43.57	1.83
Income distribution (%)			
- Class AUD	-	-	-
- Class MYR	-	-	-
- Class SGD	-	-	-
- Class USD	-	-	-

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the last three financial years/period are as follows (continued):

	28.02.2019	28.02.2018	25.04.2016 (date of launch) to 28.02.2017
Management Expense Ratio ("MER") (%) ^	1.95	2.12	1.88
Portfolio Turnover Ratio ("PTR") (times) #	0.87	1.30	1.63

^ The Fund's MER decreased from 2.12% to 1.95% due to increased average NAV during the financial year under review.

The Fund's PTR has declined from 1.30 times to 0.87 times as the growth of the Fund during financial year under review has slowed.

	28.02.2019	28.02.2018	Since inception to 28.02.2017
		%	%
Annual total return			
- Class AUD	(15.07)	42.90	(0.71)
- Class MYR	(14.95)	43.53	(0.46)
- Class SGD	(15.18)	43.20	1.83
- Class USD	(14.95)	43.57	1.83

(Launch date: 25 April 2016)

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

MARKET REVIEW (1 MARCH 2018 TO 28 FEBRUARY 2019)

For the financial year under review, the Asian Pacific ex-Japan stock markets declined. It declined almost 7% as measured by the Morgan Stanley Capital International ("MSCI") Asia Pacific Ex-Japan Index. We could attribute several reasons to the decline. Among these factors was the tightening US monetary policy where the US Federal Reserve (the "Fed") raise rates several times throughout 2018. Developed countries' Central Banks policies were also somewhat on a tightening path. At the same time, the Asian economies were experiencing slowing growth. This causes the Asian currencies to fall which forced their respective Central Banks to shore up their currencies by raising rates at a time perpetuated a deteriorating growth outlook. This was felt most acutely among countries which had current and fiscal deficits such as Philippines, Indonesia, etc. Beyond that, the US-China ratcheted their trade disputes by imposing trade tariffs on each other's goods which cause further consternation among investors. As a result, we witness earnings outlook deteriorating in Asia. Foreign fund flows were decidedly negative as investors sold Asian equities.

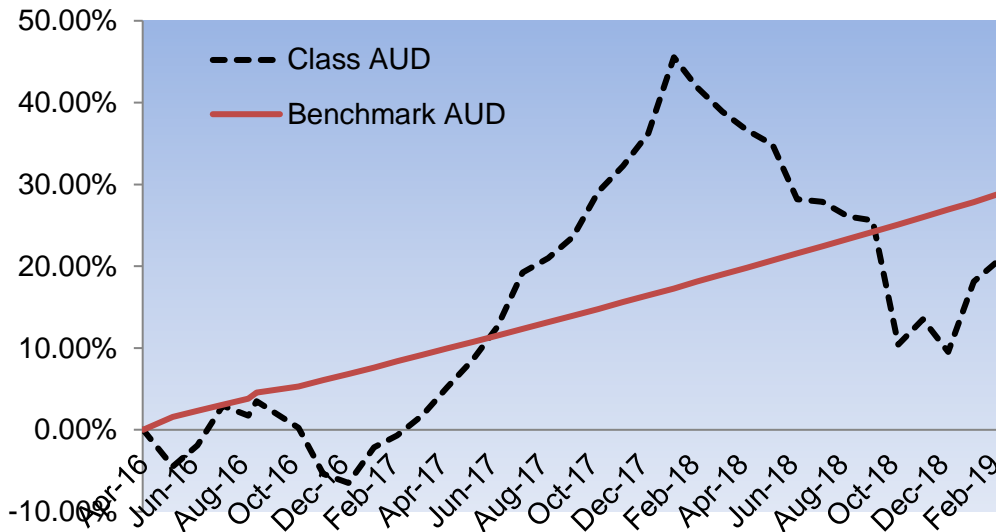
However, in the last two months of the review period, the stock markets of Asia appears to have turned as the Fed took a dovish stance which weaken the USD, strengthen Asian currencies and Asian equities. The trade talks between the US and China have also turned with a deal more likely than previously thought.

FUND PERFORMANCE

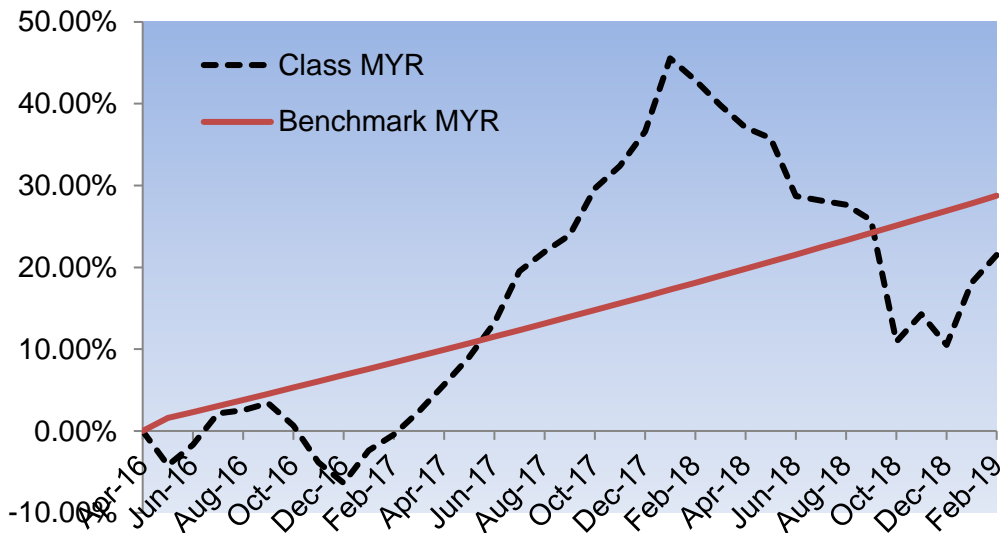
	1 year to 28.02.2019				Since inception to 28.02.2019			
	Class AUD %	Class MYR %	Class SGD %	Class USD %	Class AUD %	Class MYR %	Class SGD %	Class USD %
Income	-	-	-	-	-	-	-	-
Capital	(15.07)	(14.95)	(15.18)	(14.95)	20.51	21.51	23.69	24.34
Total Return	(15.07)	(14.95)	(15.18)	(14.95)	20.51	21.51	23.69	24.34
Benchmark	9.00	9.00	9.00	9.00	28.76	28.76	28.76	28.76
Average Total Return	(15.07)	(14.95)	(15.18)	(14.95)	6.77	7.08	7.75	7.95

The Fund's total return declined over the past one year but has gained since inception for all shareclasses.

Class AUD

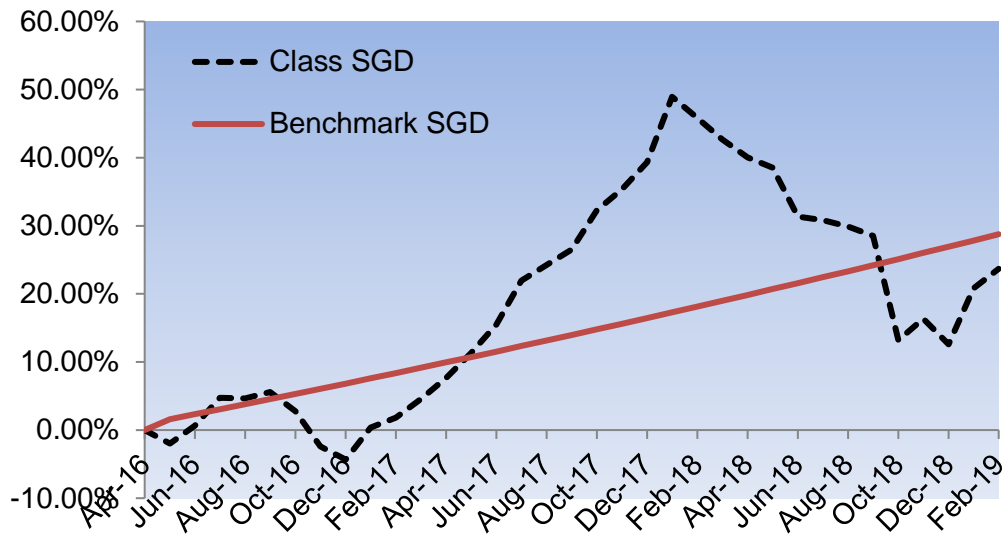


Class MYR

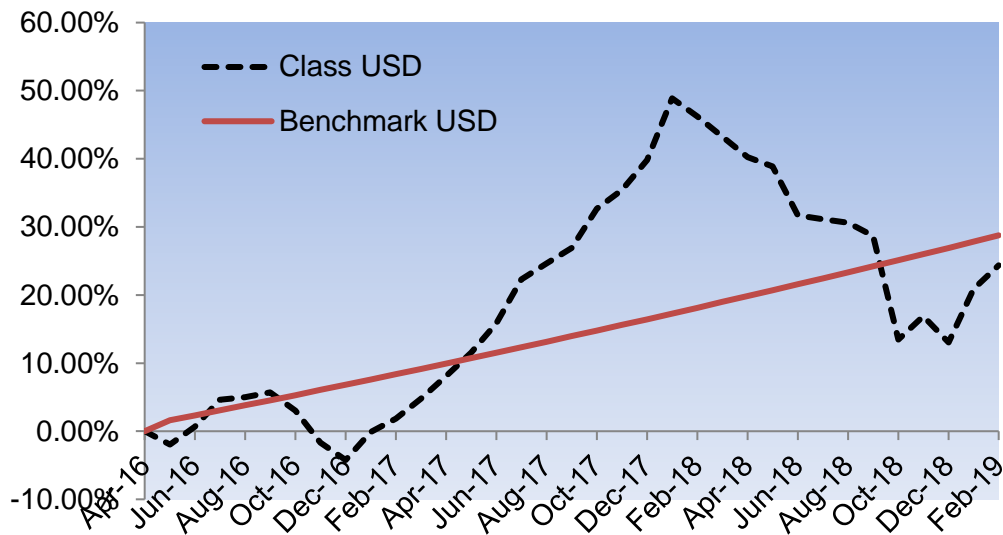


FUND PERFORMANCE (CONTINUED)

Class SGD



Class USD



Changes in NAV

CLASS AUD

	2019	2018	Changes %
NAV (USD Million)	22.46	18.36	22.33
NAV/Unit (USD)	0.9349	1.0996	(14.98)

CLASS MYR

	2019	2018	Changes %
NAV (USD Million)	100.57	105.12	(4.33)
NAV/Unit (USD)	0.3110	0.3658	(14.98)

FUND PERFORMANCE (CONTINUED)

Changes in NAV (continued)

CLASS SGD

	2019	2018	Changes %
NAV (USD Million)	8.75	9.11	(3.95)
NAV/Unit (USD)	0.9174	1.0790	(14.98)

CLASS USD

	2019	2018	Changes %
NAV (USD Million)	11.31	14.05	(19.50)
NAV/Unit (USD)	1.2431	1.4621	(14.98)

The NAV of the Fund of the four share classes have dropped primarily due to the decrease in the assets under management. The NAV per unit has decreased by 14.98% for Class AUD, Class MYR, Class SGD and Class USD.

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)	28.02.2019	28.02.2018
Quoted securities	95.57	93.45
Cash and other net assets	4.43	6.55
TOTAL	100.00	100.00

As at 28 February 2019, the Fund held 95.57% in quoted securities with the rest in cash. The investment in quoted securities is higher than the previous year.

MARKET OUTLOOK*

In the near term, the stock market outlook in Asia is clouded by the unresolved trade war between the US and China and the deleveraging exercise undertaken by China which has caused the economy to slow. This could cause more episodes of volatility in Asian financial assets.

However, we remain more positive on the outlook for the Asian stock markets. In the near term, we expect the US monetary policy tightening cycle to be on hold sometime this year. This will alleviate the pressure on the Asian currencies and the need to raise interest rates further. The Fed Committee is also considering slowing the pace of balance sheet reduction which again will mean a more accommodative liquidity background. Asian economic growth will likely to stabilise especially as the authorities in China incrementally support the economy. The Asian stock markets remain attractive due to the numerous growth opportunities available to the investors. Asia remains a fast growing region supported by a young, growing population with increasing urbanisation and innovations.

* 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 CIMB-Principal or based on data obtained from sources believed to be reliable by CIMB-Principal. Whilst every care has been taken in preparing this, CIMB-Principal 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

As we expect growth in Asia to resume over the long term due to the strong underlying fundamentals, the Fund shall remain invested in high quality growth companies. The Fund shall focus on growth companies involved especially in the Information technology, consumer and the financial sectors where we see strong growth potential. However, the Fund may hold more defensive stocks than usual in the near term such as REITs due to the dovish stance by the Fed.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 28 February 2019 are as follows:

CLASS AUD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	-	-	-
50,001 - 500,000	2	0.31	1.29
500,001 and above	5	23.71	98.71
Total	8	24.02	100.00

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	870	1.33	0.41
5,001 - 10,000	953	2.33	0.72
10,001 - 50,000	132	14.96	4.63
50,001 - 500,000	111	30.51	9.44
500,001 and above	14	274.20	84.80
Total	2,079	323.33	100.00

CLASS SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	1	0.03	0.31
50,001 - 500,000	2	0.75	7.86
500,001 and above	4	8.76	91.83
Total	8	9.54	100.00

CLASS USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	1	0.01	0.11
10,001 - 50,000	3	0.08	0.88
50,001 - 500,000	2	0.32	3.52
500,001 and above	3	8.69	95.49
Total	10	9.10	100.00

SOFT COMMISSIONS AND REBATES

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH FUND**

We, being the Directors of 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 17 to 54 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 28 February 2019 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager
CIMB-Principal Asset Management Berhad
(Company No.: 304078-K)

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

PEDRO ESTEBAN BORDA
Director

Kuala Lumpur
17 April 2019

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH FUND**

We have acted as Trustee of CIMB-Principal Asia Pacific Dynamic Growth Fund (the "Fund") for the financial year ended 28 February 2019. To the best of our knowledge, 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
17 April 2019

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB-Principal Asia Pacific Dynamic Growth Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 28 February 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 28 February 2019, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 54.

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-PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH 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 the 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. 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-PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH 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-PRINCIPAL ASIA PACIFIC DYNAMIC GROWTH 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
17 April 2019

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019**

	Note	2019 USD	2018 USD
(LOSS)/INCOME			
Dividend income		4,080,624	1,164,102
Interest income		52,096	6,279
Net (loss)/gain on financial assets at fair value through profit or loss	7	(24,579,844)	25,177,710
Net foreign exchange loss		(805,061)	(42,797)
		(21,252,185)	26,305,294
EXPENSES			
Management fee	4	2,633,939	1,316,324
Trustee's and custodian fees	5	150,376	112,642
Audit fee		3,972	1,540
Tax agent's fee		3,631	1,238
Transaction costs		702,571	540,071
Other expenses		65,953	121,668
		3,560,442	2,093,483
(LOSS)/PROFIT BEFORE TAXATION		(24,812,627)	24,211,811
Taxation	6	(328,073)	(85,934)
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		(25,140,700)	24,125,877
(Decrease)/Increase in net assets attributable to unit holders is made up as follows:			
Realised amount		(12,392,261)	3,546,366
Unrealised amount		(12,748,439)	20,579,511
		(25,140,700)	24,125,877

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

**STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2019**

	Note	2019 USD	2018 USD
ASSETS			
Cash and cash equivalents	8	6,203,748	7,108,777
Financial assets at fair value through profit or loss	7	136,774,283	137,049,064
Amount due from stockbrokers		843,728	1,319,468
Amount due from Manager		821,932	6,256,032
Dividends receivable		96,850	73,076
TOTAL ASSETS		<u>144,740,541</u>	<u>151,806,417</u>
LIABILITIES			
Amount due to stockbrokers		697,611	3,930,275
Amount due to Manager		745,106	1,018,616
Accrued management fee		194,400	188,540
Amount due to Trustee		5,400	5,237
Other payables and accruals		4,094	19,659
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>1,646,611</u>	<u>5,162,327</u>
NET ASSET VALUE OF THE FUND		<u>143,093,930</u>	<u>146,644,090</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>143,093,930</u>	<u>146,644,090</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- Class AUD		22,458,786	18,359,245
- Class MYR		100,574,203	105,125,426
- Class SGD		8,750,658	9,110,212
- Class USD		11,310,283	14,049,207
		<u>143,093,930</u>	<u>146,644,090</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class AUD		24,021,184	16,694,968
- Class MYR		323,329,931	287,338,601
- Class SGD		9,537,957	8,442,474
- Class USD		9,098,039	9,608,523
	9	<u>365,987,111</u>	<u>322,084,566</u>
NET ASSET VALUE PER UNIT (USD)			
- Class AUD		0.9349	1.0996
- Class MYR		0.3110	0.3658
- Class SGD		0.9174	1.0790
- Class USD		<u>1.2431</u>	<u>1.4621</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class AUD		AUD1.3085	AUD1.4071
- Class MYR		MYR1.2642	MYR1.4328
- Class SGD		SGD1.2365	SGD1.4276
- Class USD		<u>USD1.2431</u>	<u>USD1.4621</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019**

	2019	2018
	USD	USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	146,644,090	28,634,969
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class AUD	14,230,747	18,676,195
- Class MYR	38,872,341	113,192,017
- Class SGD	3,044,514	9,652,620
- Class USD	3,260,403	15,606,920
	<u>59,408,005</u>	<u>157,127,752</u>
Cancellation of units		
- Class AUD	(6,484,689)	(5,650,484)
- Class MYR	(25,550,598)	(46,960,875)
- Class SGD	(1,946,162)	(2,588,672)
- Class USD	(3,836,016)	(8,044,477)
	<u>(37,817,465)</u>	<u>(63,244,508)</u>
(Decrease)/Increase in net assets attributable to unit holders during the financial year	<u>(25,140,700)</u>	<u>24,125,877</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u>143,093,930</u>	<u>146,644,090</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 28 FEBRUARY 2019**

	Note	2019 USD	2018 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted securities		115,779,414	50,311,872
Purchase of quoted securities		(143,658,287)	(135,027,793)
Dividend income received		3,633,502	1,056,048
Interest income received from current account		52,096	6,279
Management fee paid		(2,628,079)	(1,242,261)
Trustee's and custodian fees paid		(150,213)	(110,585)
Payments for other fees and expenses		(89,121)	(116,894)
Net realised foreign exchange loss		<u>(311,032)</u>	<u>(305,564)</u>
Net cash used in operating activities		<u>(27,371,720)</u>	<u>(85,428,898)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		64,733,455	151,766,475
Payments for cancellation of units		<u>(38,061,559)</u>	<u>(62,324,964)</u>
Net cash generated from financing activities		<u>26,671,896</u>	<u>89,441,511</u>
Net (decrease)/increase in cash and cash equivalents		(699,824)	4,012,613
Effects of foreign exchange differences		(205,205)	114,864
Cash and cash equivalents at the beginning of the financial year		<u>7,108,777</u>	<u>2,981,300</u>
Cash and cash equivalents at the end of the financial year	8	<u>6,203,748</u>	<u>7,108,777</u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		<u>6,203,748</u>	<u>7,108,777</u>
Cash and cash equivalents at the end of the financial year	8	<u>6,203,748</u>	<u>7,108,777</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

CIMB-Principal Asia Pacific Dynamic Growth Fund (the “Fund”) is governed by Principal Deed dated 23 November 2015 (the “Deed”), made between CIMB-Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim of achieving a stable and positive investment return regardless of market conditions.

As the Fund is an equity fund, under general market conditions, the Fund will invest in equities of companies which the Manager believes will exhibit good growth potential when compared against its peers or the overall market. The Fund may also invest up to 38% of its assets in debt securities, money market instruments and/or Deposits to be in line with the Fund’s investment objective. At the discretion of the Manager, the Fund may opt to access into the equities and/or debt securities market via the investment in units of other Collective Investment Schemes, subject to the requirements of the SC Guidelines and the Standards of Qualifying Collective Investment Schemes. The Manager may also utilise derivative instruments such as futures contracts to hedge the portfolio. The use of derivatives is subject to the prevailing SC Guidelines and Standards of Qualifying Collective Investment Schemes.

The Fund will focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region, where the regulatory authority is an ordinary or associate member of the IOSCO, which include but not limited to Australia, the People’s Republic of China, Hong Kong SAR, India, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE.

The asset allocation strategy for the Fund is as follows:

- Between 60% to 98% (both inclusive) of the Fund’s NAV will be invested in equities;
- Up to 38% of the Fund’s NAV may be invested in debt instruments, money market instruments and/or Deposits.
- Up to 20% of the Fund’s NAV may be invested in units of other Collective Investment Schemes; and
- At least 2% of the Fund’s NAV in liquid assets.

All investments are subjected 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, a company incorporated in Malaysia, is a jointly owned by CIMB Group Sdn Bhd and Principal International (Asia) Limited. 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 Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation (continued)

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

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

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

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

Standards that are effective:

The Fund has applied the following standard for the first time for the financial year beginning 1 March 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 assets 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 instrument 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 interest ("SPPI"). A debt instrument 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 instruments 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. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

Standards that are effective: (continued)

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

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

The amendments to published standards 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 March 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, 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.

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

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

(b) Financial assets and financial liabilities**Classification**

Up to 28 February 2018, the Fund designates its investment in quoted securities as financial assets at fair value through profit or loss at inception.

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

Loans 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 loans and receivables comprise cash and cash equivalents, amount due from stockbrokers, amount due from Manager and dividends receivable.

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

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

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

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

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

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

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

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as 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. 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 28 February 2018 and MFRS 9 from 1 March 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 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 year which they arise.

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

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

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

Quoted securities in other countries are valued at the last traded market price quoted on the respective stock exchanges at the close of the business day of the respective stock exchanges.

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

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

Impairment for assets carried at amortised cost

Up to 28 February 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 interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in statement of comprehensive income. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest 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.

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

From 1 March 2018 onwards, the Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager consider both historical analysis and forward looking information in determining any expected credit loss. The Manager 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 expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Income recognition

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

Up to 28 February 2018, when a loan 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 interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

From 1 March 2018, 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 quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, 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”).

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.

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

(e) Creation and cancellation of units

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

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

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

(f) Cash and cash equivalents

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

(g) Taxation

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(h) Transaction costs**

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

(i) Amount due from/to stockbrokers

Amounts due from and to stockbrokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from stockbrokers balance is held for collection.

These amounts are recognised initially at fair value and, up to 28 February 2018, subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from stockbrokers. A provision for impairment of amounts due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbroker. Significant financial difficulties of the stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss. From 1 March 2018, these amounts are subsequently measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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

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

(j) Increase/Decrease in net assets attributable to unit holders

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

(k) Segment information

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Critical accounting estimates and 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 judgements 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 (Note 8)	-	6,203,748	6,203,748
Quoted securities (Note 7)	136,774,283	-	136,774,283
Amount due from stockbrokers	-	843,728	843,728
Amount due from Manager	-	821,932	821,932
Dividends receivable	-	96,850	96,850
	<u>136,774,283</u>	<u>7,966,258</u>	<u>144,740,541</u>

	Financial assets at fair value through profit or loss USD	Loans and receivables USD	Total USD
2018			
Cash and cash equivalents (Note 8)	-	7,108,777	7,108,777
Quoted securities (Note 7)	137,049,064	-	137,049,064
Amount due from stockbrokers	-	1,319,468	1,319,468
Amount due from Manager	-	6,256,032	6,256,032
Dividends receivable	-	73,076	73,076
	<u>137,049,064</u>	<u>14,757,353</u>	<u>151,806,417</u>

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

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

The Fund aims to achieve capital appreciation over the medium to long term.

The Fund is exposed to a variety of risks which include market risk (inclusive of price 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.

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of an investment in quoted securities will fluctuate because of changes in market prices (other than those arising from currency risk). The value of 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 quoted securities 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:		
- Quoted securities	<u>136,774,283</u>	<u>137,049,064</u>

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

% Change in price of quoted securities	Market value RM	Impact on profit or loss/NAV RM
2019		
-5%	129,935,569	(6,838,714)
0%	136,774,283	-
+5%	<u>143,612,997</u>	<u>6,838,714</u>
2018		
-5%	130,196,611	(6,852,453)
0%	137,049,064	-
+5%	<u>143,901,517</u>	<u>6,852,453</u>

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

(a) Market risk (continued)

(ii) Currency risk

Currency risk is associated with 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 interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

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

Financial assets	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
2019						
AUD	429,572	21,527,793	-	250,131	-	22,207,496
CNY	129,547	8,203,291	-	-	-	8,332,838
HKD	-	34,152,097	-	-	29,980	34,182,077
IDR	2	11,885,240	-	-	-	11,885,242
INR	-	6,473,494	-	-	-	6,473,494
KRW	-	6,135,056	-	-	-	6,135,056
MYR	2,335,419	1,047,063	843,728	464,622	-	4,690,832
PHP	-	2,407,667	-	-	-	2,407,667
SGD	939,738	20,086,953	-	14,925	66,870	21,108,486
THB	-	4,646,705	-	-	-	4,646,705
TWD	-	6,093,031	-	-	-	6,093,031
	3,834,278	122,658,390	843,728	729,678	96,850	128,162,924
2018						
AUD	602,525	13,998,021	-	877,285	41,251	15,519,082
CNY	7,247	9,852,533	-	-	-	9,859,780
HKD	-	42,720,612	-	-	22,297	42,742,909
IDR	-	4,211,385	-	-	-	4,211,385
INR	-	3,791,108	-	-	-	3,791,108
KRW	-	6,059,105	1,261,752	-	-	7,320,857
MYR	474,663	11,750,632	57,716	4,565,653	9,528	16,858,192
PHP	-	2,543,015	-	-	-	2,543,015
SGD	1,850,471	17,843,463	-	273,453	-	19,967,387
THB	-	6,632,728	-	-	-	6,632,728
TWD	-	8,798,872	-	-	-	8,798,872
	2,934,906	128,201,474	1,319,468	5,716,391	73,076	138,245,315

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

(a) Market risk (continued)

(ii) Currency risk (continued)

	Amount due to stockbrokers USD	Amount due to Manager USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
2019					
AUD	-	291,032	-	22,458,786	22,749,818
MYR	-	405,506	4,094	100,574,203	100,983,803
SGD	-	45,958	-	8,750,658	8,796,616
TWD	697,611	-	-	-	697,611
	<u>697,611</u>	<u>742,496</u>	<u>4,094</u>	<u>131,783,647</u>	<u>133,227,848</u>
2018					
AUD	58,876	26,080	-	18,359,245	18,444,201
HKD	324,139	-	-	-	324,139
IDR	1,408,571	-	-	-	1,408,571
KRW	1,444,961	-	-	-	1,444,961
MYR	-	532,139	8,032	105,125,426	105,665,597
SGD	226,036	50,928	-	9,110,212	9,387,176
THB	467,692	-	-	-	467,692
	<u>3,930,275</u>	<u>609,147</u>	<u>8,032</u>	<u>132,594,883</u>	<u>137,142,337</u>

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

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2019 USD	2018 USD
	%		
AUD	5	27,116	146,256
CNY	5	416,642	492,989
HKD	5	1,709,104	2,120,938
IDR	5	594,262	140,141
INR	5	323,675	189,555
KRW	5	306,753	293,795
MYR	5	4,814,649	4,440,370
PHP	5	120,383	127,151
SGD	5	615,594	529,011
THB	5	232,335	308,252
TWD	5	269,771	439,944
		<u>9,430,284</u>	<u>1,881,286</u>

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

(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 stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchanges. The credit risk is minimal as all transactions in quoted securities are settled/paid upon delivery using approved stockbrokers.

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

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Managers USD	Dividends receivable USD	Total USD
2019					
Consumer Products					
- Not Rated	-	843,728	-	-	843,728
Finance					
- HSBC Bank (Malaysia) Bhd (AAA)	6,203,748	-	-	-	6,203,748
- Not Rated	-	-	-	29,980	29,980
REITs					
- Not Rated	-	-	-	66,870	66,870
Others					
- Not Rated	-	-	821,932	-	821,932
	<u>6,203,748</u>	<u>843,728</u>	<u>821,932</u>	<u>96,850</u>	<u>7,966,258</u>

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

(b) Credit risk (continued)

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Managers USD	Dividends receivable USD	Total USD
2018					
Basic					
Materials					
- Baa2	-	-	-	41,251	41,251
Consumer Products					
- AA2	-	57,716	-	-	57,716
Finance					
- HSBC Bank (Malaysia) Bhd (AAA)	7,108,777	-	-	-	7,108,777
- AAA	-	1,261,752	-	-	1,261,752
- A2	-	-	-	22,297	22,297
Industrials					
- Not Rated	-	-	-	9,528	9,528
Others					
- Not Rated	-	-	6,256,032	-	6,256,032
	<u>7,108,777</u>	<u>1,319,468</u>	<u>6,256,032</u>	<u>73,076</u>	<u>14,757,353</u>

All financial assets of the Fund as at the end of the financial year 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, 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 year as at the end of the reporting year/period 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 stockbrokers	697,611	-	697,611
Amount due to Manager	745,106	-	745,106
Accrued Management fee	194,400	-	194,400
Amount due to Trustee	5,400	-	5,400
Other payables and accruals	-	4,094	4,094
Net assets attributable to unit holders*	143,093,930	-	143,093,930
Contractual undiscounted cash flows	144,736,447	4,094	144,740,541
2018			
Amount due to stockbrokers	3,930,275	-	3,930,275
Amount due to Manager	1,018,616	-	1,018,616
Accrued Management fee	188,540	-	188,540
Amount due to Trustee	5,237	-	5,237
Other payables and accruals	11,627	8,032	19,659
Net assets attributable to unit holders*	146,644,090	-	146,644,090
Contractual undiscounted cash flows	151,798,385	8,032	151,806,417

* Outstanding units are redeemed on demand at the unit holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unit holders of these instruments typically retain them for the medium to long term.

(d) **Capital risk management**

The capital of the Fund is represented by net assets attributable to unit holders of USD143,093,930 (2018: USD146,644,090). 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 year/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)

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2019				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>136,774,283</u>	<u>-</u>	<u>-</u>	<u>136,774,283</u>
2018				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>137,049,064</u>	<u>-</u>	<u>-</u>	<u>137,049,064</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 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 Deed, the Manager is entitled to a maximum management fee of 3.00% per annum for each class, calculated daily based on the NAV of the Fund.

For the financial year ended 28 February 2019 and 28 February 2018, the management fee for the respective classes is recognised at the following rates:

Class AUD	Class MYR	Class SGD	Class USD
1.80%	1.80%	1.80%	1.80%

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

5. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deed, the Trustee is entitled to a maximum fee of 0.08% per annum, calculated daily based on the NAV of the Fund. The Trustee's fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 28 February 2019, the Trustee's fee is recognised at a rate of 0.05% per annum (2018: 0.05% per annum) for each unit class.

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

6. TAXATION

	2019	2018
	USD	USD
Tax charged for the financial year:		
- Withholding tax	<u>328,073</u>	<u>85,934</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	2018
	USD	USD
(Loss)/Profit before taxation	<u>(24,812,627)</u>	<u>24,211,811</u>
Taxation at Malaysian statutory rate of 24% (2018: 24%)	(5,955,030)	5,810,835
Tax effects of:		
Loss not deductible for tax purpose/(Income not subject to tax)	5,100,524	(6,313,271)
Expenses not deductible for tax purposes	210,694	165,941
Restriction on tax deductible expenses for Unit Trust Funds	643,812	336,495
Income subject to withholding tax	<u>328,073</u>	<u>85,934</u>
Taxation	<u>328,073</u>	<u>85,934</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019	2018
	USD	USD
At fair value through profit or loss:		
- Quoted securities	<u>136,774,283</u>	<u>137,049,064</u>

	2019	2018
	USD	USD
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(13,826,393)	4,708,207
- Unrealised fair value (loss)/gain	<u>(12,548,968)</u>	<u>20,469,503</u>
	<u>(24,579,844)</u>	<u>25,177,710</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019				
QUOTED SECURITIES				
AUSTRALIA				
Basic Materials				
BHP Group Ltd	113,859	2,393,161	3,028,596	2.12
Consumer Products				
Aristocrat Leisure Ltd	84,546	1,917,544	1,487,175	1.04
Seven Group Holdings Ltd	342,309	4,989,185	4,732,387	3.31
	<u>426,855</u>	<u>6,906,729</u>	<u>6,219,562</u>	<u>4.35</u>
Energy				
Oil Search Ltd	324,953	2,131,208	1,943,242	1.36
Health Care				
CSL Ltd	26,548	3,328,156	3,675,165	2.57
Industrials				
Cleanaway Waste Management Ltd	2,172,066	2,533,246	3,367,547	2.35
Transurban Group	369,687	3,128,510	3,293,681	2.30
	<u>2,541,753</u>	<u>5,661,756</u>	<u>6,661,228</u>	<u>4.65</u>
TOTAL AUSTRALIA	<u>3,433,968</u>	<u>20,421,010</u>	<u>21,527,793</u>	<u>15.05</u>
CAYMAN ISLANDS				
Consumer Products				
Alibaba Group Holdings Ltd	31,276	4,787,783	5,724,446	4.00
TOTAL CAYMAN ISLANDS	<u>31,276</u>	<u>4,787,783</u>	<u>5,724,446</u>	<u>4.00</u>
CHINA				
Finance				
Industrial and Commercial Bank of China Ltd	5,914,000	4,484,361	4,550,088	3.18
Ping An Insurance Group Co. of China - H	347,000	3,123,423	3,653,203	2.55
	<u>6,261,000</u>	<u>7,607,784</u>	<u>8,203,291</u>	<u>5.73</u>
TOTAL CHINA	<u>6,261,000</u>	<u>7,607,784</u>	<u>8,203,291</u>	<u>5.73</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
HONG KONG				
Consumer Products				
China Mengniu Dairy Co. Ltd	538,000	1,555,919	1,661,864	1.16
Galaxy Entertainment Group Ltd	455,000	3,725,690	3,231,155	2.26
Haier Electronics Group Co., Ltd	495,000	1,363,974	1,475,443	1.03
Sands China Ltd	366,800	1,746,228	1,831,542	1.28
Shenzhou International Group Holdings Ltd	111,000	1,345,951	1,385,640	0.97
Techtronic Industries Co Ltd	708,500	3,883,335	4,733,549	3.31
	<u>2,674,300</u>	<u>13,621,097</u>	<u>14,319,193</u>	<u>10.01</u>
Finance				
AIA Group Ltd	498,400	3,725,660	4,983,669	3.48
China Resources Land Ltd	612,000	2,284,342	2,284,129	1.60
Henderson Land Development Co Ltd	242,000	1,368,662	1,368,673	0.96
	<u>1,352,400</u>	<u>7,378,664</u>	<u>8,636,471</u>	<u>6.04</u>
Industrials				
Sunny Optical Technology (Group) Co. Ltd	118,300	1,448,752	1,401,423	0.98
REITs				
Link REIT	466,500	4,519,808	5,273,774	3.69
Technology				
Tencent Holdings Ltd	105,700	4,134,208	4,521,236	3.16
TOTAL HONG KONG	<u>4,717,200</u>	<u>31,102,529</u>	<u>34,152,097</u>	<u>23.88</u>
INDIA				
Energy				
Reliance Industries Ltd	290,631	4,386,813	5,060,867	3.54
Finance				
IndusInd Bank Ltd	67,759	1,737,729	1,412,627	0.99
TOTAL INDIA	<u>358,390</u>	<u>6,124,542</u>	<u>6,473,494</u>	<u>4.53</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
INDONESIA				
Consumer Products				
Ace Hardware Indonesia TBK PT	14,991,400	1,261,268	1,869,848	1.31
Gudang Garam TBK PT	366,200	1,976,297	2,222,610	1.55
Mitra Adiperkasa TBK PT	15,081,500	746,477	1,136,154	0.79
	<u>30,439,100</u>	<u>3,984,042</u>	<u>5,228,612</u>	<u>3.65</u>
Finance				
Bank Rakyat Indonesia (Persero) TBK PT	10,112,900	2,407,739	2,767,091	1.93
Ciputra Development TBK PT	17,369,600	1,272,170	1,080,152	0.75
	<u>27,482,500</u>	<u>3,679,909</u>	<u>3,847,243</u>	<u>2.68</u>
Industrials				
Semen Indonesia (Persero) TBK PT	1,629,400	1,413,026	1,464,891	1.02
Telecommunications				
Telekomunikasi (Persero) TBK PT	4,901,000	1,347,994	1,344,494	0.94
TOTAL INDONESIA	<u>64,452,000</u>	<u>10,424,971</u>	<u>11,885,240</u>	<u>8.29</u>
MALAYSIA				
Consumer Products				
British American Tobacco Bhd	126,300	1,084,740	1,047,063	0.73
TOTAL MALAYSIA	<u>126,300</u>	<u>1,084,740</u>	<u>1,047,063</u>	<u>0.73</u>
PHILIPPINES				
Finance				
Bank Of Philippine Islands	716,770	1,283,556	1,164,182	0.81
Industrials				
Megawide Construction Corp	3,215,500	1,056,192	1,243,485	0.87
TOTAL PHILIPPINES	<u>3,932,270</u>	<u>2,339,748</u>	<u>2,407,667</u>	<u>1.68</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
SINGAPORE				
Finance				
CapitaLand Mall Trust	1,699,500	2,578,913	3,026,138	2.11
CDL Hospitality Trusts	2,448,600	3,198,511	2,870,327	2.01
DBS Group Holding Ltd	194,400	3,399,555	3,582,649	2.50
Oversea-Chinese Banking Corp Ltd	166,100	1,395,142	1,362,954	0.95
	<u>4,508,600</u>	<u>10,572,121</u>	<u>10,842,068</u>	<u>7.57</u>
Industrials				
Singapore Technologies Engineering Ltd	1,344,000	3,342,987	3,729,299	2.61
Venture Corp Ltd	204,800	2,547,035	2,704,621	1.89
	<u>1,548,800</u>	<u>5,890,022</u>	<u>6,433,920</u>	<u>4.50</u>
REITs				
Keppel DC REIT	<u>2,577,400</u>	<u>2,773,638</u>	<u>2,810,965</u>	<u>1.96</u>
TOTAL SINGAPORE	<u>8,634,800</u>	<u>19,235,781</u>	<u>20,086,953</u>	<u>14.03</u>
SOUTH KOREA				
Consumer Products				
Samsung Electronics Co. Ltd	<u>152,970</u>	<u>6,322,008</u>	<u>6,135,056</u>	<u>4.29</u>
TOTAL SOUTH KOREA	<u>152,970</u>	<u>6,322,008</u>	<u>6,135,056</u>	<u>4.29</u>
TAIWAN				
Finance				
CTBC Financial Holding Co. Ltd	<u>2,649,000</u>	<u>1,756,657</u>	<u>1,793,500</u>	<u>1.25</u>
Technology				
Taiwan Semiconductor Manufacturing Co Ltd	<u>554,000</u>	<u>4,329,310</u>	<u>4,299,531</u>	<u>3.00</u>
TOTAL TAIWAN	<u>3,203,000</u>	<u>6,085,967</u>	<u>6,093,031</u>	<u>4.25</u>
THAILAND				
Consumer Products				
CP All PCL – NVDR ²	<u>1,039,000</u>	<u>2,315,707</u>	<u>2,559,118</u>	<u>1.79</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
THAILAND (CONTINUED)				
Finance				
Bangkok Bank PCL – NVDR ²	315,300	2,005,648	2,087,587	1.46
TOTAL THAILAND	1,354,300	4,321,355	4,646,705	3.25
UNITED STATES				
Consumer Products				
Autohome Inc – ADR ³	20,940	1,732,027	1,969,407	1.38
Huazhu Group Ltd	63,022	1,861,688	2,210,182	1.54
	83,962	3,593,715	4,179,589	2.92
Finance				
HDFC Bank Ltd	29,005	2,639,804	2,932,986	2.05
ICICI Bank Ltd – ADR ³	129,703	1,361,787	1,278,872	0.89
	158,708	4,001,591	4,211,858	2.94
TOTAL UNITED STATES	242,670	7,595,306	8,391,447	5.86
TOTAL QUOTED SECURITIES	96,900,144	127,453,524	136,774,283	95.57
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		9,320,759		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		136,774,283		

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018				
QUOTED SECURITIES				
AUSTRALIA				
Basic Materials				
BHP Billiton Ltd	233,460	4,780,656	5,564,744	3.79
BlueScope Steel Ltd	273,882	2,728,509	3,495,285	2.38
Boral Ltd	531,192	2,803,258	3,242,168	2.21
	<u>1,038,534</u>	<u>10,312,423</u>	<u>12,302,197</u>	<u>8.38</u>
Industrials				
Cleanaway Waste Management Ltd	1,418,262	1,610,873	1,695,824	1.16
	<u>1,418,262</u>	<u>1,610,873</u>	<u>1,695,824</u>	<u>1.16</u>
TOTAL AUSTRALIA	<u>2,456,796</u>	<u>11,923,296</u>	<u>13,998,021</u>	<u>9.54</u>
CAYMAN ISLANDS				
Consumer Products				
Alibaba Group Holding Ltd	37,154	5,792,552	6,915,846	4.72
	<u>37,154</u>	<u>5,792,552</u>	<u>6,915,846</u>	<u>4.72</u>
TOTAL CAYMAN ISLANDS	<u>37,154</u>	<u>5,792,552</u>	<u>6,915,846</u>	<u>4.72</u>
CHINA				
Basic Materials				
Beijing Oriental Yuhong Waterproof Technology Co Ltd	337,403	2,148,730	2,082,506	1.42
	<u>337,403</u>	<u>2,148,730</u>	<u>2,082,506</u>	<u>1.42</u>
Consumer Products				
Midea Group Co Ltd - A	401,652	2,876,762	3,486,675	2.38
	<u>401,652</u>	<u>2,876,762</u>	<u>3,486,675</u>	<u>2.38</u>
Technology				
Hangzhou Hikvision Digital Technology Co Ltd	636,922	3,219,402	4,283,352	2.92
	<u>636,922</u>	<u>3,219,402</u>	<u>4,283,352</u>	<u>2.92</u>
TOTAL CHINA	<u>1,375,977</u>	<u>8,244,894</u>	<u>9,852,533</u>	<u>6.72</u>
HONG KONG				
Basic Materials				
Anhui Conch Cement Co Ltd	496,000	2,128,773	2,658,432	1.81
Xinyi Glass Holdings Ltd	974,000	1,382,969	1,515,718	1.03
	<u>1,470,000</u>	<u>3,511,742</u>	<u>4,174,150</u>	<u>2.84</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
HONG KONG (CONTINUED)				
Consumer Products				
Brilliance China Automotive Holdings Ltd	628,000	1,435,583	1,692,989	1.15
China Mengniu Dairy Co Ltd	794,000	2,188,052	2,622,364	1.79
Galaxy Entertainment Group Ltd	410,000	3,263,751	3,588,280	2.45
Guangzhou Automobile Group Co Ltd	482,000	1,198,693	1,071,540	0.73
Techtronic Industries Co Ltd	392,000	2,048,894	2,459,119	1.68
	<u>2,706,000</u>	<u>10,134,973</u>	<u>11,434,292</u>	<u>7.80</u>
Finance				
AIA Group Ltd	433,200	3,150,419	3,628,048	2.47
China Vanke Co Ltd - H ¹	518,000	1,615,962	2,326,307	1.59
HSBC Holdings PLC	118,000	1,282,725	1,175,949	0.80
Industrial and Commercial Bank of China Ltd	6,987,000	5,228,914	6,034,612	4.12
Ping An Insurance Group Co of China Ltd - H ¹	378,500	3,034,409	4,035,563	2.75
	<u>8,434,700</u>	<u>14,312,429</u>	<u>17,200,479</u>	<u>11.73</u>
Technology				
AAC Technologies Holdings Inc	104,500	1,998,296	2,081,490	1.42
Tencent Holdings Ltd	141,800	5,912,505	7,830,201	5.34
	<u>246,300</u>	<u>7,910,801</u>	<u>9,911,691</u>	<u>6.76</u>
TOTAL HONG KONG	<u>12,857,000</u>	<u>35,869,945</u>	<u>42,720,612</u>	<u>29.13</u>
INDIA				
Energy				
Reliance Industries Ltd	168,514	2,410,554	2,469,320	1.68
Finance				
IndusInd Bank Ltd	51,229	1,321,769	1,321,788	0.90
TOTAL INDIA	<u>219,743</u>	<u>3,732,323</u>	<u>3,791,108</u>	<u>2.58</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
INDONESIA				
Consumer Products				
Ace Hardware Indonesia Tbk PT	13,359,700	1,087,572	1,291,670	0.88
Mitra Adiperkasa Tbk PT	2,772,900	1,337,424	1,531,972	1.04
	<u>16,132,600</u>	<u>2,424,996</u>	<u>2,823,642</u>	<u>1.92</u>
Finance				
Bank Mandiri Persero Tbk PT	2,300,000	1,412,776	1,387,743	0.95
TOTAL INDONESIA	<u>18,432,600</u>	<u>3,837,772</u>	<u>4,211,385</u>	<u>2.87</u>
MALAYSIA				
Consumer Products				
UMW Holdings Bhd	1,282,400	1,899,740	2,129,144	1.45
Finance				
CIMB Group Holdings Bhd	1,533,800	2,325,870	2,816,864	1.92
Industrials				
V.S. Industry Bhd	2,486,700	1,405,627	1,880,110	1.28
Trading/Services				
Bermaz Auto Bhd	2,656,300	1,350,411	1,445,190	0.99
Malaysia Airports Holdings Bhd	1,113,500	2,058,092	2,474,444	1.69
Sime Darby Bhd	1,425,400	924,375	1,004,880	0.69
	<u>5,195,200</u>	<u>4,332,878</u>	<u>4,924,514</u>	<u>3.37</u>
TOTAL MALAYSIA	<u>10,498,100</u>	<u>9,964,115</u>	<u>11,750,632</u>	<u>8.02</u>
PHILIPPINES				
Consumer Products				
D&L Industries Inc	5,809,400	1,291,950	1,313,236	0.90
Industrials				
Megawide Construction Corp	3,035,200	987,849	1,229,779	0.84
TOTAL PHILIPPINES	<u>8,844,600</u>	<u>2,279,799</u>	<u>2,543,015</u>	<u>1.74</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
SINGAPORE				
Energy				
Keppel Corp Ltd	294,400	1,662,879	1,784,717	1.22
Finance				
City Developments Ltd	333,500	2,844,952	3,216,649	2.19
DBS Group Holdings Ltd	281,700	4,782,216	6,111,193	4.17
	615,200	7,627,168	9,327,842	6.36
Technology				
Venture Corp Ltd	323,100	3,622,912	6,730,904	4.59
TOTAL SINGAPORE	1,232,700	12,912,959	17,843,463	12.17
SOUTH KOREA				
Basic Materials				
Lotte Chemical Corp	3,364	1,456,495	1,425,519	0.97
Technology				
Samsung Electronics Co Ltd	2,133	4,266,099	4,633,586	3.16
TOTAL SOUTH KOREA	5,497	5,722,594	6,059,105	4.13
TAIWAN				
Finance				
CTBC Financial Holding Co Ltd	2,299,000	1,497,071	1,674,987	1.14
CTBC Financial Holding Co Ltd - Preference Share	16,983	33,900	35,236	0.02
	2,315,983	1,530,971	1,710,223	1.16
Industrials				
Airtac International Group	81,000	1,148,087	1,478,814	1.01
Technology				
Silergy Corp	58,000	1,111,114	1,286,519	0.88
Taiwan Semiconductor Manufacturing Co Ltd	515,000	4,041,082	4,323,316	2.95
	573,000	5,152,196	5,609,835	3.83
TOTAL TAIWAN	2,969,983	7,831,254	8,798,872	6.00

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
THAILAND				
Consumer Products				
CP ALL PCL - NVDR	1,089,100	2,330,839	2,909,508	1.98
Erawan Group PCL - NVDR ²	<u>8,495,400</u>	<u>1,662,167</u>	<u>2,323,565</u>	<u>1.58</u>
	<u>9,584,500</u>	<u>3,993,006</u>	<u>5,233,073</u>	<u>3.56</u>
Finance				
TMB Bank PCL - NVDR ²	<u>14,669,900</u>	<u>1,353,605</u>	<u>1,399,655</u>	<u>0.95</u>
TOTAL THAILAND	<u>24,254,400</u>	<u>5,346,611</u>	<u>6,632,728</u>	<u>4.51</u>
UNITED STATES				
Finance				
HDFC Bank Ltd	<u>19,878</u>	<u>1,721,224</u>	<u>1,931,744</u>	<u>1.32</u>
TOTAL UNITED STATES	<u>19,878</u>	<u>1,721,224</u>	<u>1,931,744</u>	<u>1.32</u>
TOTAL QUOTED SECURITIES	<u>83,204,428</u>	<u>115,179,338</u>	<u>137,049,064</u>	<u>93.45</u>
ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>21,869,726</u>		
TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>137,049,064</u>		

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

- ¹ H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock exchange.
- ² NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand (“SET”). It is a valid security as specified by the United States Securities and Exchange Commission (“SEC”) and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.
- ³ ADR, or American depository receipt, is a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. dollars, with the underlying security held by a U.S. financial institution overseas. ADRs help to reduce administration and duty costs that would otherwise be levied on each transaction.

8. CASH AND CASH EQUIVALENTS

	2019	2018
	USD	USD
Bank balances	<u>6,203,748</u>	<u>7,108,777</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2019	2018
	No. of units	No. of units
Class AUD (i)	24,021,184	16,694,968
Class MYR (ii)	323,329,931	287,338,601
Class SGD (iii)	9,537,957	8,442,474
Class USD (iv)	<u>9,098,039</u>	<u>9,608,523</u>
	<u>365,987,111</u>	<u>322,084,566</u>

(i) Class AUD

	2019	2018
	No. of units	No. of units
At the beginning of the financial year	16,694,968	3,083,631
Add: Creation of units from applications	14,024,772	19,325,545
Less: Cancellation of units	<u>(6,698,556)</u>	<u>(5,714,208)</u>
At the end of the financial year	<u>24,021,184</u>	<u>16,694,968</u>

(ii) Class MYR

	2019	2018
	No. of units	No. of units
At the beginning of the financial year	287,338,601	84,499,533
Add: Creation of units from applications	114,239,309	347,282,565
Less: Cancellation of units	<u>(78,247,979)</u>	<u>(144,443,497)</u>
At the end of the financial year	<u>323,329,931</u>	<u>287,338,601</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS) (CONTINUED)

(iii) Class SGD

	2019	2018
	No. of units	No. of units
At the beginning of the financial year	8,442,474	1,084,818
Add: Creation of units from applications	3,032,487	9,925,923
Less: Cancellation of units	(1,937,004)	(2,568,267)
At the end of the financial year	<u>9,537,957</u>	<u>8,442,474</u>

(iv) Class USD

	2019	2018
	No. of units	No. of units
At the beginning of the financial year	9,608,523	3,859,767
Add: Creation of units from applications	2,390,173	11,993,573
Less: Cancellation of units	(2,900,657)	(6,244,817)
At the end of the financial year	<u>9,098,039</u>	<u>9,608,523</u>

10. MANAGEMENT EXPENSE RATIO (“MER”)

	2019	2018
	%	%
MER	<u>1.95</u>	<u>2.12</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee’s and custodian fees
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding Goods & 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 year calculated on a daily basis is USD146,364,072 (2018: USD73,339,442).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	2019	2018
PTR (times)	<u>0.87</u>	<u>1.30</u>

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial year = USD140,073,641 (2018: USD138,269,055)
- total disposal for the financial year = USD115,813,858 (2018: USD51,804,004)

12. 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>
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 shareholder of the Manager
PT CIMB-Principal Asset Management	Subsidiary of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager
CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager
CIMB Securities Ltd (Korea Branch)	Fellow related party to the Manager
CIMB-GK Securities Pte Ltd	Fellow related party to the Manager

Units held by the Manager and parties related to the Manager

	2019		2018	
	No. of units	USD	No. of units	USD
Manager				
CIMB-Principal Asset Management Bhd				
- Class AUD	104	98	103	113
- Class MYR	50,081	15,575	146,091	53,440
- Class SGD	962	883	2	2
- Class USD	195	243	488	713

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.

There are no significant related party balances for the financial year 2019 and 2018, apart from those mentioned elsewhere in the financial statements.

13. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial ended 28 February 2019 are as follows:

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
JP Morgan Securities, LLC.	33,121,149	12.94	9,936	1.90
Citigroup Global Markets Ltd	27,568,362	10.77	51,174	9.79
Sanford C. Bernstein & Co., LLC	27,376,426	10.70	63,429	12.13
Credit Suisse (Hong Kong) Ltd	25,159,637	9.83	57,381	10.97
CLSA Ltd	20,551,239	8.03	53,621	10.25
DBS Vickers Securities (Singapore) Pte Ltd	17,118,604	6.69	38,573	7.38
Instinet Pacific Ltd	13,199,837	5.16	34,258	6.55
CICC (Hong Kong) Securities Ltd	11,223,822	4.39	29,206	5.58
JP Morgan Securities Singapore Pte Ltd	10,238,997	4.00	29,245	5.59
Morgan Stanley	10,205,124	3.99	25,513	4.88
Others #	60,124,302	23.50	130,627	24.98
	<u>255,887,499</u>	<u>100.00</u>	<u>522,963</u>	<u>100.00</u>

Details of transactions with the top 10 brokers for the financial ended 28 February 2018 are as follows:

Brokers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
Credit Suisse Securities (Hong Kong) Ltd	25,132,922	13.22	56,430	14.21
Instinet Singapore Services Pte Ltd	24,682,459	12.99	53,219	13.40
Sanford C. Bernstein & Co., LLC	16,879,900	8.88	43,205	10.88
Citigroup Global Markets Ltd	16,007,458	8.42	24,887	6.27
JP Morgan Securities Singapore Pte Ltd	13,635,918	7.17	25,206	6.35
DBS Vickers Securities (Singapore) Pte Ltd	13,293,574	6.99	28,037	7.06
CLSA (Hong Kong) Ltd	11,939,766	6.28	28,214	7.10
Macquarie Securities (Singapore) Pte Ltd	11,650,880	6.13	33,220	8.36
China International Capital Corp Ltd	8,350,166	4.39	18,232	4.59
Bloomberg Tradebook, LLC	5,807,363	3.06	8,711	2.19
Others #	42,692,654	22.47	77,794	19.59
	<u>190,073,060</u>	<u>100.00</u>	<u>397,155</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS (CONTINUED)

Included in the transactions are trades conducted with CIMB Securities (S) Pte Ltd, CIMB Investment Bank Bhd, CIMB-GK Securities Pte Ltd and CIMB Securities Ltd (Korea Branch), fellow related parties to the Manager amounting to USD6,034,985 (2018: USD3,190,164), USD1,874,152 (2018: USD3,146,465), Nil (2018: USD1,954,717) and Nil (2018: USD365,685) respectively. The Manager is of the opinion that all transactions with the related company have been entered into at agreed terms between the related parties.

14. SEGMENT INFORMATION

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

The investment objective of the Fund is to achieve capital appreciation over the medium to long term. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of interest income and dividend income earned from investments and gains on the appreciation in the value of investments, which are derived from quoted securities listed on the Bursa Securities, Malaysia, and foreign equities of companies domiciled in, listed in and/or have significant operations in countries in the Asia Pacific ex Japan.

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

15. MFRS 9 FINANCIAL INSTRUMENTS

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

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

	Measurement category		Original (MFRS 139) USD	Carrying amount		
	Original (MFRS 139)	New (MFRS 9)		Reclassi- fications USD	Remeas- urements USD	New (MFRS 9) USD
Assets						
Cash and cash equivalents	Loans and receivables	Amortised cost	7,108,777	-	-	7,108,777
Investment in quoted securities	FVTPL	FVTPL	137,049,064	-	-	137,049,064
Amount due from stockbrokers	Loans and receivables	Amortised cost	1,319,468	-	-	1,319,468
Amount due from Manager	Loans and receivables	Amortised cost	6,256,032	-	-	6,256,032
Dividend receivables	Loans and receivables	Amortised cost	73,076	-	-	73,076

15. 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 March 2018 are compared as follows (continued):

	Measurement category		Original (MFRS 139) USD	Carrying amount		New (MFRS 9) USD
	Original (MFRS 139)	New (MFRS 9)		Reclassi- fications USD	Remeas- urements USD	
Liabilities						
Amount due to stockbrokers	Amortised cost	Amortised cost	3,930,275	-	-	3,930,275
Amount due to Manager	Amortised cost	Amortised cost	1,018,616	-	-	1,018,616
Accrued management fee	Amortised cost	Amortised cost	188,540	-	-	188,540
Amount due to Trustee	Amortised cost	Amortised cost	5,237	-	-	5,237
Other payables and accruals	Amortised cost	Amortised cost	19,659	-	-	19,659

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 17 April 2019.

DIRECTORY

Head office of the Manager

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