

CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund

Unaudited Interim Report

For The Six Months Financial Period Ended 30 November 2019

CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

UNAUDITED INTERIM REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019

CONTENTS	PAGE(S)
INVESTORS' LETTER	1 - 2
MANAGER'S REPORT	3 - 9
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Unit Holdings Statistics	
Soft Commissions and Rebates	
STATEMENT BY MANAGER	10
TRUSTEE'S REPORT	11
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	12
UNAUDITED STATEMENT OF FINANCIAL POSITION	13
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	14
UNAUDITED STATEMENT OF CASH FLOWS	15
NOTES TO THE FINANCIAL STATEMENTS	16 - 43
DIRECTORY	44

INVESTORS' LETTER

Dear Valued Investors,

As we begin 2020, allow me to wish you a Happy New Year! Selamat Tahun Baru!

2019 was a year of heightened risk velocity in markets, due to external factors - both globally and domestically, such as the US-China trade tensions, uncertainties in US monetary policy, China economic growth slowdown and weak earnings in Malaysia markets.

Going into 2020, we continue to see pockets of opportunities in the equity market. This is on the back of supportive central banks policies, stabilising earnings estimate and some progressive outcome coming from US and China trade tension.

We believe you should remain fully invested, focus on long-terms returns and look to diversify your investments across a full spectrum of asset classes depending on your risk appetite. We believe that fixed income returns will be more moderate and thus, we encourage diversifying allocations to assets like Asia Pacific equities, Global equities or Global REITs. Equity markets like ASEAN and Malaysia which have underperformed in 2019 may now set to improve in 2020.

Lastly, we wish to thank you for the trust you've put in us. We achieved much this year because of the trust you placed in us:



Serve over 1 million customers in Malaysia, Indonesia, Singapore and Thailand.



Manage over RM88.1 billion in assets.



Numerous awards -

- Five outstanding funds (based on performance and consistency of returns) - Fundsupermart.com
- Two outstanding funds - Lipper Fund Awards from Refinitiv 2019
- Best Asset Management House in ASEAN and Fund Launch of the Year - Asia Asset Management, 2019.



Offer our Unit Trust Funds on EPF's i-Invest online platform with 0.0% sales fee. The online facility enables EPF i-Akaun members to invest in unit trust funds using their EPF savings - anytime, anywhere.



Rolled out several core funds, including Principal Global Sukuk Fund, Principal Global Real Estate Fund and Principal Greater Bay Fund. These Funds provided investors an opportunity to increase their investment potential with a diversified global portfolio.

As you consider your ongoing investment needs, we hope you continue to turn to us for guidance and solutions. Please check-out www.principal.com.my for information and consider following us on Facebook! @PrincipalAssetMY

INVESTORS' LETTER (CONTINUED)

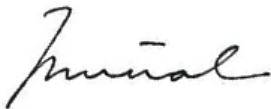
In our effort to serve you better, we would like to encourage you to update us with your latest contact information. Please call our customer care hotline at 03-7718 3000 to speak to our representative.

Thank you once again for your continuous support and allowing us to help you achieve your financial goals and live your best life.

May 2020 be a good year for you!

Thank you.

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



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide income and capital appreciation by investing in equities, debt securities, money market instruments and/or deposits.

Has the Fund achieved its objective?

The Fund delivered higher-than-targeted returns for the 12-months to 30 November 2019 of 10.14% in Malaysian Ringgit ("MYR") and 10.34% in US Dollar ("USD") terms. However, since inception, the total return of 11.15% in MYR, and 18.13% in USD, falls short of the objective to deliver 6% per annum.

What are the Fund investment policy and principal investment strategy?

The Fund will be managed with the aim to provide investors with income and capital appreciation over the medium to long term through investments in the Asia Pacific ex Japan region. The Fund seeks to achieve its investment objective through a diversified portfolio investment in equities, debt securities, money market instruments and/or Deposits. The investment in debt securities and money market instruments is to provide some capital stability to the Fund whilst the investment in equity portion will provide the added return in a rising market. The Fund may invest in Deposits for liquidity purpose.

The Fund may invest up to 100% of its Net Asset Value ("NAV") in equities, debt securities or money market instruments and Deposits with Financial Institutions. The Manager has the flexibility to determine its asset allocation between different asset classes according to our views on the prevailing market condition. For example, Manager may invest up to 100% of the NAV in debt securities and liquid assets in the volatile market to preserve value of the Fund or Manager can invest up to 100% of the NAV in equities with the aim to generate added return in rising market. The minimum credit rating for these debt securities must be at least "BBB" by Fitch or its equivalent by Standard & Poor's ("S&P") and Moody's. The Fund may also invest up to 10% of the Fund's NAV in unrated fixed income securities.

At the Manager's discretion, the Fund may opt to access into the equities and/or debt securities market via the investment in units of other Collective Investment Scheme, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines and the Standards of Qualifying Collective Investment Scheme. When deemed necessary, Manager may also utilise derivative instruments such as futures contracts and currency forwards to hedge the portfolio, subject to the prevailing SC Guidelines and Standards of Qualifying Collective Investment Scheme.

Fund category/type

Mixed Asset/Growth & Income

How long should you invest for?

Recommended three (3) years or more

When was the Fund launched?

Class MYR

9 January 2017

Class USD

9 January 2017

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

RM193.84 million (177.53 million units)

FUND OBJECTIVE AND POLICY (CONTINUED)

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 six percent (6%) 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?

Annually, depending on the level of the Fund's income and at the Manager's discretion.

What was the net income distribution for the financial period ended 30 November 2019?

There was no distribution made for the financial period ended 30 November 2019.

PERFORMANCE DATA

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

	30.11.2019	30.11.2018	30.11.2017
	%	%	%
Unquoted securities	29.91	23.26	34.10
Quoted securities			
- Communication Services	10.49	4.64	5.47
- Consumer Discretionary	4.81	6.91	16.23
- Consumer Staples	3.19	7.76	2.61
- Energy	2.71	7.81	1.16
- Financials	7.47	12.49	7.94
- Healthcare	-	-	0.95
- Industrials	6.42	2.98	7.88
- Information Technology	8.39	4.92	10.57
- Materials	4.30	5.29	0.49
- Real Estate	17.82	13.69	4.01
- Utilities	1.20	-	1.21
Cash and other net assets	3.29	10.25	7.38
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: The Fund had applied the Global Industry Classification Standard ("GICS") sectors classification.

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

	30.11.2019	30.11.2018	30.11.2017
NAV (RM Million)			
- Class MYR	187.62	227.48	230.52
- Class USD	6.22	7.98	7.01
Units in circulation (Million)			
- Class MYR	176.22	235.49	210.84
- Class USD	1.31	1.86	1.44
NAV per unit (RM)			
- Class MYR	1.0647	0.9660	1.0933
- Class USD	4.7379	4.2986	4.8525

PERFORMANCE DATA (CONTINUED)

	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018	09.01.2017 (date of launch) to 30.11.2017
Highest NAV per unit (RM)			
- Class MYR	1.0765	1.0731	1.1366
- Class USD	4.7903	4.7754	5.0446
Lowest NAV per unit (RM)			
- Class MYR	1.0103	0.9294	0.9955
- Class USD	4.4959	4.1358	4.4185
Total return (%)			
- Class MYR	5.38	(8.11)	9.29
- Class USD	5.72	(12.60)	18.61
Capital growth (%)			
- Class MYR	5.38	(8.11)	9.29
- Class USD	5.72	(12.60)	18.61
Income distribution (%)			
- Class MYR		-	-
- Class USD		-	-
Management Expense Ratio ("MER") (%) ^	1.07	0.98	1.85
Portfolio Turnover Ratio ("PTR") (times) #	0.74	0.97	2.08

^ The Fund's MER increased from 0.98% to 1.07% due to lower average NAV during the financial period under review.

The Fund's PTR for the 6 months ending 30 November 2019 was 0.74, lower than previous period. This is due to fewer purchase and sale of the portfolio's component stocks.

	30.11.2019	30.11.2018	Since inception to 30.11.2017
	%	%	%
Annual total return			
- Class MYR	10.14	(7.64)	9.29
- Class USD	10.34	(9.74)	18.61

(Launch date: 9 January 2017)

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

MARKET REVIEW (1 JUNE 2019 TO 30 NOVEMBER 2019)

During the period under review, MSCI Asia Pacific ex Japan equities returned 6.9% (including dividends). Meanwhile, fixed income securities rose in value as the US 10-year yield fell 35 basis points ("bps") to end at 1.73%. The markets were highly volatile during the period, as investors initially reacted negatively to the increasingly negative political rhetoric surrounding the US-China trade dispute. Economic growth concerns were founded on the plummeting Purchasing Managers' Index ("PMI") indicating that the major economies of the world face slowing growth. Sentiment on China was also weakened by the civil protests erupting in Hong Kong. Nevertheless, market sentiment began to pick up around August 2019, as US and China moved towards a temporary deal. Asian equities had fallen to reasonable valuation, bond yields were low, and interest rates across the region had been cut. Various governments, like India and China, introduced fiscal policies to encourage growth.

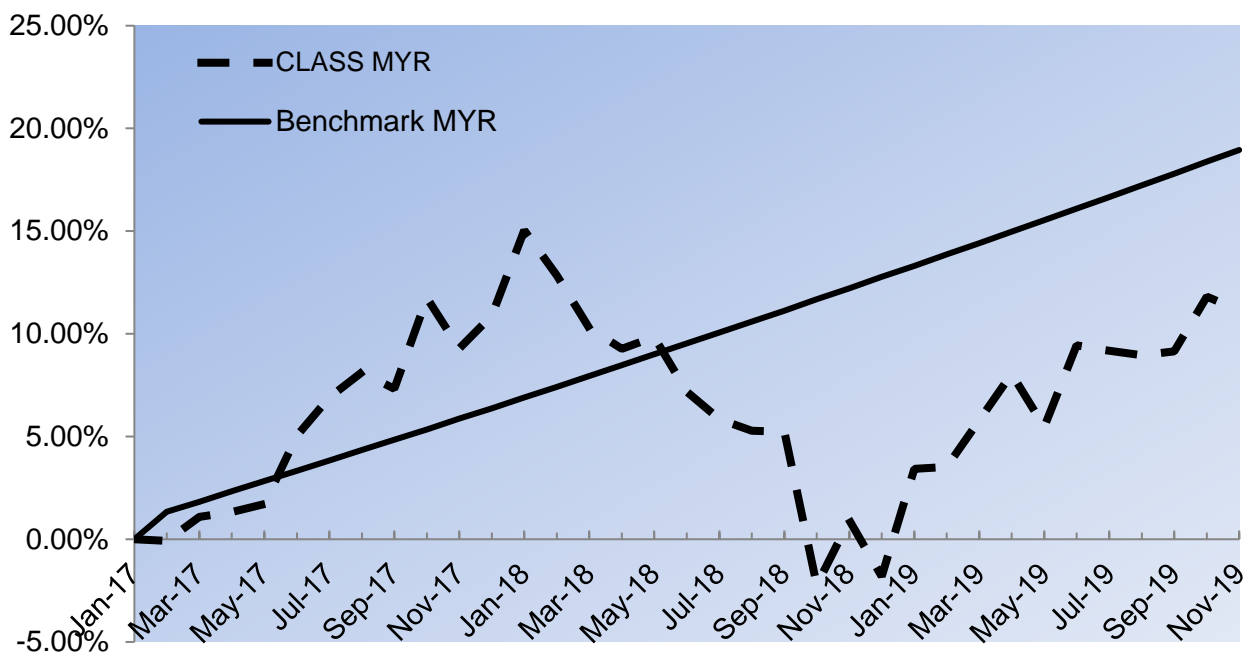
FUND PERFORMANCE

Class MYR	6 months to 30.11.2019	1 year to 30.11.2019	Since inception to 30.11.2019
	%	%	%
Income	-	-	4.47
Capital	5.38	10.14	6.38
Total Return	5.38	10.14	11.15
Benchmark	2.96	6.00	18.95
Average Total Return	N/A	10.14	3.72

Class USD	6 months to 30.11.2019	1 year to 30.11.2019	Since inception to 30.11.2019
	%	%	%
Income	-	-	4.12
Capital	5.72	10.34	13.59
Total Return	5.72	10.34	18.13
Benchmark	2.96	6.00	18.95
Average Total Return	N/A	10.34	5.93

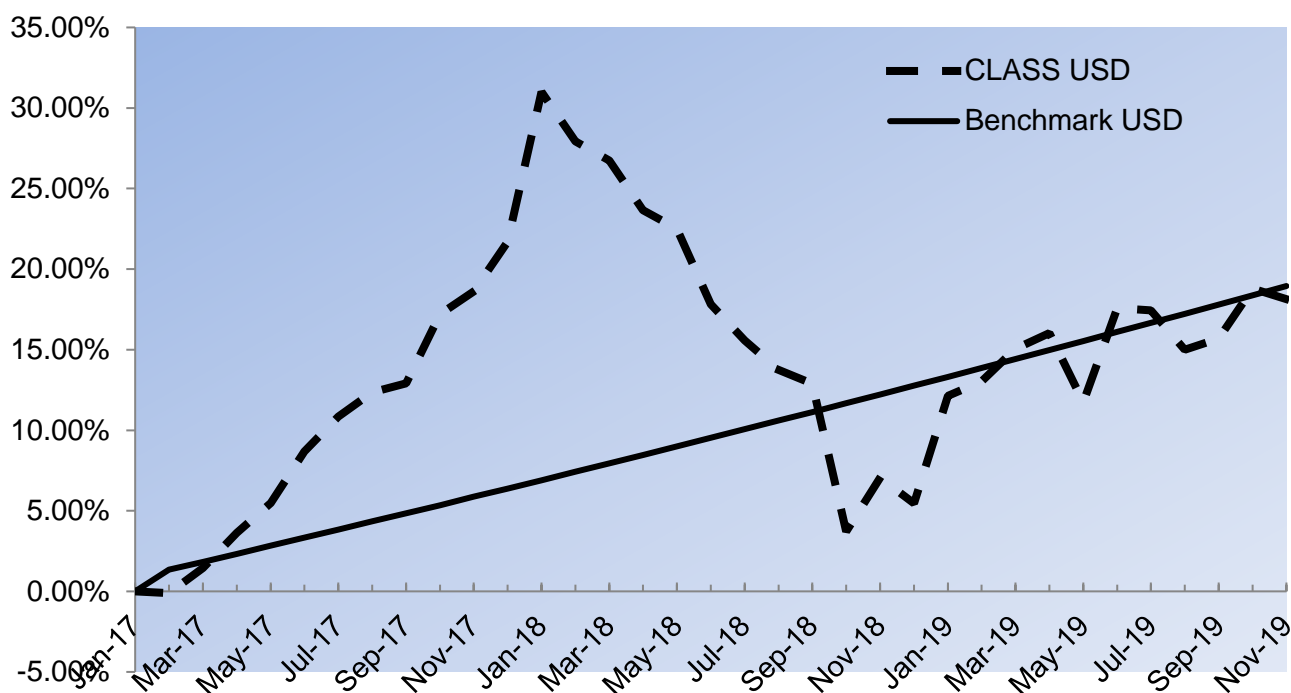
The Fund returned 5.38% in MYR (5.72% in USD) terms during the 6 months under review. The Fund's return was helped by lower prevailing interest rates as our bonds and REITs rose in value. Our Fund is richly invested in high-dividend yielding stocks which performed well. In anticipation of a pick-up in technology sector, the Fund accumulated technology stocks during the financial period. This benefitted the Fund as the market rebounded.

CLASS MYR



FUND PERFORMANCE (CONTINUED)

CLASS USD



Changes in NAV

Class MYR	30.11.2019	31.05.2019 Audited	Changes %
NAV (RM Million)	187.62	209.21	(10.32)
NAV/Unit (RM)	1.0647	1.0095	5.47

Class USD

NAV (RM Million)	6.22	8.35	(25.50)
NAV/Unit (RM)	4.7379	4.4922	5.47

The decline of NAV for both the USD and MYR classes was due to redemption of units from unitholders. The NAV per unit rose 5.47%, in line with the stated returns of the fund stated earlier.

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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.11.2019	31.05.2019 Audited
Quoted securities	66.80	25.87
Unquoted securities	29.91	61.12
Cash and other net assets	3.29	13.01
TOTAL	100.00	100.00

The Fund started the period with 13.01% in cash in anticipation of a drop in equities. As equities bottomed in August 2019 and September 2019, we began to invest in stocks with good growth prospects. By the end of November 2019, the Fund has only about 3.29% in cash.

MARKET OUTLOOK*

We expect economic growth in Asia to bottom in the near future. Earnings recovery is likely to be led by Asia internet, semiconductor and industrial stocks. Several Asian Governments, including China and India are putting in place fiscal stimulus to provide support to their economies. We estimate Asia Pacific ex-Japan earnings to be around 9% -10% instead of 12% by consensus. After reducing policy rates throughout the year, most Asian central banks will probably be on hold for the next 6 months except for India and Philippines. Nevertheless, we expect Asian central banks to remain dovish in the absence of inflation. We expect Asian currencies to be stable in the next few months as all Asian economies, with exception for Australia's, have positive real interest rates. Asia Pacific ex Japan equity valuation at 13.5 times price-to-earnings ratio ("PER") for financial year 2020 is slightly expensive versus 5-year average of 12.9 times, while 2020 consensus earnings growth of 12.8% year-on-year ("y-o-y") looks stretched at the moment.

* This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of Principal Malaysia or based on data obtained from sources believed to be reliable by Principal Malaysia. Whilst every care has been taken in preparing this, Principal Malaysia makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

INVESTMENT STRATEGY

We remain positive on Asian equities going into 2020. We are fully invested and had deployed cash into selected countries which are expected to do well in 2020, including India and China, where lower interest rates coupled with fiscal stimulus could trigger a new cycle of credit growth. We are also positive on technology sector in Taiwan. At the current moment, we are not increasing weights in fixed income as we anticipate stronger economic growth next year.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 November 2019 are as follows:

CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	30	0.09	0.05
5,001-10,000	36	0.29	0.16
10,001-50,000	102	2.85	1.61
50,001-500,000	35	4.83	2.74
500,001 and above	3	168.16	95.44
Total	206	176.22	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	-	-	-
10,001-50,000	1	0.02	1.52
50,001-500,000	-	-	-
500,001 and above	1	1.29	98.48
Total	3	1.31	100.00

SOFT COMMISSIONS AND REBATES

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

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

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

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 12 to 43 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2019 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the Manager

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

JUAN IGNACIO EYZAGUIRRE BARAONA
Director

Kuala Lumpur
16 January 2020

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

We have acted as Trustee of CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund (the "Fund") for the financial period ended 30 November 2019. To the best of our knowledge Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), has operated and managed the Fund in accordance with the following:

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

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
16 January 2020

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

	Note	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
INCOME/(LOSS)			
Dividend income		2,086,915	2,537,152
Interest income from unquoted fixed income securities at fair value through profit or loss		1,248,720	1,039,452
Interest income from current accounts		98,658	312,543
Net gain/(loss) on financial assets at fair value through profit or loss	8	10,760,016	(30,391,494)
Net foreign exchange gain		634,073	8,871,376
		<u>14,828,382</u>	<u>(17,630,971)</u>
EXPENSES			
Management fee	4	1,895,931	2,281,181
Trustee's and custodian fees	5	145,723	160,026
Audit fee		9,750	7,300
Tax agent's fee		2,000	22,637
Transaction costs		820,100	1,432,930
Other expenses		190,824	4,123
		<u>3,064,328</u>	<u>3,908,197</u>
PROFIT/(LOSS) BEFORE TAXATION		11,764,054	(21,539,168)
Taxation	6	<u>(271,647)</u>	<u>(268,478)</u>
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>11,492,407</u>	<u>(21,807,646)</u>
Increase/(decrease) in net assets attributable to unit holders is made up as follows:			
Realised amount		14,039,885	(9,683,414)
Unrealised amount		<u>(2,547,478)</u>	<u>(12,124,232)</u>
		<u>11,492,407</u>	<u>(21,807,646)</u>

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

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

	Note	30.11.2019	31.05.2019
		RM	Audited RM
ASSETS			
Cash and cash equivalents	8	7,109,891	30,620,601
Financial assets at fair value through profit or loss	7	187,479,765	189,262,693
Amount due from stockbrokers		-	1,013,409
Amount due from Manager		-	291,262
Dividends receivable		29,765	561,235
TOTAL ASSETS		<u>194,619,421</u>	<u>221,749,200</u>
LIABILITIES			
Amount due to Manager		445,383	3,811,262
Accrued management fee		292,116	344,388
Amount due to Trustee		8,114	9,566
Other payables and accruals		35,749	24,001
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>781,362</u>	<u>4,189,217</u>
NET ASSET VALUE OF THE FUND		<u>193,838,059</u>	<u>217,559,983</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>193,838,059</u>	<u>217,559,983</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class MYR		187,618,371	209,205,587
- Class USD		6,219,688	8,354,396
		<u>193,838,059</u>	<u>217,559,983</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		176,216,410	207,236,394
- Class USD		1,312,752	1,859,748
	9	<u>177,529,162</u>	<u>209,096,142</u>
NET ASSET VALUE PER UNIT (RM)			
- Class MYR		1.0647	1.0095
- Class USD		4.7379	4.4922
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		RM1.0647	RM1.0095
- Class USD		USD1.1346	USD1.0724

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019**

	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	217,559,983	271,613,550
Movement due to units created and cancelled during the financial period:		
- Creation of units from applications		
- Class MYR	11,350,940	14,739,181
- Class USD	51,314	1,275,197
	<u>11,402,254</u>	<u>16,014,378</u>
 - Cancellation of units		
- Class MYR	(43,975,111)	(28,616,457)
- Class USD	(2,641,474)	(1,740,478)
	<u>(46,616,585)</u>	<u>(30,356,935)</u>
 Increase/(Decrease) in net assets attributable to unit holders during the financial period	11,492,407	(21,807,646)
 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>193,838,059</u>	<u>235,463,347</u>

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

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

	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	163,498,096	234,187,294
Purchase of quoted securities	(149,698,104)	(239,294,768)
Proceeds from disposal of unquoted fixed income securities	-	5,110,049
Redemption of unquoted fixed income securities	-	10,000,000
Dividend income received	2,456,988	2,509,835
Interest income received from current account	98,658	312,542
Interest income received from unquoted fixed income securities	1,165,125	1,246,933
Management fee paid	(1,948,203)	(2,347,047)
Trustee's and custodian fees paid	(147,175)	(161,856)
Payments for other fees and expenses	(23,509)	(51,837)
Net realised foreign exchange loss	(360,451)	(6,601)
Tax paid	(271,647)	(69,440)
Net cash generated from operating activities	<u>14,769,778</u>	<u>11,435,104</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	11,693,295	21,352,502
Payments for cancellation of units	(49,988,141)	(30,303,519)
Net cash used in financing activities	<u>(38,294,846)</u>	<u>(8,951,017)</u>
Net (decrease)/increase in cash and cash equivalents	(23,525,068)	2,484,087
Effects of foreign exchange differences	14,358	813,199
Cash and cash equivalents at the beginning of the financial period	<u>30,620,601</u>	<u>23,684,666</u>
Cash and cash equivalents at the end of the financial period	<u>7,109,891</u>	<u>26,981,952</u>
Cash and cash equivalent comprised of:		
Deposits with licensed financial institutions	-	16,757,290
Bank balance	<u>7,109,891</u>	<u>10,224,662</u>
Cash and cash equivalents at the end of the financial period	<u>7,109,891</u>	<u>26,981,952</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund (the “Fund”) is governed by a Deed dated 11 July 2016 executed between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim to provide investors with income and capital appreciation over the medium to long term through investments in the Asia Pacific ex Japan region. The Fund seeks to achieve its investment objective through a diversified portfolio investment in equities, debt securities, money market instruments and/or Deposits. The investment in debt securities and money market instruments is to provide some capital stability to the Fund whilst the investment in equity portion will provide the added return in a rising market. The Fund may invest in Deposits for liquidity purpose.

The Fund may invest up to 100% of its NAV in equities, debt securities or money market instruments and Deposits with Financial Institutions. The Manager has the flexibility to determine its asset allocation between different asset classes according to our views on the prevailing market condition. For example, Manager may invest up to 100% of the NAV in debt securities and liquid assets in the volatile market to preserve value of the Fund or Manager can invest up to 100% of the NAV in equities with the aim to generate added return in rising market. The minimum credit rating for these debt securities must be at least “BBB” by Fitch or its equivalent by S&P and Moody’s. The Fund may also invest up to 10% of the Fund’s NAV in unrated fixed income securities.

At the Manager’s discretion, the Fund may opt to access into the equities and/or debt securities market via the investment in units of other Collective Investment Scheme, subject to the requirements of the SC Guidelines and the Standards of Qualifying Collective Investment Scheme. When deemed necessary, Manager may also utilise derivative instruments such as futures contracts and currency forwards to hedge the portfolio, subject to the prevailing SC Guidelines and Standards of Qualifying Collective Investment Scheme.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

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

Standard that is effective:

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

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

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

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

(b) Financial assets and financial liabilities

Classification

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Classification (continued)

The contractual cash flows of the Fund's investments in unquoted fixed income securities are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model objective. Consequently, the investments in unquoted fixed income securities are measured at fair value through profit or loss.

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

The Fund classifies amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as other 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, 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 recognised 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 fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income with net gain or loss on financial assets at fair value through profit or loss in the financial period which they arise.

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

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

Foreign quoted securities are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

If a valuation based on the market price does not represent the fair value of the 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 basis approved by the Trustee after appropriate technical consultation.

Unquoted fixed income securities denominated in Ringgit Malaysia (“RM”) are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency (“BPA”) registered with the SC as per the SC Guidelines on Unit Trust Funds. Refer to Note 2(k) for further explanation.

Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis based on fair value prices quoted by Intercontinental Exchange Data Services (“ICE”), a provider of financial market data. However, if such quotations are not available on any business day, or should the gaps of the quotations provided by the financial institutions or ICE differ by more than 20 bps, the valuation shall be determined by reference to the value of such debt securities quoted by Bloomberg.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Write-off

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

(c) Income recognition

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

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

Realised gain or loss on disposal of quoted securities and unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted securities and unquoted fixed income securities, determined on a weighted average cost basis.

(d) Foreign Currency

Functional and presentation currency

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

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

- i) The Fund's units are denominated in RM.
- ii) All of the Fund's expenses are denominated in RM.

Transactions and balances

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Creation and cancellation of units

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

The Fund issues cancellable units, in two classes of units, known as the Class MYR and Class USD, which are cancelled at the unit holder's option and do not have identical features subject to restrictions as stipulated in the Prospectus and SC's Guidelines on Unit Trust Funds. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

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

(f) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Taxation

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

Tax on investment income from foreign investments are based on the tax regime of the respective countries the Fund invest in.

Withholding taxes on investment income from investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

(h) Transaction costs

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

(i) Increase/Decrease in net asset attributable to unit holders

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Amount due from/to stockbrokers

Amounts due from/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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amount due from stockbrokers. A provision for impairment of amount 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 rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's 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.

Estimate of fair value of unquoted fixed income securities

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.

Ringgit-denominated unquoted fixed income securities are valued using fair value prices quoted by a BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted fixed income securities differs from the market price by more than 20 bps, the Manager may use market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis based on fair value prices quoted by ICE, a provider of financial market data. However, if such quotations are not available on any business day, or should the gaps of the quotations provided by the financial institutions or ICE differ by more than 20 bps, the valuation shall be determined by reference to the value of such debt securities quoted by Bloomberg.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide income and capital appreciation by investing in equities, debt securities money market instruments and/or deposits.

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

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

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of an investment in quoted securities and unquoted fixed income securities will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of investments 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, unquoted securities and other financial instruments within specified limits according to the Deeds.

(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 RM based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

(iii) Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Investors should note that the movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

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

(b) Credit risk

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

Investment in unquoted fixed income securities may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted fixed income securities and subsequently depress the NAV of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund.

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

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

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

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders. 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.

(e) Fair value estimation

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

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

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

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

(i) Fair value hierarchy

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.11.2019				
Financial assets at fair value through profit or loss:				
- Quoted securities	129,493,145	-	-	129,493,145
- Unquoted fixed income securities	-	57,986,620	-	57,986,620
	<u>129,493,145</u>	<u>57,986,620</u>	<u>-</u>	<u>187,479,765</u>
31.05.2019				
Audited				
Financial assets at fair value through profit or loss:				
- Quoted securities	132,982,073	-	-	132,982,073
- Unquoted fixed income securities	-	56,280,620	-	56,280,620
	<u>132,982,073</u>	<u>56,280,620</u>	<u>-</u>	<u>189,262,693</u>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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

4. MANAGEMENT FEE

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

For the six months financial period ended 30 November 2019, the management fee is recognised at a rate of 1.80% per annum (30.11.2018: 1.80% per annum).

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

5. TRUSTEE'S FEE

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

For the six months financial period ended 30 November 2019, the Trustee's fee is recognised at a rate of 0.05% per annum (including local custodian fee but excluding foreign sub-custodian fee) on the NAV of the Fund (30.11.2018: 0.05% per annum). The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

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

6. TAXATION

	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
Tax charged for the financial period:		
- Capital gain tax	<u>271,647</u>	<u>268,478</u>

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

	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
Profit/(Loss) before taxation	<u>11,764,054</u>	<u>(21,539,168)</u>
Taxation at Malaysian statutory rate of 24% (30.11.2018: 24%)	2,823,373	(5,169,400)
Tax effects of:		
(Investment income not subject to tax)/Investment loss not deductible for tax	(3,558,812)	4,231,433
Expenses not deductible for tax purposes	275,222	388,560
Restriction on tax deductible expenses for Unit Trust Funds	460,217	549,407
Income subject to capital gains tax	<u>271,647</u>	<u>268,478</u>
Taxation	<u>271,647</u>	<u>268,478</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.11.2019 RM	31.05.2019 Audited RM
At fair value through profit or loss:		
- Quoted securities	129,493,145	132,982,073
- Unquoted fixed income securities	<u>57,986,620</u>	<u>56,280,620</u>
	<u>187,479,765</u>	<u>189,262,693</u>
	01.06.2019 to 30.11.2019 RM	01.06.2018 to 30.11.2018 RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	8,220,773	(18,267,262)
- Unrealised fair value gain/(loss)	<u>2,539,243</u>	<u>(12,124,232)</u>
	<u>10,760,016</u>	<u>(30,391,494)</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019				
QUOTED SECURITIES				
AUSTRALIA				
Industrials				
Cleanaway Waste Management Ltd	711,313	3,801,150	4,266,839	2.20
TOTAL AUSTRALIA	711,313	3,801,150	4,266,839	2.20
CAYMAN ISLANDS				
Consumer Discretionary				
Alibaba Group Holding Ltd	2,549	1,969,777	2,128,925	1.10
TOTAL CAYMAN ISLANDS	2,549	1,969,777	2,128,925	1.10
CHINA				
Consumer Discretionary				
China International Travel Service Ltd -A	37,980	2,065,550	1,890,283	0.97
Financials				
Industrial and Commercial Bank Ltd	926,000	2,693,154	2,756,120	1.42
Ping An Insurance Group Co. -H	40,000	2,007,262	1,892,503	0.98
	966,000	4,700,416	4,648,623	2.40
Materials				
Anhui Conch Cement Co. Ltd	82,500	2,067,830	2,202,475	1.14
TOTAL CHINA	1,086,480	8,833,796	8,741,381	4.51
HONG KONG SAR, CHINA				
Communication Services				
Tencent Holdings Ltd	43,700	7,520,039	7,734,119	3.99
Consumer Discretionary				
Sands China Ltd	109,200	2,152,974	2,155,149	1.11
Shenzhou International Group	57,300	3,271,074	3,154,186	1.63
	166,500	5,424,048	5,309,335	2.74

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, SAR CHINA (CONTINUED)				
Consumer Staples				
China Mengniu Dairy Co. Ltd	253,000	4,059,072	4,041,758	2.08
Financials				
AIA Group Ltd	79,600	3,266,640	3,328,757	1.72
Industrials				
Techtronic Industries Co Ltd	98,500	3,076,797	3,091,973	1.60
Information Technology				
Kingboard Laminates Hldg Ltd	200,000	894,557	941,984	0.49
Sunny Optical Technology (Group) Co. Ltd	35,600	2,343,024	2,436,294	1.26
	235,600	3,237,581	3,378,278	1.75
Real Estate				
Henderson Land Development	137,200	2,884,627	2,755,320	1.42
Utilities				
China Resources Gas Group Ltd	100,000	2,048,739	2,325,624	1.20
TOTAL HONG KONG SAR, CHINA	1,114,100	31,517,543	31,965,165	16.50
INDIA				
Energy				
Reliance Industries Ltd	58,168	4,703,568	5,251,228	2.71
Financials				
ICICI Bank Ltd	80,201	2,121,588	2,392,662	1.23
Industrials				
Larsen & Toubro Ltd	37,500	3,194,651	2,903,925	1.50
Materials				
Asian Paints Ltd	20,946	1,692,038	2,079,894	1.07
Ultra Tech Cement Ltd	12,286	3,107,733	3,045,449	1.57
	33,232	4,799,771	5,125,343	2.64

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019 (CONTINUED) QUOTED SECURITIES (CONTINUED)				
INDIA (CONTINUED)				
Real Estate				
Godrej Properties Ltd	71,963	3,768,792	3,806,279	1.96
TOTAL INDIA	281,064	18,588,370	19,479,437	10.05
INDONESIA				
Communication Services				
Telekomunikasi Tbk PT	1,663,600	1,913,728	1,934,579	1.00
Real Estate				
Puradelta Lestari Tbk PT	23,191,700	1,247,171	2,223,425	1.15
TOTAL INDONESIA	24,855,300	3,160,899	4,158,004	2.15
PHILIPPINES				
Materials				
D&L Industries Inc	1,403,600	1,140,184	1,010,616	0.52
TOTAL PHILIPPINES	1,403,600	1,140,184	1,010,616	0.52
SINGAPORE				
Communication Services				
NetLink NBN Trust Singapore	1,360,100	3,397,306	3,885,278	2.00
Telecommunications	342,900	3,311,967	3,540,983	1.83
	1,703,000	6,709,273	7,426,261	3.83
Financials				
DBS Group Holdings Ltd	53,200	4,148,036	4,104,050	2.12
Industrials				
Singapore Technologies Engineering Ltd	172,700	2,065,769	2,179,124	1.12

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
SINGAPORE (CONTINUED)				
Real Estate				
Capitaland Ltd	463,000	4,887,302	5,205,573	2.69
CDL Hospitality Trusts	1,102,400	5,364,245	5,456,245	2.81
F Frasers Logistics & Industrial Trust	775,900	2,740,859	2,939,457	1.52
Keppel DC REIT	674,217	3,085,177	4,119,736	2.12
Lendlease Global Commercial	1,389,500	3,714,256	3,969,262	2.05
Mapletree Commercial Trust	563,696	3,180,947	4,064,402	2.10
	<u>4,968,713</u>	<u>22,972,786</u>	<u>25,754,675</u>	<u>13.29</u>
TOTAL SINGAPORE	<u>6,897,613</u>	<u>35,895,864</u>	<u>39,464,110</u>	<u>20.36</u>
SOUTH KOREA				
Communication Services				
NCSOFT	<u>1,362</u>	<u>2,611,515</u>	<u>2,373,095</u>	<u>1.22</u>
Consumer Staples				
LG Household & Health Care	<u>481</u>	<u>2,124,801</u>	<u>2,150,438</u>	<u>1.11</u>
Information Technology				
Samsung Electronics Co. Ltd	<u>22,719</u>	<u>3,724,006</u>	<u>4,038,763</u>	<u>2.08</u>
TOTAL SOUTH KOREA	<u>24,562</u>	<u>8,460,322</u>	<u>8,562,297</u>	<u>4.42</u>
TAIWAN				
Information Technology				
Largan Precision Co. Ltd	5,000	3,078,000	3,035,759	1.57
Taiwan Semiconductor Manufacturing Company	<u>139,000</u>	<u>4,554,403</u>	<u>5,803,876</u>	<u>2.99</u>
	<u>144,000</u>	<u>7,632,403</u>	<u>8,839,635</u>	<u>4.56</u>
TOTAL TAIWAN	<u>144,000</u>	<u>7,632,403</u>	<u>8,839,635</u>	<u>4.56</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
THAILAND				
Communication Services				
Intouch Holdings PCL -NVDR	<u>108,100</u>	<u>894,258</u>	<u>876,738</u>	<u>0.45</u>
TOTAL THAILAND	<u>108,100</u>	<u>894,258</u>	<u>876,738</u>	<u>0.45</u>
TOTAL QUOTED SECURITIES	<u>36,628,681</u>	121,894,566	<u>129,493,145</u>	<u>66.80</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>7,598,579</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>129,493,145</u>		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2019 (CONTINUED)				
UNQUOTED FIXED INCOME SECURITIES				
AUSTRALIA				
Australian Government 5.75% 15/7/2022 (Non- rated)	<u>1,700,000</u>	<u>6,416,288</u>	<u>5,551,691</u>	<u>2.86</u>
INDONESIA				
Indonesia Treasury Bond 7% 15/05/2022 (Baa2)	45,000,000,000	14,044,196	13,618,160	7.03
Indonesia Treasury Bond (Non-rated)	<u>20,000,000,000</u>	<u>5,947,035</u>	<u>6,418,169</u>	<u>3.31</u>
	<u>65,000,000,000</u>	<u>19,991,231</u>	<u>20,036,329</u>	<u>10.34</u>
MALAYSIA				
Malaysian Government 1/2017 3.88% 10/3/2022 (Non-rated)	<u>10,000,000</u>	<u>10,318,397</u>	<u>10,457,380</u>	<u>5.39</u>
SINGAPORE				
Singapore Government Bond 1.75% 1/2/2023 (Non-rated)	<u>3,000,000</u>	<u>8,811,580</u>	<u>9,277,166</u>	<u>4.79</u>
THAILAND				
Thailand Government Bond 1.88% 17/6/2022 (Baa1)	<u>90,000,000</u>	<u>11,475,625</u>	<u>12,664,054</u>	<u>6.53</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>65,104,700,000</u>	<u>57,013,121</u>	<u>57,986,620</u>	<u>29.91</u>
ACCUMULATED UNREALISED GAIN ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>973,499</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>57,986,620</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019				
Audited				
QUOTED SECURITIES				
AUSTRALIA				
Industrials				
Cleanaway Waste Management Ltd	811,611	4,155,522	5,245,974	2.41
TOTAL AUSTRALIA	811,611	4,155,522	5,245,974	2.41
CHINA				
Finance				
Industrial and Commercial Bank Ltd	751,000	2,300,423	2,247,052	1.03
TOTAL CHINA	751,000	2,300,423	2,247,052	1.03
HONG KONG				
Consumer Products				
Sands China Ltd	157,600	3,242,853	2,989,302	1.37
Xinyi Glass Hldg Co. Ltd	512,000	2,489,503	2,147,459	0.99
	669,600	5,732,356	5,136,761	2.36
Finance				
AIA Group Ltd	43,200	1,645,966	1,699,972	0.78
Henderson Land Development	145,200	2,984,144	3,142,005	1.44
	188,400	4,630,110	4,841,977	2.22
Real Estate				
Link REIT	146,000	5,967,257	7,317,132	3.36
Technology				
Tencent Hldg Ltd	54,900	9,237,137	9,562,581	4.40
TOTAL HONG KONG	1,058,900	25,566,860	26,858,451	12.34
INDIA				
Consumer Products				
Dabur India Ltd	92,607	2,200,939	2,203,731	1.01
Energy				
Reliance Industries Ltd	68,872	5,086,316	5,505,766	2.53
Finance				
Godrej Properties Ltd	86,797	4,518,951	4,627,557	2.13
HDFC Bank Ltd	23,429	2,663,458	3,415,094	1.57
ICICI Bank Ltd	100,699	2,166,950	2,564,237	1.18
	210,925	9,349,359	10,606,888	4.88

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019 (CONTINUED)				
Audited				
QUOTED SECURITIES (CONTINUED)				
INDIA (CONTINUED)				
Technology				
Tata Consultancy Services Ltd	29,567	3,598,373	3,903,218	1.79
TOTAL INDIA	401,971	20,234,987	22,219,603	10.21
INDONESIA				
Consumer Products				
Gudang Garam TBK PT	48,800	1,159,180	1,152,627	0.53
Finance				
Bank Central Asia	379,700	2,797,934	3,242,961	1.49
Puradelta Lestari Tbk	43,653,000	2,347,510	3,203,039	1.47
	44,032,700	5,145,444	6,446,000	2.96
Telecommunications				
Telekomunikasi TBK PT	5,233,500	6,020,375	5,990,526	2.76
TOTAL INDONESIA	49,315,000	12,324,999	13,589,153	6.25
PHILIPPINES				
Basic Materials				
D&L Industries Inc	2,675,900	2,173,710	2,178,830	1.00
TOTAL PHILIPPINES	2,675,900	2,173,710	2,178,830	1.00
SINGAPORE				
Consumer Products				
ComfortDelGro Corp Ltd	292,300	2,351,710	2,187,015	1.01
Finance				
Capitaland Ltd	559,300	5,780,317	5,477,577	2.52
United Overseas Bank Ltd	13,700	1,086,899	979,211	0.45
	573,000	6,867,216	6,456,788	2.97
Industrials				
Venture Corp Ltd	38,800	2,194,096	1,783,134	0.82
Real Estate				
CapitaLand Mall Trust	1,496,900	10,283,004	10,972,299	5.04
CDL Hospitality Trusts	1,479,500	7,163,783	7,244,838	3.33
Keppel DC REIT	797,300	3,515,820	3,782,981	1.74
Mapletree Commercial Trust	1,616,000	8,201,008	9,387,772	4.32
	5,389,700	29,163,615	31,387,890	14.43

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019 (CONTINUED)				
Audited				
QUOTED SECURITIES (CONTINUED)				
SINGAPORE(CONTINUED)				
Telecommunications				
NetLink NBN Trust	<u>4,112,300</u>	<u>10,093,400</u>	<u>10,381,275</u>	<u>4.77</u>
TOTAL SINGAPORE	<u>10,406,100</u>	<u>50,670,036</u>	<u>52,196,102</u>	<u>24.00</u>
SOUTH KOREA				
Consumer Products				
Samsung Electronics Co. Ltd	<u>7,604</u>	<u>1,379,763</u>	<u>1,136,523</u>	<u>0.51</u>
TOTAL SOUTH KOREA	<u>7,604</u>	<u>1,379,763</u>	<u>1,136,523</u>	<u>0.51</u>
TAIWAN				
Technology				
Taiwan Semiconductor Manufacturing Co. Ltd	<u>199,000</u>	<u>6,327,955</u>	<u>6,209,546</u>	<u>2.85</u>
TOTAL TAIWAN	<u>199,000</u>	<u>6,327,955</u>	<u>6,209,546</u>	<u>2.85</u>
UNITED STATES				
Consumer Products				
Huazhu Group Ltd	<u>8,588</u>	<u>1,166,078</u>	<u>1,100,839</u>	<u>0.52</u>
TOTAL UNITED STATES	<u>8,588</u>	<u>1,166,078</u>	<u>1,100,839</u>	<u>0.52</u>
TOTAL QUOTED SECURITIES	<u>65,635,674</u>	<u>126,300,333</u>	<u>132,982,073</u>	<u>61.12</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>6,681,740</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>132,982,073</u>		

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

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2019 (CONTINUED)				
Audited				
UNQUOTED FIXED INCOME SECURITIES				
AUSTRALIA				
Australian Government 5.75% 15/7/2022 (Non- rated)	<u>1,700,000</u>	<u>6,513,671</u>	<u>5,731,902</u>	<u>2.64</u>
INDONESIA				
Indonesia Treasury Bond 7% 15/05/2022 (Baa2)	45,000,000,000	14,070,496	13,135,700	6.04
Indonesia Treasury Bond (Non-rated)	<u>20,000,000,000</u>	<u>5,952,833</u>	<u>6,024,446</u>	<u>2.77</u>
	<u>65,000,000,000</u>	<u>20,023,329</u>	<u>19,160,146</u>	<u>8.81</u>
MALAYSIA				
Malaysian Government 1/2017 3.88% 10/3/2022 (Non-rated)	<u>10,000,000</u>	<u>10,140,362</u>	<u>10,213,501</u>	<u>4.69</u>
SINGAPORE				
Singapore Government Bond 1.75% 1/2/2023 (Non-rated)	<u>3,000,000</u>	<u>8,798,922</u>	<u>9,120,936</u>	<u>4.19</u>
THAILAND				
Thailand Government Bond 1.88% 17/6/2022 (Baa1)	<u>90,000,000</u>	<u>11,453,241</u>	<u>12,054,135</u>	<u>5.54</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>65,104,700,000</u>	<u>56,929,525</u>	<u>56,280,620</u>	<u>25.87</u>
ACCUMULATED UNREALISED LOSS ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(648,905)</u>		
TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>56,280,620</u>		

8. CASH AND CASH EQUIVALENTS

	30.11.2019	31.05.2019
	RM	Audited RM
Bank balances	<u>7,109,891</u>	<u>30,620,601</u>

9. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.06.2019 to 30.11.2019	01.06.2018 to 31.05.2019
	No. of units	Audited No. of units
Class MYR (i)	176,216,410	207,236,394
Class SGD (ii)	<u>1,312,752</u>	<u>1,859,748</u>
	<u>177,529,162</u>	<u>209,096,142</u>

(i) Class MYR		
At the beginning of the financial period	207,236,394	249,556,972
Add : Creation of units from applications	10,693,143	18,480,473
Less : Cancellation of units	<u>(41,713,127)</u>	<u>(60,801,051)</u>
At the end of the financial period	<u>176,216,410</u>	<u>207,236,394</u>

(ii) Class USD		
At the beginning of the financial period	1,859,748	1,961,106
Add : Creation of units from applications	10,766	635,520
Less : Cancellation of units	<u>(557,762)</u>	<u>(736,878)</u>
At the end of the financial period	<u>1,312,752</u>	<u>1,859,748</u>

10. MANAGEMENT EXPENSE RATIO ("MER")

	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018
	%	%
MER	<u>1.07</u>	<u>0.98</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 withholding tax
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM 209,901,062 (30.11.2018: RM252,811,810).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018
PTR (times)	<u>0.74</u>	<u>0.97</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial period = RM149,200,105 (30.11.2018: RM245,888,726)

total disposal for the financial period = RM162,800,544 (30.11.2018: RM246,767,842)

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

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

Units held by the Manager and parties related to the Manager

	30.11.2019		31.05.2019 Audited	
	No. of units	USD	No. of units	USD
Manager				
Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>)				
- Class MYR	6,920	7,368	4,581	4,624
- Class USD	171	810	171	768
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

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

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

	01.06.2019 to 30.11.2019	01.06.2018 to 30.11.2018 RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed Islamic financial institution:		
- CIMB Bank Bhd	-	168,120
	<u> </u>	<u> </u>
Cash placements with licensed financial institution:		
- CIMB Bank Bhd	-	635,010,200
	<u> </u>	<u> </u>

13. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Citigroup Global Markets Ltd	38,762,268	12.45	44,225	8.42
JP Morgan Securities LLC	36,403,660	11.70	12,474	2.38
CLSA Securities Malaysia Sdn Bhd	27,629,104	8.88	8,289	1.58
Instinet Pacific Ltd Hong Kong	23,618,121	7.59	62,463	11.90
DBS Vickers Securities (S) Pte Ltd	21,267,922	6.83	41,054	7.82
Morgan Stanley Asia (Singapore) Securities Pte Ltd	20,695,289	6.65	51,738	9.85
Macquarie Capital Securities Singapore Pte Ltd	19,470,306	6.26	10,091	1.92
JP Morgan Securities (Asia Pacific) Limited	18,716,520	6.01	52,544	10.01
Macquarie Capital Sec (Malaysia) Sdn Bhd	17,647,871	5.67	47,541	9.05
Sanford C. Bernstein & Co., LLC	14,027,247	4.51	35,325	6.73
Others #	73,025,214	23.45	159,296	30.34
	<u>311,263,522</u>	<u>100.00</u>	<u>525,040</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Credit Suisse Securities (HK) Ltd	69,644,668	14.36	173,760	18.03
Sanford C. Bernstein & Co. Ltd	59,349,894	12.24	120,058	12.46
JP Morgan Securities LLC	39,809,971	8.21	12,829	1.33
Citigroup Global Markets Ltd	36,551,188	7.54	31,664	3.29
Instinet (S) Services Pte Ltd	35,040,596	7.23	77,677	8.06
CLSA Securities (HK) Ltd	34,816,517	7.18	87,640	9.10
JP Morgan Securities Singapore Pte Ltd	33,402,776	6.89	93,056	9.66
DBS Vickers Securities (S) Pte Ltd	43,602,766	5.08	95,424	6.76
CGS-CIMB Securities (Singapore) Pte Ltd #	26,087,329	5.38	64,597	6.70
DBS Vickers Securities (S) Pte Ltd	17,341,054	3.58	35,312	3.67
Others	89,283,947	22.31	171,450	20.94
	<u>484,930,706</u>	<u>100.00</u>	<u>963,467</u>	<u>100.00</u>

Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd, fellow related party to the Manager amounting to RM5,936,775 (30.11.2018: RM26,087,329). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

DIRECTORY

Head Office of the Manager

Principal Asset Management Berhad (Company No.: 304078-K)
(formerly known as *CIMB-Principal Asset Management Berhad*)
10th Floor, Bangunan CIMB,
Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur,
MALAYSIA.
Tel: (03) 2084 8888

Website

www.principal.com.my

E-mail address

service@principal.com.my

Customer Care Centre

(03) 7718 3000

Trustee for the CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund

HSBC (Malaysia) Trustee Berhad (Company No. 193701000084 (1281-T))
13th Floor, HSBC South Tower,
No. 2, Lebu Ampang,
50100, Kuala Lumpur, MALAYSIA.
Tel: (03) 2075 7800
Fax: (03) 2179 6511

Principal Asset Management Berhad (304078-K)
(formerly known as CIMB-Principal Asset Management Berhad)

Enquiries:

Customer Care Centre
(603)7718 3000

Email
service@principal.com.my

Website
www.principal.com.my