

# CIMB Principal Equity Income Fund

Annual Report

For The Financial Year Ended 31 January 2020

**CIMB-PRINCIPAL EQUITY INCOME FUND**

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2020**

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## INVESTORS' LETTER

Dear Valued Investor,

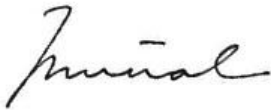
At Principal, we believe just like every cloud has a silver lining – there are opportunities in every market condition. We have seen an unexpected softening in Malaysia's economic growth due to the COVID-19 outbreak, local political changes and ongoing uncertainties already in place globally – such as Brexit, the US Presidential election and ongoing trade discussions. While these factors create heightened market volatility, it can offer good opportunities for investors to invest at attractive valuations.

We believe in investing in fundamentals – not quick wins or fads. We'll work with you to manage your investment portfolio with an understanding of your risk appetite, goals and time horizon for investing. Because we know that integrity, honesty, and comprehensive expertise is the surest path to helping you reach your long-term financial goals.

Around the world, Principal manages USD735.3 billion in assets and across Southeast Asia, we manage RM88.1 billion (as of December 2019). We're uniquely positioned to help you with global and local insights and offer a wide portfolio of fixed income and equity solutions. We're focusing our investment strategy on utility, telecommunication, consumers and REITs sectors for defensive and high yielding qualities.

We appreciate your continuous support and the trust you place in us. We're here to help you navigate these changing market conditions and keep your portfolio balanced to your risk tolerance. Please check out [www.principal.com.my](http://www.principal.com.my) or our Facebook account (@PrincipalMY) for ongoing investment updates and educational articles and tips.

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



**Munirah Khairuddin**  
Chief Executive Officer

## MANAGER'S REPORT

### FUND OBJECTIVE AND POLICY

#### What is the investment objective of the Fund?

The Fund aims to provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

#### Has the Fund achieved its objective?

The Fund has achieved its objective of capital appreciation over the medium to long-term by investing in a portfolio of primarily high yielding equities with some exposure in fixed income instruments.

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

The Fund may invest between 70% to 98% (both inclusive) of its Net Asset Value ("NAV") in equities and equity related securities in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 70% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest in a diversified portfolio of high dividend yielding stocks and/or fixed income securities aimed at providing a stable income stream in the form of distributions to investors. The Fund may also opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirement of the Securities Commission Malaysia ("SC") Guidelines.

The Manager has appointed Principal Asset Management (S) Pte Ltd (*formerly known as CIMB-Principal Asset Management (S) Pte Ltd*) ("Principal (S)"), as the Sub-Manager for the foreign investments of this Fund. The Sub-Manager will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. All costs of this appointment will be borne by us to ensure no additional fee is levied on you.

#### Fund category/type

Equity/Income

#### How long should you invest for?

Recommended between three (3) years to five (5) years or more

#### When was the Fund launched?

1 October 2003

#### What was the size of the Fund as at 31 January 2020?

RM73.05 million (60.52 million units)

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

50% Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") Top 100 ("FBM100") Index + 50% Morgan Stanley Capital International ("MS.N") All Country ("AC") Asia ex Japan

*Note: The benchmark is for performance comparison only. The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in and its objectives. The unit holders are cautioned that the risk profile of the Fund is higher than the benchmark.*

#### What is the Fund distribution policy?

Distribution (if any) is expected to be distributed annually, depending on the performance of the Fund and at the Manager's discretion.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**What was the net income distribution for the financial year ended 31 January 2020?**

The Fund distributed a total net income of RM3.48 million to unit holders, as a result, the NAV per unit dropped from RM1.2312 to RM1.1772 on 22 August 2019 for the financial year ended 31 January 2020.

**PERFORMANCE DATA**

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

	<b>31.01.2020</b>	<b>31.01.2019</b>	<b>31.01.2018</b>
	%	%	%
Collective investment schemes	1.54	1.80	1.84
Quoted securities			
- Communication Services	7.40	7.01	5.55
- Consumer Discretionary	13.66	14.36	13.38
- Consumer Staples	4.23	9.34	5.53
- Energy	4.76	4.13	4.32
- Financials	17.35	30.34	27.90
- Health Care	3.78	1.65	1.89
- Industrials	8.06	6.27	11.06
- Information Technology	16.31	6.59	9.71
- Materials	5.02	1.91	6.13
- Real Estate	8.60	8.65	4.24
- Utilities	5.21	3.79	3.97
Cash and other net assets	4.08	4.16	4.48
	<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 financial years are as follows:

	<b>31.01.2020</b>	<b>31.01.2019</b>	<b>31.01.2018</b>
NAV (RM Million)	73.05	69.22	70.66
Units in circulation (Million)	60.52	57.49	48.01
NAV per unit (RM)	1.2069	1.2039	1.4717
Highest NAV per unit (RM)	1.2944	1.4611	1.4775
Lowest NAV per unit (RM)	1.1673	1.1566	1.2210
Total return (%)	4.84	(12.02)	27.82
- Capital growth (%)	0.23	(17.90)	20.13
- Income distribution (%)	4.25	7.18	6.40
Management Expense Ratio ("MER") (%)	2.07	2.07	2.28
Portfolio Turnover Ratio ("PTR") (times) #	1.13	1.11	0.98

# The Fund's PTR increased from 1.11 times to 1.13 times. The slightly higher PTR is due to a more active portfolio rebalancing in this period due to volatile markets.

	<b>31.01.2020</b>	<b>31.01.2019</b>	<b>31.01.2018</b>
Date of distribution	22.08.2019	13.07.2018	24.07.2017
Gross/Net distribution per unit (sen)	5.40	9.00	8.50

**PERFORMANCE DATA (CONTINUED)**

	<b>31.01.2020</b>	<b>31.01.2019</b>	<b>31.01.2018</b>	<b>31.01.2017</b>	<b>31.01.2016</b>
	%	%	%	%	%
Annual total return	4.84	(12.02)	27.82	11.86	(5.15)

(Launch date: 1 October 2003)

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 FEBRUARY 2019 TO 31 JANUARY 2020)**

**Local Equity**

For the financial year under review, the FBM Kuala Lumpur Composite Index (“KLCI”) ended 2019 as the worst performing Asian market with a loss of 6% in 2019. In December 2019, FBMKLCI gained 1.7% as the continued surge in crude palm oil (“CPO”) prices led to a 9.4% surge in the plantation index. Besides this, market sentiment was also buoyed by the phase 1 trade deal between US and China. Top three contributors towards the FBMKLCI’s gains were Sime Plantation Sdn Bhd (+9.4%), Petronas Gas Bhd (+8.5%) and IOI Corporation Bhd (+6.0%).

The FBMKLCI started the year positively before succumbing to sell-down as fears of COVID-19 outbreak dampens investors sentiment. The benchmark index declined 3.6% in January 2020 with notable gainers were gloves and healthcare stocks such as Top Glove Corporation Bhd (+24.5%), Hartalega Sdn Bhd (+8.0%), and IHH Healthcare Bhd (+4.2%) which are beneficiaries of the COVID-19 outbreak. Given the widespread travel curtailment imposed by various governments since the COVID-19 outbreak in Wuhan, global tourism will be hit in the near term.

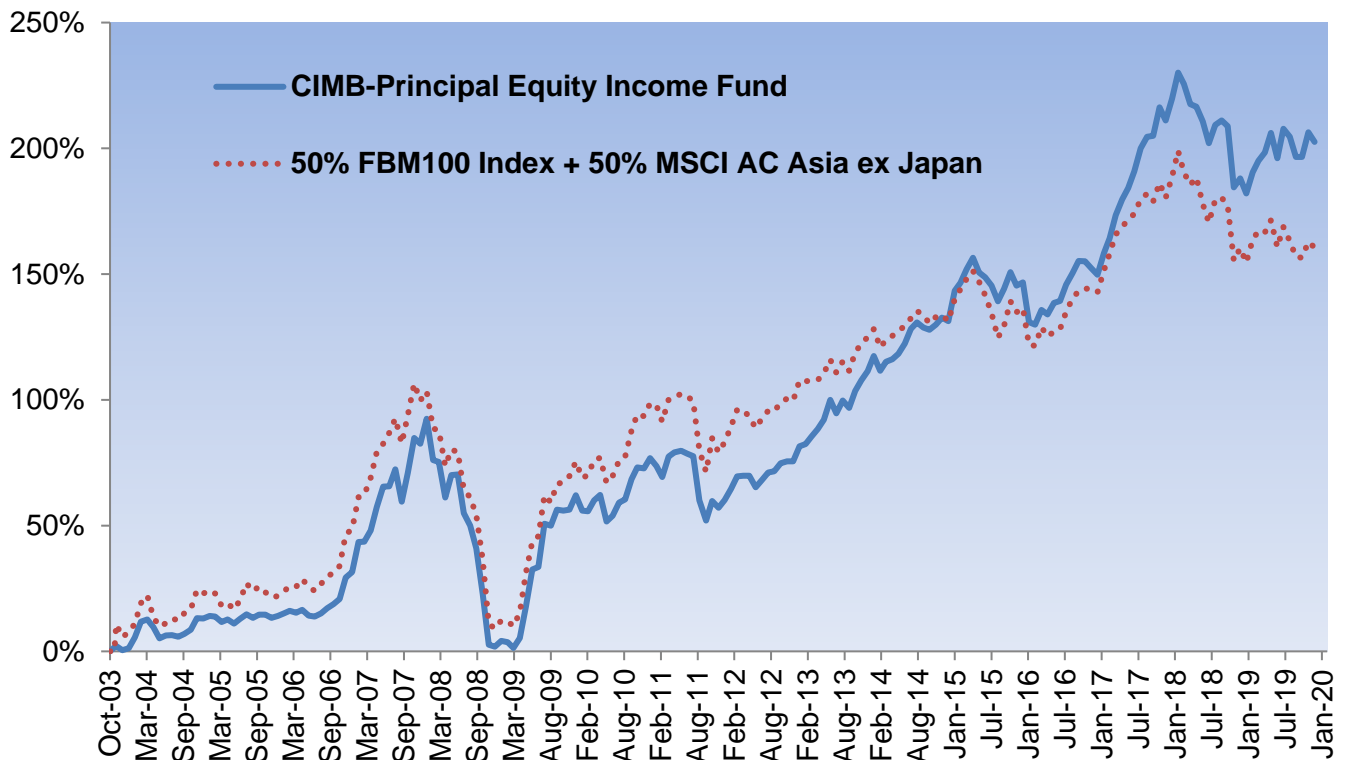
**Foreign Equity**

For the financial year under review, the Asia Ex-Japan stock markets gained despite a brewing trade war between the US and China in the background. There were several factors which supported the stock market rally throughout this period. 1) As the Chinese economy stumbled, the authorities incrementally stepped up fiscal and monetary stimulus, 2) The developed economies’ Central Banks further eased including introducing new programs to purchase bonds, 3) improving manufacturing outlook led by the technology sector and 4) finally, receding trade tensions with an interim deal reached between the US and China at the end of year.

FUND PERFORMANCE

	1 year to 31.01.2020 %	3 years to 31.01.2020 %	5 years to 31.01.2020 %	Since inception to 31.01.2020 %
Income	4.25	18.88	34.62	135.11
Capital	0.23	(1.15)	(7.39)	28.52
Total Return	4.84	17.90	25.09	204.48
Benchmark	(2.23)	2.56	8.11	157.83
Average Total Return	4.84	5.64	4.58	7.05

The Fund's outperformed the benchmark over the past year and also gained 4.84% for the financial year under review. The outperformance was supported by our relatively higher exposure to the technology and the REITs sector in the past year.



Changes in NAV

	31.01.2020	31.01.2019	Changes %
NAV (RM Million)	73.05	69.22	5.53
NAV/Unit (RM)	1.2069	1.2039	0.25

The NAV has risen by 5.53% while the NAV per unit has risen by 0.25%. This implies that the NAV has risen primarily due to the rise in the underlying assets.

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**

<b>(% of NAV)</b>	<b>31.01.2020</b>	<b>31.01.2019</b>
Collective investment schemes	1.54	1.80
Quoted securities - local	48.80	51.16
Quoted securities - foreign	45.58	42.88
Cash and other net assets	4.08	4.16
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

As at 31 January 2020, the Fund held 48.80% in local quoted securities, 45.58% in foreign quoted securities, 1.54% in collective investment schemes with the rest in cash and other net assets. This is similar to the asset allocation at the end of January 2020.

**MARKET OUTLOOK\***

**Local Equity**

Bank Negara Malaysia (“BNM”) has surprised the market in January 2020 by cutting the Overnight Policy Rate (“OPR”) by 25 basis point (“bps”) to 2.75% as the Central Bank took pre-emptive measure to support the economic growth trajectory amid benign inflationary pressure and still uncertain geopolitical tensions and policy uncertainties in a number of countries. Despite external headwinds, we expect growth to be sustained at a moderate rate in 2020. This will be underpinned by more growth-oriented Budget 2020 (higher fiscal deficit, resumption of mega infrastructure projects) and accommodative monetary policy. Externally, the rebound in Purchasing Managers' Index (“PMI”) to 50 in December 2019 after hitting a low of 46.8 in December 2018 bodes well for exports outlook particularly in the electronics and electrical (“E&E”) segment. Furthermore, the plantation sector will also be boosted by improving supply and demand dynamics. Given a modest consensus earnings growth expectation of 7.5% in 2020, we believe earnings upside risks outweigh downside risks.

After a positive start to the year with net inflows, foreign institutional investors turned net sellers again towards end January 2020 as the novel coronavirus outbreak led to a risk-off sentiment. For the month of January 2020, Malaysia posted a marginal net outflow of USD32.4 million. Positively, after two consecutive years of net outflow, foreign shareholding in Malaysia has declined to 22.3% in December 2019, which is a 13-year low. This suggests that foreign net outflow should ease going forward.

**Foreign Equity**

In the near term, the Asian stock markets are likely to be clouded by the uncertainty surrounding the Wuhan COVID-19 outbreak. We expect a sharp drop in economic activities in the region especially in China as the authorities urgently strive to contain the spread of the virus. This event coupled with the preceding rally in the stock markets in the past few months was the catalyst for some investors to take profit and is expected to weigh on stock prices in the immediate period.

Beyond this, while the situation remains fluid, we expect this outbreak to be eventually contained. The authorities have taken unprecedented measures such as strict travel restrictions in a bid to contain the spread of the disease. Barring a far more dire situation, we expect more stimulus and other policy support measures in China and the region to help support the economy to eventually recover.

\* 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

### Local Equity

We remain steadfast with our overweight position on Malaysia as it is a low beta and defensive market during period of uncertainty. Our barbell approach will provide the much needed stability on the back of increasing volatility. On sectors which will specifically be impacted by the COVID-19 outbreak, we will tactically underweight the aviation sector while take the opportunity to trade the glove and health care sectors. We will continue to buy growth sectors like banks, plantation and oil and gas on weakness.

### Foreign Equity

With the expected sell-off in the stock market in the near term, we expect an indiscriminate selling of stocks. This will present the fund an opportunity to accumulate quality companies with a fundamentally and structurally strong long-term growth profile at more reasonable prices. These companies include leading internet companies and leading semiconductor companies among others.

Over the longer term, we remain positive on the outlook for Asian equities due to the young and growing population, growing middle class and strong economic growth potential. Our strategy will be to discover and exposed to stocks in these growing sectors early.

## UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 January 2020 are as follows:

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	13,888	1.60	2.64
5,001 - 10,000	435	3.25	5.37
10,001 - 50,000	949	20.97	34.65
50,001 - 500,000	177	17.23	28.47
500,001 and above	4	17.47	28.87
<b>Total</b>	<b>15,453</b>	<b>60.52</b>	<b>100.00</b>

## SOFT COMMISSIONS AND REBATES

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

During the financial year under review, the manager and the trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commissions 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 EQUITY INCOME FUND**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 14 to 55 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 January 2020 and of its financial performance, changes in equity 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

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

**MUNIRAH KHAIRUDDIN**  
Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**  
Director

Kuala Lumpur  
18 March 2020

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL EQUITY INCOME FUND**

We, Universal Trustee (Malaysia) Berhad, being the Trustee of CIMB-Principal Equity Income Fund (the "Fund"), are of the opinion that Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), acting in the capacity of Manager of the Fund, have fulfilled their duties in the following manner for the financial year ended 31 January 2020:

- (a) the Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on the 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 relevant regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deeds and relevant regulatory requirements.

During this financial year, a total distribution of 5.40 sen per unit (gross) has been distributed to the unit holders of the fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

For and on behalf of the Trustee,  
**UNIVERSAL TRUSTEE (MALAYSIA) BERHAD**

**ONG TEE VANN**  
Chief Executive Officer

Kuala Lumpur  
18 March 2020

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL EQUITY INCOME FUND**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the financial statements of CIMB-Principal Equity Income Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 31 January 2020, and of its financial performance and its cash flows for the financial 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 31 January 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 14 to 55.

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 EQUITY INCOME FUND (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. 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 EQUITY INCOME 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 EQUITY INCOME FUND (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

**OTHER MATTERS**

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

**PRICEWATERHOUSECOOPERS PLT**  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
18 March 2020



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2020**

	Note	2020 RM	2019 RM
<b>INCOME/(LOSS)</b>			
Dividend income		2,533,737	1,885,926
Interest income from deposits with licensed financial institutions		56,339	98,543
Net gain/(loss) on financial assets at fair value through profit or loss	8	3,385,876	(8,933,762)
Net foreign exchange loss		(478,085)	(12,935)
		<u>5,497,867</u>	<u>(6,888,866)</u>
<b>EXPENSES</b>			
Management fee	4	1,368,887	1,262,624
Trustee's and custodian fees	5	121,918	117,269
Audit fee		13,600	13,600
Tax agent's fee		24,650	19,332
Transaction costs		478,993	463,798
Other expenses		60,393	44,463
		<u>2,068,441</u>	<u>1,921,086</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		3,429,426	(8,809,952)
Taxation	7	-	(68,936)
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>3,429,426</u>	<u>(8,878,888)</u>
Profit/(Loss) after taxation is made up as follows:			
Realised amount		2,765,057	(786,963)
Unrealised amount		664,369	(8,091,925)
		<u>3,429,426</u>	<u>(8,878,888)</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 JANUARY 2020**

	Note	2020 RM	2019 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	3,281,254	5,981,895
Financial assets at fair value through profit or loss	8	70,040,095	66,333,061
Amount due from stockbrokers		-	533,260
Amount due from Manager		52,049	109,357
Amount due from Manager of collective investment scheme			
- Management fee rebate		27,847	5,496
Dividends receivable		18,168	48,768
<b>TOTAL ASSETS</b>		<u>73,419,413</u>	<u>73,011,837</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		-	3,640,714
Amount due to Manager		230,963	31,039
Accrued management fee		117,614	104,635
Amount due to Trustee		3,894	3,456
Distribution payable		1,390	1,390
Other payables and accruals		15,307	14,946
<b>TOTAL LIABILITIES</b>		<u>369,168</u>	<u>3,796,180</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>73,050,245</u>	<u>69,215,657</u>
<b>EQUITY</b>			
Unit holders' capital		38,479,726	34,594,069
Retained earnings		34,570,519	34,621,588
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>73,050,245</u>	<u>69,215,657</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	10	<u>60,523,031</u>	<u>57,491,950</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.2069</u>	<u>1.2039</u>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2020**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 February 2019</b>		34,594,069	34,621,588	69,215,657
Movement in unit holders' contributions:				
- Creation of units from applications		17,963,623	-	17,963,623
- Creation of units from distribution		3,330,778	-	3,330,778
- Cancellation of units		(17,408,744)	-	(17,408,744)
Total comprehensive income for the financial year		-	3,429,426	3,429,426
Distribution	6	-	(3,480,495)	(3,480,495)
<b>Balance as at 31 January 2020</b>		<u>38,479,726</u>	<u>34,570,519</u>	<u>73,050,245</u>
<b>Balance as at 1 February 2018</b>		22,495,231	48,165,473	70,660,704
Movement in unit holders' contributions:				
- Creation of units from applications		29,940,716	-	29,940,716
- Creation of units from distribution		4,326,467	-	4,326,467
- Cancellation of units		(22,168,345)	-	(22,168,345)
Total comprehensive loss for the financial year		-	(8,878,888)	(8,878,888)
Distribution	6	-	(4,664,997)	(4,664,997)
<b>Balance as at 31 January 2019</b>		<u>34,594,069</u>	<u>34,621,588</u>	<u>69,215,657</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 31 JANUARY 2020**

	Note	2020 RM	2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of quoted securities		83,962,449	71,189,148
Purchase of quoted securities		(87,572,374)	(76,439,244)
Dividend income received		2,510,942	1,773,142
Interest income received from deposits with licensed financial institutions		56,339	98,543
Management fee paid		(1,355,363)	(1,265,675)
Management fee rebates received		22,395	57,437
Trustee's and custodian fees paid		(121,480)	(117,368)
Payments for other fees and expenses		(44,728)	(90,316)
Net realised foreign exchange loss		(1,711,593)	(82,856)
<b>Net cash used in operating activities</b>		<u>(4,253,413)</u>	<u>(4,877,189)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		18,020,931	30,252,745
Payments for cancellation of units		(17,208,820)	(22,252,855)
Distribution paid		(149,717)	(341,692)
<b>Net cash generated from financing activities</b>		<u>662,394</u>	<u>7,658,198</u>
Net (decrease)/increase in cash and cash equivalents		(3,591,019)	2,781,009
Effects of foreign exchange differences		890,378	79,448
Cash and cash equivalents at the beginning of the financial year		<u>5,981,895</u>	<u>3,121,438</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u><u>3,281,254</u></u>	<u><u>5,981,895</u></u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		1,784,141	3,024,615
Deposits with licensed financial institutions		<u>1,497,113</u>	<u>2,957,280</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u><u>3,281,254</u></u>	<u><u>5,981,895</u></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 31 JANUARY 2020**

**1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

CIMB-Principal Equity Income Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a First Supplemental Master Deed dated 25 June 2008, a Third Supplemental Master Deed dated 14 July 2008, an Eighth Supplemental Master Deed dated 14 June 2010, a Thirteenth Supplemental Master Deed dated 26 June 2012 and an Eighteenth Supplemental Master Deed dated 25 March 2015 (collectively referred to as the “Deeds”) between Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”) and Universal Trustee (Malaysia) Berhad (the “Trustee”).

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities and equity related securities in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 70% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. ‘Significant operations’ means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the NYSE. The threshold for ‘significant operations’ would be if more than 30% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest in a diversified portfolio of high dividend yielding stocks and/or fixed income securities aimed at providing a stable income stream in the form of distributions to investors. The Fund may also opt to seek investment exposure via collective investment scheme that is in line with the Fund’s objective, subject to the requirement of the SC Guidelines.

The investment management function for the foreign investments of this Fund has been delegated to Principal Asset Management (S) Pte Ltd (*formerly known as CIMB-Principal Asset Management (S) Pte Ltd*) (“*CIMB-Principal (S)*”). with the approval of the SC. Principal (S) will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions.

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 IFRS.

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

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

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

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

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

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

#### Standards, amendments to published standards or interpretation that are effective and relevant:

The Fund has applied the following amendments to published standards for the first time for the financial year beginning 1 February 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 February 2019 that have a material effect on the financial statements of the Fund.

There are no applicable standards, amendments to standards or interpretations that are effective for annual periods beginning on/after 1 February 2020 to the financial statements of the Fund.

### (b) Financial assets and financial liabilities

#### Classification

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

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

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

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

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

The Fund classifies cash and cash equivalents, amount due from Manager, amount due from Manager of collective investment scheme 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 stockbroker, 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 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.

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

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

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.

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.

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.

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

Impairment for assets carried at amortised cost

The Fund measures credit risk and expected credit losses (“ECL”) using probability of default, exposure at default and loss given default. The Manager consider both historical analysis and forward looking information in determining any ECL. 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 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.

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.



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(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 is recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

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

Realised gain or loss on disposal of quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted 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) Relatively more portion of the NAV is invested in the form of quoted securities denominated in RM; and
- ii) Significant portion 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 financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

**(e) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balance and deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(f) Taxation**

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

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

**(g) Distribution**

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

**(h) Transaction costs**

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

**(i) Management fee rebate**

Management fee rebate is derived from the collective investment schemes held by the Fund on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment schemes held.

**(j) Unit holders' contributions**

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

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

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

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

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

**(k) Realised and unrealised portions of profit or loss after tax**

The analysis of realised and unrealised portions of profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unit Trust Funds.

**(l) 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.

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 there are no accounting policies which require significant judgement to be exercised.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2020</b>			
Cash and cash equivalents (Note 9)	-	3,281,254	3,281,254
Collective investment schemes (Note 8)	1,124,094	-	1,124,094
Quoted securities (Note 8)	68,916,001	-	68,916,001
Amount due from Manager	-	52,049	52,049
Amount due from Manager of collective investment schemes	-	27,847	27,847
Dividends receivable	-	18,168	18,168
	<u>70,040,095</u>	<u>3,379,318</u>	<u>73,419,413</u>
<b>2019</b>			
Cash and cash equivalents (Note 9)	-	5,981,895	5,981,895
Collective investment schemes (Note 8)	1,245,891	-	1,245,891
Quoted securities (Note 8)	65,087,170	-	65,087,170
Amount due from stockbrokers	-	533,260	533,260
Amount due from Manager	-	109,357	109,357
Amount due from Manager of collective investment schemes	-	5,496	5,496
Dividends receivable	-	48,768	48,768
	<u>66,333,061</u>	<u>6,678,776</u>	<u>73,011,837</u>

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

The investment objective of the Fund is to provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

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

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

**(a) Market risk**

**(i) Price risk**

Price risk is the risk that the fair value of the Fund's investments 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.

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

(a) Market risk (continued)

(i) Price risk (continued)

The price risk is managed through diversification and selection of collective investment schemes and quoted securities and other financial instruments within specified limits according to the Deeds.

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

	2020 RM	2019 RM
Financial assets at fair value through profit or loss:		
- Collective investment schemes	1,124,094	1,245,891
- Quoted securities - local	35,624,178	35,409,087
- Quoted securities - foreign	33,291,823	29,678,083
	<u>70,040,095</u>	<u>66,333,061</u>

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

% Change in price of collective investment schemes and quoted securities	Market value RM	Impact on profit or loss/NAV RM
<b>2020</b>		
-5%	66,538,090	(3,502,005)
0%	70,040,095	-
+5%	<u>73,542,100</u>	<u>3,502,005</u>
<b>2019</b>		
-5%	63,016,408	(3,316,653)
0%	66,333,061	-
+5%	<u>69,649,714</u>	<u>3,316,653</u>

(ii) Currency risk

Currency risk of the Fund 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.

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

(a) Market risk (continued)

(ii) Currency risk (continued)

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

**Financial assets**

	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Total RM
<b>2020</b>			
CNY	24,937	-	24,937
HKD	14,221	11,155,367	11,169,588
IDR	27	2,679,445	2,679,472
INR	21,013	3,125,802	3,146,815
KRW	10	3,631,837	3,631,847
SGD	35,230	5,766,090	5,801,320
THB	49	498,600	498,649
TWD	201,618	4,278,315	4,479,933
USD	1,457,952	3,280,461	4,738,413
	<u>1,755,057</u>	<u>34,415,917</u>	<u>36,170,974</u>

	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from stockbrokers RM	Dividends receivable RM	Total RM
<b>2019</b>					
CNY	25,781	2,042,659	-	-	2,068,440
HKD	14,067	9,454,468	-	18,470	9,487,005
IDR	37,052	3,184,286	-	-	3,221,338
INR	379,741	3,213,204	-	-	3,592,945
KRW	11	2,095,134	-	-	2,095,145
PHP	-	637,269	-	-	637,269
SGD	35,772	5,059,529	533,260	25,723	5,654,284
THB	49	1,522,955	-	-	1,523,004
TWD	133,938	1,157,684	-	-	1,291,622
USD	2,369,590	2,556,786	-	-	4,926,376
	<u>2,996,001</u>	<u>30,923,974</u>	<u>533,260</u>	<u>44,193</u>	<u>34,497,428</u>

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

(ii) Currency risk (continued)

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

**Financial liabilities**

	<b>Amount due to stockbrokers RM</b>	<b>Total RM</b>
<b>2019</b>		
HKD	673,868	673,868
USD	298,932	298,932
	<u>972,800</u>	<u>972,800</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 financial year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	<b>Change in foreign exchange rate %</b>	<b>Impact on profit or loss/NAV 2020 RM</b>	<b>2019 RM</b>
CNY	+/- 5	+/- 1,247	+/- 103,422
HKD	+/- 5	+/- 558,479	+/- 440,657
IDR	+/- 5	+/- 133,974	+/- 161,067
INR	+/- 5	+/- 157,341	+/- 179,647
KRW	+/- 5	+/- 181,592	+/- 104,757
PHP	+/- 5	+/- -	+/- 31,863
SGD	+/- 5	+/- 290,066	+/- 282,714
THB	+/- 5	+/- 24,932	+/- 76,150
TWD	+/- 5	+/- 223,997	+/- 64,581
USD	+/- 5	+/- 236,921	+/- 231,372
		<u>1,808,549</u>	<u>1,676,230</u>

(b) Credit risk

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

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

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

**(b) Credit risk (continued)**

For the 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 collective investment schemes and quoted securities are settled/paid upon delivery using approved stockbrokers.

For the 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.

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

	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Amount due from Manager of collective investment schemes RM	Dividends receivable RM	Total RM
<b>2020</b>						
- AAA	3,281,254	-	-	-	-	3,281,254
- Not Rated	-	-	52,049	27,847	18,168	98,064
	<u>3,281,254</u>	<u>-</u>	<u>52,049</u>	<u>27,847</u>	<u>18,168</u>	<u>3,379,318</u>
<b>2019</b>						
- AAA	5,981,895	-	-	-	-	5,981,895
- Not Rated	-	533,260	109,357	5,496	48,768	696,881
	<u>5,981,895</u>	<u>533,260</u>	<u>109,357</u>	<u>5,496</u>	<u>48,768</u>	<u>6,678,776</u>

**(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.



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

(c) Liquidity risk (continued)

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<b>2020</b>			
Amount due to Manager	230,963	-	230,963
Accrued management fee	117,614	-	117,614
Amount due to Trustee	3,894	-	3,894
Distribution payable	1,390	-	1,390
Other payables and accruals	-	15,307	15,307
<b>Contractual undiscounted cash flows</b>	<b>353,861</b>	<b>15,307</b>	<b>369,168</b>
<b>2019</b>			
Amount due to stockbrokers	3,640,714	-	3,640,714
Amount due to Manager	31,039	-	31,039
Accrued management fee	104,635	-	104,635
Amount due to Trustee	3,456	-	3,456
Distribution payable	1,390	-	1,390
Other payables and accruals	-	14,946	14,946
<b>Contractual undiscounted cash flows</b>	<b>3,781,234</b>	<b>14,946</b>	<b>3,796,180</b>

(d) Capital risk management

The capital of the Fund is represented by equity consisting of unit holder's capital of RM38,479,726 (2019: RM34,594,069) and retained earnings of RM34,570,519 (2019: RM34,621,588). 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 holder 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 values 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 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.

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

(e) Fair value estimation (continued)

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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2020</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	1,124,094	-	-	1,124,094
- Quoted securities - local	35,624,178			35,624,178
- Quoted securities - foreign	33,291,823	-	-	33,291,823
	<u>70,040,095</u>	<u>-</u>	<u>-</u>	<u>70,040,095</u>
<b>2019</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	1,245,891	-	-	1,245,891
- Quoted securities - local	35,409,087			35,409,087
- Quoted securities - foreign	29,678,083	-	-	29,678,083
	<u>66,333,061</u>	<u>-</u>	<u>-</u>	<u>66,333,061</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and collective investment schemes. 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, amount due from Manager of collective investment schemes, dividends receivable and all 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 up to 3.00% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 31 January 2020, the management fee is recognised at a rate of 1.85% per annum (2019: 1.85% per annum).

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

**5. TRUSTEE'S AND CUSTODIAN FEE**

In accordance with the Deeds, the Trustee is entitled to a maximum fee of up to 0.06% per annum, calculated daily based on the NAV of the Fund.

The foreign custodian fee (safekeeping fee and transaction fee, including out of pocket charges) is subject to a minimum of USD500 per month per fund and is charged monthly in arrears. The safekeeping fee ranges from a minimum of 0.04% per annum to a maximum of 0.38% per annum of the market value of the respective foreign portfolios, depending on the country invested. The transaction fee is charged for every transaction and the amounts are dependent on the country invested.

For the financial year ended 31 January 2020, the Trustee's fee is recognised at a rate of 0.06% per annum (2019: 0.06% per annum) while the foreign custodian fee is recognised at RM62,346 (2019: RM66,337).

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

**6. DISTRIBUTION**

Distribution to unit holders is derived from the following sources:

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Dividend income	1,206,265	57,436
Interest income	36,798	3,886
Net realised income from disposal of investments	1,753,451	51,829
Prior financial year's realised income	510,173	4,568,100
	3,506,687	4,681,251
Less:		
Expenses	(26,192)	(16,254)
Net distribution amount	3,480,495	4,664,997
 <b>Final distribution on 22 August 2019</b>		
Gross/Net distribution per unit (sen)	5.40	-
 <b>Final distribution on 13 July 2018</b>		
Gross/Net distribution per unit (sen)	-	9.00

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

**6. DISTRIBUTION (CONTINUED)**

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

During the financial year ended 31 December 2019, the Fund incurred unrealised loss of RM8,091,925.

**7. TAXATION**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial year:		
- Withholding taxation	-	68,936

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

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Profit/(Loss) before taxation	3,429,426	(8,809,952)
Taxation at Malaysian statutory rate of 24% (2019: 24%)	823,062	(2,114,388)
Tax effects of:		
- (Income not subject to tax)/Loss not deductible for tax purpose	(1,319,488)	1,653,327
- Expenses not deductible for tax purposes	163,107	148,188
- Restriction on tax deductible expenses for Unit Trust Funds	333,319	312,873
Income subject to withholding tax	-	68,936
Taxation	-	68,936

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

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
At fair value through profit or loss at inception:		
- Collective investment schemes	1,124,094	1,245,891
- Quoted securities - local	35,624,178	35,409,087
- Quoted securities - foreign	33,291,823	29,678,083
	<u>70,040,095</u>	<u>66,333,061</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	3,566,617	(725,007)
- Unrealised fair value loss	(226,036)	(8,172,074)
- Management fee rebate #	45,292	36,635
	<u>3,385,876</u>	<u>(8,933,726)</u>

# Management fee rebate is derived from Manager of collective investment schemes held by the Fund on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment scheme held.

For the financial year ended 31 January 2020, the rebate is recognised at a rate of 1.50% per annum (2019: 1.50% per annum), calculated and accrued daily based on the NAV of the collective investment schemes.

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2020</b>				
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
CIMB-Principal Indo Domestic Equity Fund	1,943,855	516,914	514,015	0.70
CIMB-Principal SMART Equity Fund	<u>2,036,922</u>	<u>694,693</u>	<u>610,079</u>	<u>0.84</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<u><b>3,980,777</b></u>	<u><b>1,211,607</b></u>	<u><b>1,124,094</b></u>	<u><b>1.54</b></u>
<b>ACCUMULATED UNREALISED LOSS ON COLLECTIVE INVESTMENT SCHEMES</b>		<u><b>(87,513)</b></u>		
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><b>1,124,094</b></u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED) QUOTED SECURITIES - LOCAL</b>				
<b>Communication Services</b>				
Axiata Group Bhd	180,800	800,234	777,440	1.06
Digi.com Bhd	63,800	307,107	269,874	0.37
Media Chinese Int Ltd	1,255,700	294,293	276,254	0.38
Telekom Malaysia Bhd	97,200	380,166	375,192	0.51
Time Dotcom Bhd	85,800	735,583	795,366	1.09
	<u>1,683,300</u>	<u>2,517,383</u>	<u>2,494,126</u>	<u>3.41</u>
<b>Consumer Discretionary</b>				
Carlsberg Brewery Malaysia Bhd	16,900	412,168	552,630	0.76
Genting Malaysia Bhd	444,800	1,411,229	1,343,296	1.84
Sime Darby Bhd	570,300	1,314,013	1,243,254	1.70
	<u>1,032,000</u>	<u>3,137,410</u>	<u>3,139,180</u>	<u>4.30</u>
<b>Consumer Staples</b>				
Aeon Co. M Bhd	458,000	714,134	622,880	0.85
Kuala Lumpur Kepong Bhd	30,400	665,757	693,120	0.95
Nestle Malaysia Bhd	2,500	359,874	360,750	0.49
Sime Darby Plantation Bhd	280,100	1,386,911	1,420,107	1.94
	<u>771,000</u>	<u>3,126,676</u>	<u>3,096,857</u>	<u>4.23</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	155,220	247,643	429,959	0.59
Dialog Group Bhd	131,200	404,409	429,024	0.59
Econpile Holdings Bhd	491,900	271,745	304,978	0.42
Hibiscus Petroleum Bhd	482,100	480,403	409,785	0.56
Serba Dinamik Holdings Bhd	366,030	584,414	823,568	1.13
	<u>1,626,450</u>	<u>1,988,614</u>	<u>2,394,314</u>	<u>3.29</u>
<b>Financials</b>				
CIMB Group Holdings Bhd	363,326	1,872,100	1,791,197	2.45
Hong Leong Bank Bhd	46,900	787,535	750,400	1.03
Malayan Banking Bhd	310,702	2,780,445	2,619,218	3.59
Public Bank Bhd - Local	76,983	1,535,273	1,431,884	1.96
RHB Bank Bhd	169,100	938,713	962,179	1.32
	<u>967,011</u>	<u>7,914,066</u>	<u>7,554,878</u>	<u>10.35</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - LOCAL (CONTINUED)</b>				
<b>Health Care</b>				
Hartalega Holdings Bhd	289,500	1,605,361	1,713,840	2.35
IHH Healthcare Bhd	183,000	1,034,220	1,043,100	1.43
	<u>472,500</u>	<u>2,639,581</u>	<u>2,756,940</u>	<u>3.78</u>
<b>Industrials</b>				
ATA IMS Bhd	450,000	780,210	774,000	1.06
Gamuda Bhd	97,600	270,745	383,012	0.52
Gamuda Bhd - Warrant	1,840,700	729,469	708,670	0.97
IJM Corp Bhd	475,100	906,139	1,007,212	1.38
Lingkar Trans Kota Holding Bhd	86,600	426,861	406,154	0.56
MISC Bhd – Local	27,200	183,621	209,168	0.29
Westports Holding Bhd	88,400	331,237	349,181	0.48
	<u>3,065,000</u>	<u>3,628,282</u>	<u>3,837,397</u>	<u>5.26</u>
<b>Information Technology</b>				
D&O Green Technologies Bhd	520,600	384,490	413,877	0.57
JHM Consolidation	236,000	307,431	346,920	0.47
Malaysian Pacific Industries Revenue Group Bhd – Warrant	1,152,700	478,592	760,782	1.04
Vitrox Corp Bhd	85,400	601,909	794,220	1.09
	<u>2,065,700</u>	<u>2,524,830</u>	<u>3,160,699</u>	<u>4.33</u>
<b>Materials</b>				
Petronas Chemicals Group Bhd	54,900	426,898	339,831	0.47
Press Metal Aluminium Hldg Bhd	236,700	1,145,302	1,155,096	1.58
	<u>291,600</u>	<u>1,572,200</u>	<u>1,494,927</u>	<u>2.05</u>
<b>Real Estate</b>				
Sime Darby Property Bhd	979,900	764,406	764,322	1.05
Sunway Bhd	404,400	685,175	727,920	1.00
Sunway REIT	61,800	111,568	112,476	0.15
UOA Development Bhd	144,000	330,999	285,120	0.39
	<u>1,590,100</u>	<u>1,892,148</u>	<u>1,889,838</u>	<u>2.59</u>
<b>Utilities</b>				
Taliworks Corp Bhd	627,300	562,823	523,796	0.72
Tenaga Nasional Bhd	263,100	3,673,110	3,278,226	4.49
	<u>890,400</u>	<u>4,235,933</u>	<u>3,802,022</u>	<u>5.21</u>
<b>TOTAL QUOTED SECURITIES - LOCAL</b>	<b><u>14,455,661</u></b>	<b><u>35,177,123</u></b>	<b><u>35,624,178</u></b>	<b><u>48.80</u></b>



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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - LOCAL (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN</b>				
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd - ADR***	2,959	2,026,588	2,504,190	3.43
<b>TOTAL CAYMAN ISLANDS</b>	<b>2,959</b>	<b>2,026,588</b>	<b>2,504,190</b>	<b>3.43</b>
<b>CHINA</b>				
<b>Financials</b>				
Ping An Insurance Group Co of China Ltd – H*	14,500	730,422	678,444	0.93
<b>Materials</b>				
Anhui Conch Cement Co. Ltd	27,000	742,269	713,549	0.98
<b>TOTAL CHINA</b>	<b>41,500</b>	<b>1,472,691</b>	<b>1,391,993</b>	<b>1.91</b>
<b>HONG KONG SPECIAL ADMINISTRATIVE REGION (“SAR”) CHINA</b>				
<b>Communication Services</b>				
Tencent Holding Ltd	10,600	1,696,442	2,085,630	2.86
<b>Consumer Discretionary</b>				
Galaxy Entertainment Grp Ltd	25,000	726,987	679,156	0.93
Techtronic Industries Co	43,000	944,051	1,427,863	1.95
Sands China Ltd	37,200	788,049	745,674	1.02
Shenzhen International Group	13,000	713,136	711,809	0.97
	118,200	3,172,223	3,564,502	4.87

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>HONG KONG SPECIAL ADMINISTRATIVE REGION ("SAR") CHINA</b>				
<b>Financials</b>				
AIA Group Ltd	31,100	932,404	1,275,508	1.75
<b>Industrials</b>				
China Conch Venture Holdings	20,000	391,422	365,558	0.50
<b>Information Technology</b>				
Sunny Optical Technology Co Ltd	12,500	760,012	835,428	1.14
<b>Materials</b>				
Kingboard Laminates Holding Ltd	174,000	757,331	739,787	1.01
<b>Real Estate</b>				
China Resources Land Ltd	52,000	939,185	896,961	1.23
<b>TOTAL HONG KONG SAR CHINA</b>	<b>418,400</b>	<b>8,649,019</b>	<b>9,763,374</b>	<b>13.36</b>
<b>INDIA</b>				
<b>Energy</b>				
Reliance Industries Ltd	13,258	783,361	1,074,279	1.47
<b>Financials</b>				
HDFC Bank Ltd	20,860	1,072,553	1,468,327	2.01
<b>Industrials</b>				
Larsen & Toubro Ltd	7,420	685,631	583,196	0.80
<b>TOTAL INDIA</b>	<b>41,538</b>	<b>2,541,545</b>	<b>3,125,802</b>	<b>4.28</b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>INDONESIA</b>				
<b>Financials</b>				
Bank Mandiri	<u>251,400</u>	<u>559,568</u>	<u>569,231</u>	<u>0.78</u>
<b>Materials</b>				
Semen Indonesia Persero Tbk	<u>200,100</u>	<u>702,075</u>	<u>717,119</u>	<u>0.98</u>
<b>Real Estate</b>				
Summarecon Agung TBK PT	<u>1,061,500</u>	<u>377,292</u>	<u>269,001</u>	<u>0.37</u>
<b>TOTAL INDONESIA</b>	<b><u>1,513,000</u></b>	<b><u>1,638,935</u></b>	<b><u>1,555,351</u></b>	<b><u>2.13</u></b>
<b>SINGAPORE</b>				
<b>Communication Services</b>				
NetLink NBN Trust	<u>272,600</u>	<u>708,008</u>	<u>826,776</u>	<u>1.13</u>
<b>Financials</b>				
DBS Group Holdings Ltd	<u>14,700</u>	<u>1,176,842</u>	<u>1,119,899</u>	<u>1.53</u>
<b>Industrials</b>				
Singapore Technologies Engineering Ltd	<u>88,700</u>	<u>946,256</u>	<u>1,094,728</u>	<u>1.50</u>
<b>Real Estate</b>				
Capitaland Ltd	100,400	1,118,744	1,091,398	1.49
Lendlease Global Commercial	<u>591,200</u>	<u>1,580,330</u>	<u>1,633,289</u>	<u>2.24</u>
	<u>691,600</u>	<u>2,699,074</u>	<u>2,724,687</u>	<u>3.73</u>
<b>TOTAL SINGAPORE</b>	<b><u>1,067,600</u></b>	<b><u>5,530,180</u></b>	<b><u>5,766,090</u></b>	<b><u>7.89</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>SOUTH KOREA</b>				
<b>Information Technology</b>				
Samsung Electronics Co. Ltd	12,384	1,793,530	2,400,459	3.29
SK Hynix Inc	3,832	1,103,756	1,231,378	1.69
	<u>16,216</u>	<u>2,897,286</u>	<u>3,631,837</u>	<u>4.98</u>
<b>TOTAL SOUTH KOREA</b>	<b><u>16,216</u></b>	<b><u>2,897,286</u></b>	<b><u>3,631,837</u></b>	<b><u>4.98</u></b>
<b>TAIWAN</b>				
<b>Information Technology</b>				
Ase Technology Holding Co Ltd	106,000	1,068,314	1,070,689	1.47
Largan Precision Co. Ltd	2,000	1,233,963	1,301,194	1.78
Taiwan Semiconductor Manufacturing Co. Ltd	44,000	1,255,100	1,906,432	2.61
	<u>152,000</u>	<u>3,557,377</u>	<u>4,278,315</u>	<u>5.86</u>
<b>TOTAL TAIWAN</b>	<b><u>152,000</u></b>	<b><u>3,557,377</u></b>	<b><u>4,278,315</u></b>	<b><u>5.86</u></b>
<b>THAILAND</b>				
<b>Real Estate</b>				
WHA Corp PCL -NVDR	1,193,900	757,692	498,600	0.68
<b>TOTAL THAILAND</b>	<b><u>1,193,900</u></b>	<b><u>757,692</u></b>	<b><u>498,600</u></b>	<b><u>0.68</u></b>
<b>UNITED STATES</b>				
<b>Consumer Discretionary</b>				
New Oriental Educ & Tech Grp	1,559	780,429	776,271	1.06
<b>TOTAL UNITED STATES</b>	<b><u>1,559</u></b>	<b><u>780,429</u></b>	<b><u>776,271</u></b>	<b><u>1.06</u></b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentag e of NAV %
<b>2020 (CONTINUED)</b>				
<b>TOTAL QUOTED SECURITIES - FOREIGN</b>	<u>4,448,672</u>	<u>29,851,742</u>	<u>33,291,823</u>	<u>45.58</u>
<b>TOTAL QUOTED SECURITIES</b>	<u>18,904,333</u>	<u>65,028,865</u>	<u>68,916,001</u>	<u>94.38</u>
<b>ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>3,887,136</u>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>68,916,001</u>		
<b>2019 COLLECTIVE INVESTMENT SCHEMES</b>				
CIMB-Principal Indo Domestic Equity Fund	1,943,855	516,914	569,525	0.82
CIMB-Principal SMART Equity Fund	<u>2,036,922</u>	<u>694,693</u>	<u>676,366</u>	<u>0.98</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<u>3,980,777</u>	<u>1,211,607</u>	<u>1,245,891</u>	<u>1.80</u>
<b>ACCUMULATED UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES</b>		<u>34,284</u>		
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>1,245,891</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - LOCAL</b>				
<b>Communication Services</b>				
Astro Malaysia Holdings Bhd	304,000	344,797	510,720	0.74
Axiata Group Bhd	246,000	996,081	986,460	1.43
Digi.com Bhd	232,600	1,066,293	1,083,916	1.57
	<u>782,600</u>	<u>2,407,171</u>	<u>2,581,096</u>	<u>3.74</u>
<b>Consumer Discretionary</b>				
Bermaz Auto Bhd	303,200	670,246	664,008	0.96
Genting Bhd	195,100	1,507,674	1,353,994	1.96
Genting Malaysia Bhd	254,000	783,973	835,660	1.21
Sime Darby Bhd	169,300	396,355	379,232	0.55
UMW Holdings Bhd	132,600	708,987	774,384	1.12
	<u>1,054,200</u>	<u>4,067,235</u>	<u>4,007,278</u>	<u>5.80</u>
<b>Consumer Staples</b>				
British American Tobacco Bhd	22,300	774,019	854,536	1.23
Fraser & Neave Holdings Bhd	15,000	537,066	509,400	0.74
IOI Corporation Bhd	148,000	673,400	688,200	0.99
Kuala Lumpur Kepong Bhd	27,800	685,912	686,104	0.99
Mynews Holdings Bhd	207,300	348,685	284,001	0.41
Nestle Malaysia Bhd	4,800	690,958	712,800	1.03
QL Resources Bhd	48,500	340,272	327,860	0.47
Sime Darby Plantation Bhd	193,000	996,961	997,810	1.44
	<u>666,700</u>	<u>5,047,273</u>	<u>5,060,711</u>	<u>7.30</u>
<b>Energy</b>				
Dialog Group Bhd	368,300	1,135,242	1,104,900	1.60
Petronas Dagangan Bhd	14,300	376,086	377,234	0.54
Yinson Holdings Bhd	15,100	52,780	61,910	0.09
	<u>397,700</u>	<u>1,564,108</u>	<u>1,544,044</u>	<u>2.23</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES -</b>				
<b>LOCAL (CONTINUED)</b>				
<b>Financials</b>				
Alliance Bank Malaysia Bhd	79,000	329,294	334,960	0.48
AMMB Holdings Bhd	192,000	872,189	864,000	1.25
CIMB Group Holdings Bhd	382,826	2,209,842	2,151,482	3.11
Hong Leong Bank Bhd	70,500	1,277,942	1,455,120	2.10
Malayan Banking Bhd	322,562	3,047,069	3,077,241	4.45
Public Bank Bhd	149,483	3,075,398	3,704,189	5.35
RHB Bank Bhd	129,400	696,133	702,642	1.01
	<u>1,325,771</u>	<u>11,507,867</u>	<u>12,289,634</u>	<u>17.75</u>
<b>Health Care</b>				
IHH Healthcare Bhd	136,800	799,569	766,080	1.11
Top Glove Corporation Bhd	78,000	279,332	375,960	0.54
	<u>214,800</u>	<u>1,078,901</u>	<u>1,142,040</u>	<u>1.65</u>
<b>Industrials</b>				
Gabungan AQRS Bhd - Warrant	115,225	-	27,078	0.04
Gamuda Bhd	343,900	779,312	949,164	1.37
IJM Corporation Bhd	380,100	682,889	695,583	1.00
Malaysia Airports Holdings Bhd	62,500	499,960	502,500	0.73
MISC Bhd	100,000	621,840	678,000	0.98
	<u>1,001,725</u>	<u>2,584,001</u>	<u>2,852,325</u>	<u>4.12</u>
<b>Information Technology</b>				
Globetronics Technology Bhd	385,933	645,576	740,991	1.07
Pentamaster Corporation Bhd	49,676	78,133	155,983	0.23
Uchi Technologies Bhd	223,400	725,669	574,138	0.83
	<u>659,009</u>	<u>1,449,378</u>	<u>1,471,112</u>	<u>2.13</u>
<b>Materials</b>				
Petronas Chemicals Group Bhd	128,900	1,003,973	1,089,205	1.57
<b>Real Estate</b>				
IGB REIT	406,500	683,289	723,570	1.05
LBS Bina Group Bhd – Preference Shares	25,280	27,808	22,752	0.03
	<u>431,780</u>	<u>711,097</u>	<u>746,322</u>	<u>1.08</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - LOCAL (CONTINUED)</b>				
<b>Utilities</b>				
Petronas Gas Bhd	8,500	152,389	153,680	0.22
Tenaga Nasional Bhd	191,600	2,807,020	2,471,640	3.57
	<u>200,100</u>	<u>2,959,409</u>	<u>2,625,320</u>	<u>3.79</u>
<b>TOTAL QUOTED SECURITIES - LOCAL</b>	<b><u>6,863,285</u></b>	<b><u>34,380,413</u></b>	<b><u>35,409,087</u></b>	<b><u>51.16</u></b>
<b>QUOTED SECURITIES - FOREIGN</b>				
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd - ADR***	1,789	1,150,355	1,234,049	1.78
<b>TOTAL CAYMAN ISLANDS</b>	<b><u>1,789</u></b>	<b><u>1,150,355</u></b>	<b><u>1,234,049</u></b>	<b><u>1.78</u></b>
<b>CHINA</b>				
<b>Financials</b>				
Industrial and Commercial Bank of China Ltd	339,000	951,219	1,072,160	1.55
Ping An Insurance Group Co of China Ltd – H*	24,500	843,595	970,499	1.40
	<u>363,500</u>	<u>1,794,814</u>	<u>2,042,659</u>	<u>2.95</u>
<b>TOTAL CHINA</b>	<b><u>363,500</u></b>	<b><u>1,794,814</u></b>	<b><u>2,042,659</u></b>	<b><u>2.95</u></b>
<b>HONG KONG SPECIAL ADMINISTRATIVE REGION (“SAR”), CHINA</b>				
<b>Communication Services</b>				
China Mobile Ltd	16,500	653,041	708,714	1.02
Tencent Holdings Ltd	6,100	770,030	1,101,522	1.59
	<u>22,600</u>	<u>1,423,071</u>	<u>1,810,236</u>	<u>2.61</u>



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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>HONG KONG SPECIAL ADMINISTRATIVE REGION ("SAR"), CHINA (CONTINUED)</b>				
<b>Consumer Discretionary</b>				
Galaxy Entertainment Group Ltd	27,000	868,175	760,930	1.10
Haier Electronics Group Co Ltd	15,000	161,337	176,533	0.26
Sands China Ltd	35,600	697,434	693,021	1.00
Shenzhou International Group Holdings Ltd	7,000	355,606	337,382	0.49
Techtronic Industries Co	43,000	944,051	1,019,975	1.47
	<u>127,600</u>	<u>3,026,603</u>	<u>2,987,841</u>	<u>4.32</u>
<b>Financials</b>				
AIA Group Ltd	39,100	894,420	1,438,643	2.08
HSBC Holdings PLC	12,000	513,503	417,729	0.60
	<u>51,100</u>	<u>1,407,923</u>	<u>1,856,372</u>	<u>2.68</u>
<b>Real Estate</b>				
China Resources Land Ltd	42,000	655,500	668,554	0.97
Henderson Land Development Co Ltd	29,000	671,466	672,755	0.97
Link REIT	32,500	1,290,426	1,458,710	2.11
	<u>103,500</u>	<u>2,617,392</u>	<u>2,800,019</u>	<u>4.05</u>
<b>TOTAL HONG KONG SPECIAL ADMINISTRATIVE REGION ("SAR") CHINA</b>	<b><u>304,800</u></b>	<b><u>8,474,989</u></b>	<b><u>9,454,468</u></b>	<b><u>13.66</u></b>
<b>INDIA</b>				
<b>Consumer Discretionary</b>				
Maruti Suzuki India Ltd	1,277	585,780	488,491	0.71
<b>Energy</b>				
Reliance Industries Ltd	18,633	1,016,947	1,317,052	1.90

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>INDIA (CONTINUED)</b>				
<b>Financials</b>				
HDFC Bank Ltd	5,823	471,913	697,625	1.01
ICICI Bank Ltd	19,193	394,030	402,906	0.58
	<u>25,016</u>	<u>865,943</u>	<u>1,100,531</u>	<u>1.59</u>
<b>Industrials</b>				
Larsen & Toubro Ltd	4,057	342,621	307,130	0.45
<b>TOTAL INDIA</b>	<b><u>48,983</u></b>	<b><u>2,811,291</u></b>	<b><u>3,213,204</u></b>	<b><u>4.65</u></b>
<b>INDONESIA</b>				
<b>Consumer Discretionary</b>				
Ace Hardware Indonesia TBK PT	692,900	223,021	344,898	0.50
<b>Consumer Staples</b>				
Gudang Garam TBK PT	17,200	374,015	421,275	0.61
<b>Financials</b>				
Bank Rakyat Indonesia TBK PT	560,700	563,682	632,066	0.91
<b>Materials</b>				
Semen Indonesia Persero TBK PT	64,000	219,955	237,519	0.34
<b>Real Estate</b>				
Ciputra Development TBK PT	1,060,100	320,949	302,637	0.44
<b>TOTAL INDONESIA</b>	<b><u>2,394,900</u></b>	<b><u>1,701,622</u></b>	<b><u>1,938,395</u></b>	<b><u>2.80</u></b>
<b>PHILIPPINES</b>				
<b>Financials</b>				
Bank of the Philippine Islands	56,330	421,421	401,881	0.58

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>PHILIPPINES (CONTINUED)</b>				
<b>Industrials</b>				
Megawide Construction Corporation	166,800	238,576	235,388	0.34
<b>TOTAL PHILIPPINES</b>	<b>223,130</b>	<b>659,997</b>	<b>637,269</b>	<b>0.92</b>
<b>SINGAPORE</b>				
<b>Financials</b>				
DBS Group Holdings Ltd	13,400	921,281	973,988	1.41
Oversea-Chinese Banking Corporation Ltd	9,900	339,525	346,257	0.50
	23,300	1,260,806	1,320,245	1.91
<b>Industrials</b>				
Singapore Technologies Engineering Ltd	83,200	877,823	940,490	1.36
<b>Information Technology</b>				
Venture Corporation Ltd	13,500	547,876	667,025	0.96
<b>Real Estate</b>				
CapitalLand Mall Trust	108,500	694,150	791,277	1.14
CDL Hospitality Trusts	132,400	688,608	671,881	0.97
Keppel DC REIT	152,800	684,678	668,611	0.97
	393,700	2,067,436	2,131,769	3.08
<b>TOTAL SINGAPORE</b>	<b>513,700</b>	<b>4,753,941</b>	<b>5,059,529</b>	<b>7.31</b>
<b>SOUTH KOREA</b>				
<b>Consumer Staples</b>				
LG Household & Health Care Ltd	76	337,370	353,632	0.51
<b>Information Technology</b>				
Samsung Electronics Co Ltd	10,259	1,275,961	1,741,502	2.52
<b>TOTAL SOUTH KOREA</b>	<b>10,335</b>	<b>1,613,331</b>	<b>2,095,134</b>	<b>3.03</b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED) QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>TAIWAN</b>				
<b>Financials</b>				
CTBC Financial Holding Co Ltd	174,000	449,151	480,120	0.69
<b>Information Technology</b>				
Taiwan Semiconductor Manufacturing Co Ltd	23,000	512,403	677,564	0.98
<b>TOTAL TAIWAN</b>	<b>197,000</b>	<b>961,554</b>	<b>1,157,684</b>	<b>1.67</b>
<b>THAILAND</b>				
<b>Consumer Staples</b>				
CP ALL PCL – NVDR**	62,400	558,208	635,642	0.92
<b>Financials</b>				
Bangkok Bank PCL – NVDR**	31,500	832,481	887,313	1.28
<b>TOTAL THAILAND</b>	<b>93,900</b>	<b>1,390,689</b>	<b>1,522,955</b>	<b>2.20</b>
<b>UNITED STATES</b>				
<b>Communication Services</b>				
Autohome Inc	1,545	542,585	457,820	0.66
<b>Consumer Discretionary</b>				
Huazhu Group Ltd	6,654	860,214	864,917	1.25
<b>TOTAL UNITED STATES</b>	<b>8,199</b>	<b>1,402,799</b>	<b>1,322,737</b>	<b>1.91</b>
<b>TOTAL QUOTED SECURITIES - FOREIGN</b>	<b>4,160,236</b>	<b>26,715,382</b>	<b>29,678,083</b>	<b>42.88</b>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES - FOREIGN (CONTINUED)</b>				
<b>TOTAL QUOTED SECURITIES</b>	<b><u>11,023,521</u></b>	<b>61,095,795</b>	<b><u>65,087,170</u></b>	<b><u>94.04</u></b>
<b>ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>3,991,375</u></b>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>65,087,170</u></b>		

\* 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 exchange.

\*\* 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.

\*\*\* 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.

**9. CASH AND CASH EQUIVALENTS**

	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Deposits with licensed financial institutions	1,497,113	2,957,280
Bank balances	1,784,141	3,024,615
	<u>3,281,254</u>	<u>5,981,895</u>

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

	<b>2020</b>	<b>2019</b>
	<b>No of units</b>	<b>No. of units</b>
At the beginning of the financial year	57,491,950	48,011,965
Add : Creation of units from applications	14,526,014	22,707,082
Add : Creation of units from distribution	2,829,407	3,449,308
Less : Cancellation of units	<u>(14,324,340)</u>	<u>(16,676,405)</u>
At the end of the financial year	<u>60,523,031</u>	<u>57,491,950</u>

**11. MANAGEMENT EXPENSE RATIO (“MER”)**

	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
MER	<u>2.07</u>	<u>2.07</u>

MER is derived from the following calculation:

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

- A = Management fee (including management fee rebate)
- B = Trustee’s and custodian fees
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses excluding withholding tax
- 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 RM74,036,418 (2019: RM68,288,067).

**12. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>2020</b>	<b>2019</b>
PTR (times)	<u>1.13</u>	<u>1.11</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 = RM83,712,107 (2019: RM79,432,513)

total disposal for the financial year = RM83,345,657 (2019: RM71,698,490)

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

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

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

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

Units held by the Manager and parties related to the Manager

	2020		2019	
	No. of units	RM	No. of units	RM
<b>Manager</b>				
Principal Asset Management Berhad ( <i>formerly known as CIMB-Principal Asset Management Berhad</i> )	64,071	77,327	35,129	42,292

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 the 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.

	2020	2019
	RM	RM
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	3,025	828
Cash placements with licensed financial institution:		
- CIMB Bank Bhd	24,922,000	6,507,000
Management fee rebate		
- PT Principal Asset Management ( <i>formerly known as PT CIMB-Principal Asset Management</i> )	22,351	15,094

There are no significant related party balances for the financial year 2020 and 2019, apart from those mentioned elsewhere in the financial statements.



14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for the financial year ended 31 January 2020 are as follows:

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
CLSA Securities (Malaysia) Sdn Bhd	15,750,374	9.44	23,231	7.17
Maybank Investment Bank Bhd	13,987,111	8.39	30,806	9.51
KAF Seagroatt & Campbell Securities Sdn Bhd	13,114,547	7.86	29,576	9.13
Macquarie Capital Securities (Malaysia) Sdn Bhd	12,889,271	7.73	23,758	7.33
Citigroup Global Markets Ltd	12,650,978	7.58	12,687	3.91
Affin Hwang Investment Bank Bhd	12,008,831	7.20	27,085	8.36
Hong Leong Investment Bank Bhd	10,085,010	6.05	22,729	7.01
RHB Investment Bank Bhd	7,606,377	4.56	17,250	5.32
CGS-CIMB Securities Sdn Bhd	6,582,842	3.95	14,270	4.40
UBS Securities (M) Sdn Bhd	6,570,882	3.94	9,244	2.85
Others #	55,544,345	33.30	113,443	35.01
	<u>166,790,568</u>	<u>100.00</u>	<u>324,079</u>	<u>100.00</u>

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

Details of transactions with the top 10 brokers for the financial year ended 31 January 2019 are as follows: (continued)

<b>Brokers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Macquarie Capital Securities (Malaysia) Sdn Bhd	18,457,951	12.31	41,530	12.61
RHB Investment Bank Bhd	11,094,008	7.40	25,016	7.59
KAF Seagroatt & Campbell Securities Sdn Bhd	10,899,036	7.27	24,540	7.45
CLSA Securities (Malaysia) Sdn Bhd	9,060,110	6.04	20,469	6.21
JP Morgan Securities (Malaysia) Sdn Bhd	8,507,600	5.68	19,313	5.86
Sanford C. Bernstein & Co., LLC	7,483,943	4.99	19,280	5.85
Maybank Investment Bank Bhd	7,483,247	4.99	16,611	5.04
CIMB Investment Bank Bhd #	7,342,429	4.90	16,558	5.03
Affin Hwang Investment Bank Bhd	7,055,693	4.71	15,697	4.77
JP Morgan Securities Inc	6,483,362	4.32	1,945	0.59
Others #	56,042,094	37.39	128,450	39.00
	<u>149,909,473</u>	<u>100.00</u>	<u>329,409</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CIMB Investment Bank Bhd, CIMB Securities (Singapore) Pte Ltd, CIMB-GK Securities (Hong Kong) Pte Ltd and CGS-CIMB Securities Sdn Bhd, fellow related parties to the Manager amounting to nil (2019: RM7,342,429), nil (2019: RM1,833,771, Nil (2019: Nil), RM6,582,842 (2019: Nil) respectively. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

**15. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 18 March 2020.

**DIRECTORY**

**Head Office of the Manager**

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**Auditors of the Fund and of the Manager**

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