

**CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND**  
**FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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## INVESTORS' LETTER

Dear Valued Investors,

Thank you for your continued support and for the confidence that you have placed in us. We are pleased to share that CIMB-Principal Asset Management Berhad ("CIMB-Principal") Malaysia concluded the 1<sup>st</sup> Quarter of 2018 with RM52.06 billion in Asset under Management ("AUM").

Our AUM for Private Retirement Scheme ("PRS") business increased by 33% year-on-year ("y-o-y") to RM541 million as at 31 March 2018.

We continue to achieve prestigious recognitions from The Edge | Thomson Reuters Lipper Fund Awards as follows:

### **The Edge| Thomson Reuters Lipper Malaysia Fund Awards 2018**

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

### **Thomson Reuters Lipper Fund Award Global Islamic 2017**

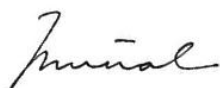
- Best Equity Asia Pacific Ex-Japan (Islamic), Best Fund over 5 years : CIMB Islamic Asia Pacific Equity Fund

These prestigious awards are a celebration of the trust that you have placed in us and testament to our capability in bringing potential value to your financial goals and needs.

CIMB-Principal was also awarded **Fund House of the Year in Malaysia** by AsianInvestor for the Asset Management Awards 2017, its second consecutive win and The Employees' Provident Fund ("EPF") External Portfolio Managers Awards 2017 for the **Best Global Bond Portfolio Manager**. These industry recognitions reflect our success in scaling up our investment capabilities while building a solid track record and earning the trust of our clients over time.

Thank you.

Yours faithfully,  
for **CIMB-Principal Asset Management Berhad**



**Munirah Khairuddin**  
Chief Executive Officer

## MANAGER'S REPORT

### FUND OBJECTIVE AND POLICY

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

The Fund aims to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long term.

#### **Has the Fund achieved its objective?**

The Fund has achieved its objective of providing long term stable return to unit holders.

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

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in Asia Pacific ex Japan region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan. For listed securities, the investment must be traded in an exchange that is a member of World Federation of Exchanges ("WFE"). '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 the Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term "medium to long term" refers to a period of three (3) years and more.

Under general market conditions, the Fund's investment will focus on high dividend yielding equities of companies, which the Sub-Manager believes will offer attractive yields, sustainable dividend payments and will exhibit above average growth potential when compared to its industry or the overall market. In addition, the Fund may also invest in companies with good growth potential, which the Sub-Manager foresees may adopt a strong dividend payout policy. The Fund may also invest up to 15% of the Fund's Net Asset Value ("NAV") in debt securities to be in line with the Fund's objective. The Fund's debt securities' investments will generally be restricted to securities rated at least a minimum credit rating of "BBB" by Fitch or its equivalent rating by Standard & Poor's ("S&P") and Moody's.

However, the Sub-Manager may take temporary defensive positions that may detract from the Fund's prescribed asset allocation when the Sub-Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expects prolonged declines, or when there are other adverse conditions, such as political instability. Under these circumstances, the Fund may invest all or a substantial portion of its assets in money market instruments to achieve the Fund's investment objective in bearish or non-performing equity markets. The Sub-Manager may from time to time reduce its proportion of high risk assets, such as equities and increase its asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the Fund.

In response to these adverse conditions, the Manager or its fund management delegate may also utilise derivative instruments such as futures contracts to hedge the portfolio. The use of derivatives is subject to the prevailing Securities Commission Malaysia ("SC") regulations.

As the investment universe of this Fund will be in Asia Pacific ex Japan, the countries where the regulatory authority is an ordinary or associate member of International Organisation of Securities Commissions ("IOSCO") which include but not limited to Australia, the People's Republic of China ("PRC"), Hong Kong Special Administrative Region ("SAR"), India, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE.

The Fund will generally invest between 70% to 98% (both inclusive) of the Fund's NAV in equities and up to 15% of the Fund's NAV may be invested in debt securities. A minimum of 2% of its NAV will be invested in liquid assets for liquidity purpose.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**Fund category/type**

Equity/Income & Growth

**How long should you invest for?**

Recommended three (3) years or more

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

Moderate

**When was the Fund launched?**

**Class MYR**

25 April 2011

**Class USD**

9 September 2015

**Class SGD**

9 September 2015

**What was the size of the Fund as at 31 March 2018?**

USD1,016.61 million (9,019.59 million units)

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

The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of eight percent (8%) per annum.

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

**What is the Fund distribution policy?**

Depending on the level of income (if any) the respective Class generates, the Class aims to distribute part or all of its distributable income on quarterly basis\*. The payment of distributions, if any, from the respective Class will vary from period to period depending on interest rates, market conditions and the performance of the respective Class.

\* With effect from 1 July 2016.

**What was the net income distribution for the financial year ended 31 March 2018?**

The Fund distributed a total net income of USD26.08 million to unit holders for the financial year ended 31 March 2018.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

The Fund's NAV per unit are as follows:

<b>Date</b>	<b>NAV per unit (before distribution) USD</b>	<b>NAV per unit (after distribution) USD</b>
06.04.2017		
Class MYR	0.3424	0.3393
Class SGD	1.1441	1.1332
Class USD	1.1662	1.1551
27.07.2017		
Class MYR	0.3748	0.3714
Class SGD	1.2563	1.2447
Class USD	1.3243	1.3120
09.11.2017		
Class MYR	0.3965	0.3927
Class SGD	1.3550	1.3427
Class USD	1.4254	1.4125
29.01.2018		
Class MYR	0.4012	0.3977
Class SGD	1.4323	1.4192
Class USD	1.5655	1.5512

**PERFORMANCE DATA**

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

	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Quoted securities			
- Basic Materials	16.73	8.18	-
- Consumer Products	12.62	15.91	11.96
- Energy	3.30	1.23	-
- Finance	31.17	22.59	24.88
- Health Care	1.45	9.14	5.77
- Industrials	3.81	21.28	16.49
- Real Estate Investment Trusts ("REITs")	-	-	9.30
- Technology	22.47	14.69	6.86
- Telecommunications	3.51	0.45	10.81
- Utilities	-	4.05	6.99
Cash and other net assets	4.94	2.48	6.94
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

**PERFORMANCE DATA (CONTINUED)**

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

	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
NAV (USD Million)			
- Class MYR	865.32	369.02	555.53
- Class SGD	51.56	118.63	0.57
- Class USD	99.73	53.35	70.49
Units in circulation (Million)			
- Class MYR	8,901.63	4,812.11	8,038.09
- Class SGD	50.13	146.77	0.78
- Class USD	67.83	46.16	67.63
NAV per unit (USD)			
- Class MYR	0.0972	0.0766	0.0691
- Class SGD	1.0285	0.8082	0.7290
- Class USD	1.4703	1.1556	1.0422
Highest NAV per unit (USD)			
- Class MYR	0.1037	0.0769	0.0883
- Class SGD	1.0979	0.8132	0.7506
- Class USD	1.5697	1.1627	1.0723
Lowest NAV per unit (USD)			
- Class MYR	0.0757	0.0668	0.0604
- Class SGD	0.7998	0.7062	0.6387
- Class USD	1.1437	1.0095	0.9127
Total return (%)			
- Class MYR	14.95	25.71	(7.57)
- Class SGD	23.73	14.98	(1.76)
- Class USD	32.03	10.87	4.22
Capital growth (%)			
- Class MYR	10.87	25.71	(11.21)
- Class SGD	19.23	14.98	(1.76)
- Class USD	27.23	10.87	4.22
Income distribution (%)			
- Class MYR	3.73	-	4.11
- Class SGD	3.79	-	-
- Class USD	3.79	-	-
Date of distribution	06.04.2017	-	-
Gross/Net distribution per unit (cent)			
- Class MYR	0.3105	-	-
- Class SGD	1.0942	-	-
- Class USD	1.1100	-	-
Date of distribution	27.07.2017	-	-
Gross/Net distribution per unit (cent)			
- Class MYR	0.3420	-	-
- Class SGD	1.1671	-	-
- Class USD	1.2300	-	-

**PERFORMANCE DATA (CONTINUED)**

Date of distribution	09.11.2017	-	-
Gross/Net distribution per unit (cent)			
- Class MYR	0.3784	-	-
- Class SGD	1.2231	-	-
- Class USD	1.2900	-	-
Date of distribution	29.01.2018	-	-
Gross/Net distribution per unit (cent)			
- Class MYR	0.3491	-	-
- Class SGD	1.3080	-	-
- Class USD	1.4300	-	-
Date of distribution	-	-	07.05.2015
Gross/Net distribution per unit (cent)			
- Class MYR	-	-	0.33
Management Expense Ratio ("MER") (%) ^	2.02	1.95	2.06
Portfolio Turnover Ratio ("PTR") (times) #	1.31	1.39	1.32

^ The Fund's MER increased from 1.95% to 2.02% mainly due to increase in expenses during the financial year under review.

# The Fund's PTR decreased from 1.39 times to 1.31 times mainly due to increase in average NAV during the financial year under review.

	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
	%	%	%	%	%
Annual total return					
- Class MYR	14.95	25.71	(7.57)	26.30	9.61

(Launch date: 25 April 2011)

	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>Since inception to 31.03.2016</b>
	%	%	%
Annual total return			
- Class SGD	23.73	14.98	(1.76)
- Class USD	32.03	10.87	4.22

(Launch date: 9 September 2015)

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 APRIL 2017 TO 31 MARCH 2018)**

During the financial year, Morgan Stanley Capital International (“MSCI”) Asia Pacific ex Japan Index was up by 17.66% in USD term. MSCI China Index up by 37%, being best performing market in the region, while Association of Southeast Asian Nations (“ASEAN”) has lagged with Malaysia and Jakarta Stock Exchange Composite Index (“JCI”) only up by 6% to 10%, and Philippines Stock Exchange PSEi Index (“PCOMP”) being flat, and Australia was being flat during this financial year as well.

2017 is a very strong year for Asia Pacific ex Japan, especially for China. In 2017, China manufacturing Purchasing Managers Index (“PMI”) improved to average around 51.5 versus 2016 of marginal 50 level. January 2018 to March 2018 PMI was stable around 51, although distorted by Chinese New Year holidays.

Industrial profits for 2017 grew by 21%, while 2016 profit growth was only 8.5%. January 2018 to February 2018 industrial profit grew by 16%, which slowed down partly due to high base. China did a major restructuring in politics in 2017 to 2018. The major changes were:

1. During the 19<sup>th</sup> National Congress of Communist Party of China held between 18 to 24 October 2017, 5 new members were chosen to replace the previous 5 members due to ageing. But among the new 5 members, there is none aged below 50, which meant Xi Jinping (“Xi”, China president) has the intention to remain in power after his 2<sup>nd</sup> term. This is a sign of Xi controlling more power in China politics.
2. During the 13<sup>th</sup> National People’s Congress held between 5 to 20 March 2018, Communist Party of China amended the Constitution of limiting President and Vice President to serve no more than two consecutive terms. That change means Xi can lead China with no term limit.
3. Other changes in the main position were: Wang is the Vice President, handling Sino-US relationship and ensure peaceful rise of China Power. Liu He is officially Xi’s chief economy strategist; the China Banking Regulatory Commission (“CBRC”) and China Insurance Regulatory Commission (“CIRC”) merged after previous CIRC chairman was arrested, and the combined entity is led by Guo Shu Qing; Yi Gang will replace Zhou Xiao Chuan as People’s Bank of China (“PBOC”) chairman.

Barring the long term uncertainty in power transition when Xi ages, in the near term, China is in firm hands of a group of people who want the financial reform, quality growth, control of debt leverage and environmental improvement. We think that is a good development.

In most of 2017, US gave China little issue on trade and Intellectual Property (“IP”) theft complains, however, in 2018, Trump picked up Section 301 which enables the US President impose punishment tariffs to certain imported products deemed threatening US security. In early 2018, there are some exchange of words between US and China over the trade. We believe the trade issue will drag on longer.

India had a happening year in 2017 as well with Goods and Services Tax (“GST”) finally implemented in July 2017. However, the execution of GST is not smooth with very low compliance ratio. The tax revenue was consistently revised down and outlook for FY2019 tax revenue is not optimistic as well. In October 2017, India Government announced a recap program for public sector banks, total about Indian Rupee (“INR”) 2.11 trillion over 2 years; INR1.35 trillion will be financed by bonds and INR0.6 trillion will be finance via capital raising by banks. This provided a one time strong shot to Banks Public Sector (“PSU”) as well as the private banks plagued by Non-Performing Loans (“NPLs”). However, the outcome of the recap remains skeptical with PSU banks remain uncompetitive in credit risk control. Shortly after, in February 2018, Punjab National Bank (“PNB”), one of a major PSU banks reported a USD1.8 billion fraudulent activity. In 2017 and early of 2018, India economy activity was muted, the rising activity in November and December 2017 was due to demonetization in 2016. India PMI moderated in March 2018 to 51, with underlying export orders struggling. Despite rising oil price and inflation expectation, twin deficit, and weak economy activity, India bond yield rose to 7.6%.

**MARKET REVIEW (1 APRIL 2017 TO 31 MARCH 2018) (CONTINUED)**

On the commodity front, oil price hit a low (<USD45 per barrel) in July 2017, however, with production cut agreement between Organization of the Petroleum Exporting Countries (“OPEC”) and Russia extended to end 2018, and compliance being very high, the inventory level was depleting pretty fast to a normal level. This artificial reduction supported by OPEC (especially Saudis) is believed to create an environment for Aramco Initial Public Offering (“IPO”) in either 2018 or 2019. For other commodities, because of the supply reform in China and environmental restriction, the price is generally firm.

For US, the US Federal Reserve (the “Fed”) raised rate in March 2017, June 2017 and Dec 2017. It raised again in March 2018. USD was weak in end of 2017 and is now strengthening.

**FUND PERFORMANCE**

**Class MYR**

	<b>1 year to 31.03.2018</b>	<b>3 years to 31.03.2018</b>	<b>5 years to 31.03.2018</b>	<b>Since inception to 31.03.2018</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	3.73	7.99	57.24	73.31
Capital	10.87	23.72	17.64	50.18
Total Return	14.95	33.56	84.89	160.43
Benchmark	8.00	25.97	46.93	70.29
Average Total Return	14.95	10.13	13.08	14.79

The Fund has delivered 14.95%, 33.56% and 160.43% totals return for 1 year, 3 years and since inception respectively.

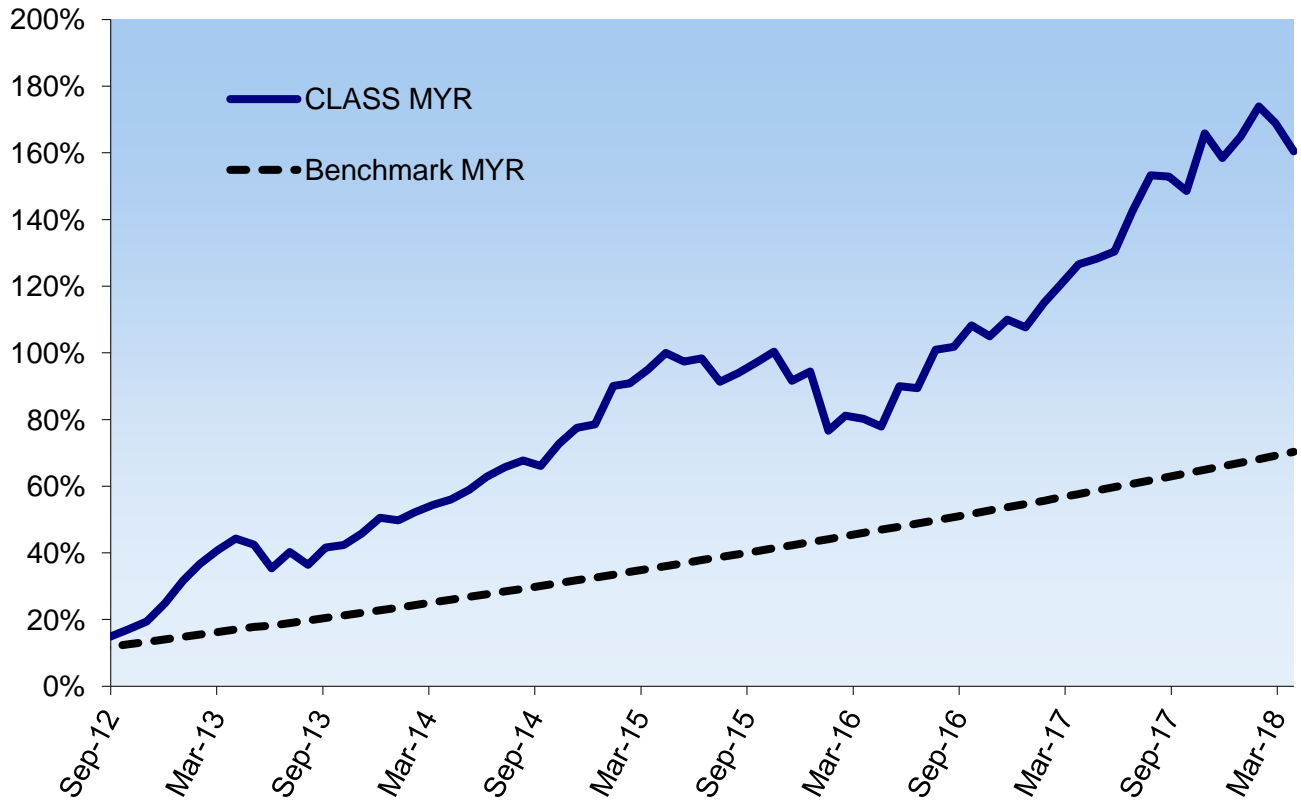
**Class SGD and Class USD**

	<b>Class SGD</b>		<b>Class USD</b>	
	<b>1 year to 31.03.2018</b>	<b>Since inception to 31.03.2018</b>	<b>1 year to 31.03.2018</b>	<b>Since inception to 31.03.2018</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	3.79	3.79	3.79	3.79
Capital	19.23	37.11	27.23	45.41
Total Return	23.73	39.76	32.03	52.56
Benchmark	8.00	21.27	8.00	21.27
Average Total Return	23.73	4.94	32.03	6.28

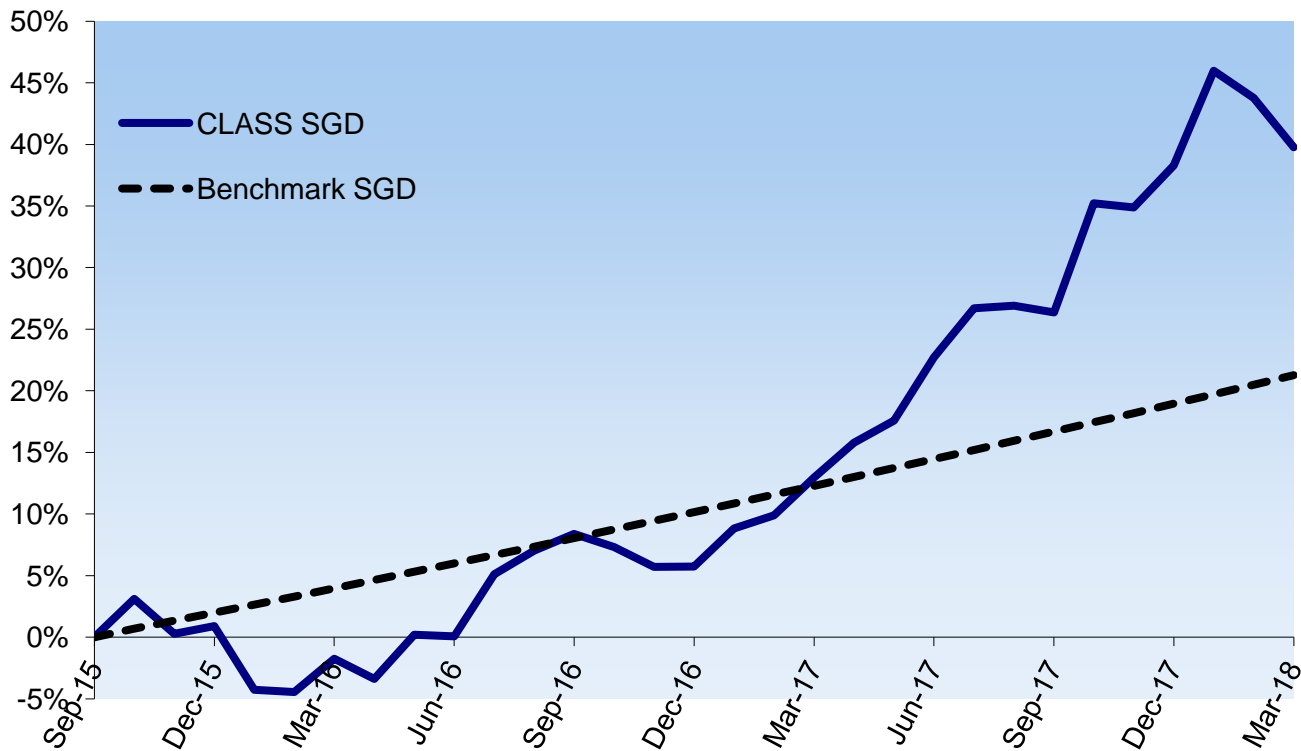
In SGD term, the Fund has delivered a total return of 23.73% in 1 year whereas in USD term, it has delivered 32.03% total return in 1 year.

FUND PERFORMANCE (CONTINUED)

Class MYR

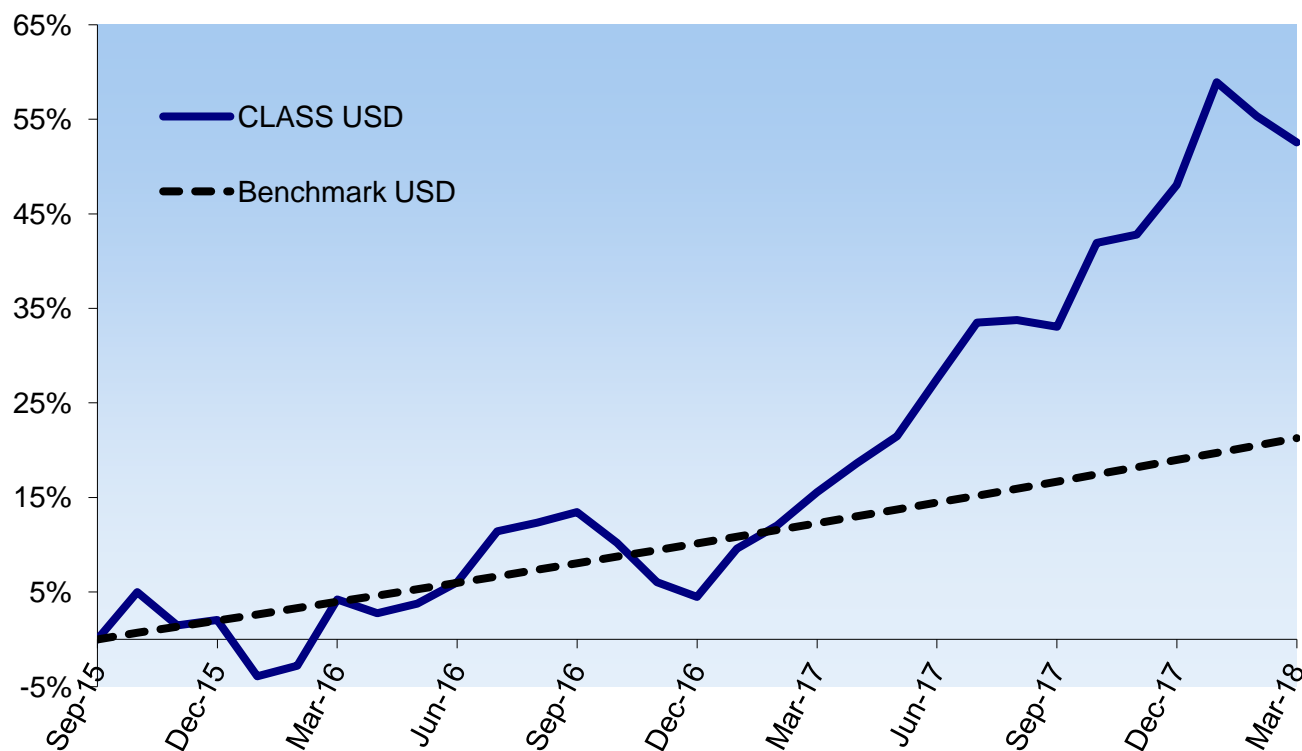


Class SGD



FUND PERFORMANCE (CONTINUED)

Class USD



Changes in NAV

CLASS MYR	31.03.2018	31.03.2017	Changes %
NAV (USD Million)	865.32	369.02	>100.00
NAV/Unit (USD)	0.0972	0.0766	26.89
CLASS SGD	31.03.2018	31.03.2017	Changes %
NAV (USD Million)	51.56	118.63	(56.54)
NAV/Unit (USD)	1.0285	0.8082	27.26
CLASS USD	31.03.2018	31.03.2017	Changes %
NAV (USD Million)	99.73	53.35	86.94
NAV/Unit (USD)	1.4703	1.1556	27.23

The Fund's NAV and NAV per unit increased for Class MYR and Class USD due to capital gain.

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>31.03.2018</b>	<b>31.03.2017</b>
Quoted securities	95.06	97.52
Cash and other net assets	4.94	2.48
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The Fund was fully invested as at 31 March 2018 with cash level being less than 5%.

**MARKET OUTLOOK\***

Asia Pacific ex Japan equities will consolidate after a stellar performance in 2017.

Given Earnings per share (“EPS”) growth outlook of 12% to 13% in 2018 and above historical average of valuation, we expect 2018 to be a volatile year with moderate return.

We expect US to hike rate by another 3 times in 2018, as wage and inflation expectation continue to go up and tax incentives and infrastructure spending to further boost US economy growth. USD might strengthen.

Given rising inflation expectation and increase in US bond yield, we are concerned on the twin deficit countries like India and potentially Philippines. Surplus countries such as Taiwan, South Korea, and Thailand are less affected.

On the trade issue, we think US is using trade as a tool to suppress China’s industrial 4.0 plan. we expect China is unlikely to back down on the technology development while making some concession in some other areas such as services. We believe both US and China leaders know that trade tariff is negative to a country economical growth and hence more words than action. But this issue will drag on longer.

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

**INVESTMENT STRATEGY**

We are fully invested with cash level being less than 5%. We think the return is supported by earnings growth.

We focused on companies that benefit from technology upgrade, industrial 4.0, basic material industries that benefit from supply reform, and financials that benefit from rising interest rate.

**UNIT HOLDINGS STATISTICS**

Breakdown of unit holdings by size as at 31 March 2018 are as follows:

**CLASS MYR**

<b>Size of unit holdings (units)</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	2,091	5.66	0.06
5,001-10,000	1,767	12.80	0.14
10,001-50,000	7,040	179.51	2.02
50,001-500,000	7,234	1,067.35	11.99
500,001 and above	707	7,636.31	85.79
<b>Total</b>	<b>18,839</b>	<b>8,901.63</b>	<b>100.00</b>

**CLASS SGD**

<b>Size of unit holdings (units)</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	1	0.00	0.00
5,001-10,000	-	-	-
10,001-50,000	3	0.07	0.14
50,001-500,000	2	0.53	1.06
500,001 and above	7	49.53	98.80
<b>Total</b>	<b>13</b>	<b>50.13</b>	<b>100.00</b>

**CLASS USD**

<b>Size of unit holdings (units)</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	1	0.00	0.00
5,001-10,000	1	0.01	0.01
10,001-50,000	3	0.08	0.12
50,001-500,000	2	0.29	0.43
500,001 and above	8	67.45	99.44
<b>Total</b>	<b>15</b>	<b>67.83</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

CIMB-Principal Asset Management Berhad (the “Manager”) and the Trustee (including their officers) 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 have retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

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

We, being the Directors of CIMB-Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 19 to 58 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 March 2018 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

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

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

**ALEJANDRO ECHEGORRI**  
Executive Director

Kuala Lumpur  
18 May 2018

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

We have acted as Trustee of **CIMB-Principal Asia Pacific Dynamic Income Fund** (the "Fund") for the financial year ended 31 March 2018. To the best of our knowledge, **CIMB-Principal Asset Management Berhad**, (the "Manager"), has operated and managed the Fund in accordance with the following:

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

During this financial year, a total distribution of 1.38 cent per unit (gross) for MYR class, 4.79 cent per unit (gross) for SGD class and 5.06 cent per unit (gross) for USD class have been distributed to the unitholders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For **HSBC (Malaysia) Trustee Berhad**

**Tan Bee Nie**  
Head, Trustee Operations

Kuala Lumpur  
18 May 2018



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

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

Our opinion

In our opinion, the financial statements of CIMB-Principal Asia Pacific Dynamic Income Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 19 to 58.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC 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 the Manager's report but does not include the financial statements of the Fund and our auditors' report thereon.

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

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

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

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia. The Manager is also responsible for such internal control as the Manager determine 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 intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC 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 ASIA PACIFIC DYNAMIC 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 May 2018

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	<b>Note</b>	<b>2018 USD</b>	<b>2017 USD</b>
<b>INVESTMENT INCOME</b>			
Dividend income		41,203,412	16,275,948
Interest income from deposits with licensed financial institutions		439,030	130,889
Net gain on financial assets at fair value through profit or loss	<b>8</b>	160,665,739	67,457,892
Net foreign exchange loss		(206,947)	(2,481,728)
Other income		-	239,735
		<u>202,101,234</u>	<u>81,622,736</u>
<b>EXPENSES</b>			
Management fee	<b>4</b>	12,643,893	10,521,610
Trustee's and custodian fees	<b>5</b>	740,327	636,646
Audit fee		3,271	7,387
Tax agent's fee		13,607	16,246
Transaction costs		4,867,215	5,474,138
Other expenses		1,496,338	916,435
		<u>19,764,651</u>	<u>17,572,462</u>
<b>PROFIT BEFORE FINANCE COST AND TAXATION</b>		182,336,583	64,050,274
Finance cost (excluding increase in net assets attributable to unit holders):			
- Class MYR		20,925,824	-
- Class SGD		3,124,243	-
- Class USD		2,034,719	-
	<b>7</b>	<u>26,084,786</u>	<u>-</u>
<b>PROFIT BEFORE TAXATION</b>		156,251,797	64,050,274
Taxation	<b>6</b>	<u>(2,908,954)</u>	<u>(1,937,050)</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>153,342,843</u>	<u>62,113,224</u>
Increase in net assets attributable to unit holders are made up as follows:			
Realised amount		54,661,842	29,460,885
Unrealised amount		98,681,001	32,652,339
		<u>153,342,843</u>	<u>62,113,224</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

	Note	2018 USD	2017 USD
<b>ASSETS</b>			
Cash and cash equivalents	9	36,250,319	16,166,957
Financial assets at fair value through profit or loss	8	966,241,428	527,502,683
Amount due from stockbrokers		7,442,181	-
Amount due from Manager		24,340,693	3,710,688
Dividends receivable		1,479,231	743,244
<b>TOTAL ASSETS</b>		<u>1,035,753,852</u>	<u>548,123,572</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		12,197,585	-
Amount due to Manager		5,252,939	4,544,623
Accrued management fee		1,504,064	2,326,787
Amount due to Trustee		42,827	68,120
Other payables and accruals		149,637	186,701
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>19,147,052</u>	<u>7,126,231</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>1,016,606,800</u>	<u>540,997,341</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>1,016,606,800</u>	<u>540,997,341</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- Class MYR		865,320,149	369,015,842
- Class SGD		51,555,099	118,631,124
- Class USD		99,731,552	53,350,375
		<u>1,016,606,800</u>	<u>540,997,341</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class MYR		8,901,629,746	4,812,109,337
- Class SGD		50,126,198	146,768,182
- Class USD		67,829,162	46,163,248
	10	<u>9,019,585,106</u>	<u>5,005,040,767</u>
<b>NET ASSET VALUE PER UNIT (USD) (EX-DISTRIBUTION)</b>			
- Class MYR		0.0972	0.0766
- Class SGD		1.0285	0.8082
- Class USD		<u>1.4703</u>	<u>1.1556</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES (EX-DISTRIBUTION)</b>			
- Class MYR		MYR0.3754	MYR0.3388
- Class SGD		SGD1.3470	SGD1.1298
- Class USD		<u>USD1.4703</u>	<u>USD1.1556</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>540,997,341</u>	<u>626,592,194</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	625,307,788	87,733,713
- Class SGD	56,225,779	113,040,376
- Class USD	<u>105,510,765</u>	<u>6,797,462</u>
	<u>787,044,332</u>	<u>207,571,551</u>
Creation of units from distribution		
- Class MYR	20,753,942	-
- Class SGD	3,087,067	-
- Class USD	674,918	-
	<u>24,515,927</u>	<u>-</u>
Cancellation of units		
- Class MYR	(271,600,839)	(324,374,917)
- Class SGD	(147,198,195)	(262,350)
- Class USD	<u>(70,494,609)</u>	<u>(30,642,361)</u>
	<u>(489,293,643)</u>	<u>(355,279,628)</u>
Increase in net assets attributable to unit holders during the financial year	153,342,843	62,113,224
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>1,016,606,800</u>	<u>540,997,341</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 MARCH 2018**

	2018 USD	2017 USD
	<b>Note</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of quoted securities	798,574,411	914,338,675
Purchase of quoted securities	(1,076,759,226)	(807,950,224)
Dividend income received	38,633,471	14,915,359
Interest income received from deposits with licensed financial institutions	439,030	130,889
Management fee paid	(13,466,616)	(9,111,257)
Trustee's and custodian fees paid	(765,620)	(594,474)
Payments for other fees and expenses	(1,550,282)	(838,187)
Other income received	-	239,735
Net realised exchange loss	(2,297,466)	(2,432,478)
Tax (paid)/refunded	(1,128,309)	1,054
<b>Net cash (used in)/generated from operating activities</b>	<b>(258,320,607)</b>	<b>108,699,092</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	768,242,580	205,505,110
Payments for cancellation of units	(489,059,730)	(352,094,794)
Distributions paid	(1,568,859)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>277,613,991</b>	<b>(146,589,684)</b>
Net increase/(decrease) in cash and cash equivalents	19,293,384	(37,890,592)
Effect of foreign exchange differences	789,978	(117,638)
Cash and cash equivalents at the beginning of the financial year	16,166,957	54,175,187
Cash and cash equivalents at the end of the financial year	<b>9 36,250,319</b>	<b>16,166,957</b>
<u>Cash and cash equivalents comprised of:</u>		
Deposits with licensed financial institutions	-	4,765,811
Bank balances	36,250,319	11,401,146
Cash and cash equivalents at the end of the financial year	<b>9 36,250,319</b>	<b>16,166,957</b>

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 MARCH 2018****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY**

CIMB-Principal Asia Pacific Dynamic Income Fund (the “Fund”) was constituted pursuant to a Deed dated 15 May 2008 and is now governed by a Principal Master Deed dated 10 April 2015 (collectively referred to as the “Deeds”), between CIMB-Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in Asia Pacific ex Japan region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan. For listed securities, the investment must be traded in an exchange that is a member of WFE. ‘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 the Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term “medium to long term” refers to a period of three (3) years and more.

Under general market conditions, the Fund’s investment will focus on high dividend yielding equities of companies, which the Sub-Manager believes will offer attractive yields, sustainable dividend payments and will exhibit above average growth potential when compared to its industry or the overall market. In addition, the Fund may also invest in companies with good growth potential, which the Sub-Manager foresees may adopt a strong dividend payout policy. The Fund may also invest up to 15% of the Fund’s NAV in debt securities to be in line with the Fund’s objective. The Fund’s debt securities’ investments will generally be restricted to securities rated at least a minimum credit rating of “BBB” by Fitch or its equivalent rating by S&P and Moody’s.

However, the Sub-Manager may take temporary defensive positions that may detract from the Fund’s prescribed asset allocation when the Sub-Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expects prolonged declines, or when there are other adverse conditions, such as political instability. Under these circumstances, the Fund may invest all or a substantial portion of its assets in money market instruments to achieve the Fund’s investment objective in bearish or non-performing equity markets. The Sub-Manager may from time to time reduce its proportion of high risk assets, such as equities and increase its asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the Fund.

In response to these adverse conditions, the Manager or its fund management delegate may also utilise derivative instruments such as futures contracts to hedge the portfolio. The use of derivatives is subject to the prevailing SC regulations.

**1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY (CONTINUED)**

As the investment universe of this Fund will be in Asia Pacific ex Japan, the countries where the regulatory authority is an ordinary or associate member of IOSCO which include but not limited to Australia, the PRC, Hong Kong SAR, India, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE.

The Fund will generally invest between 70% to 98% (both inclusive) of the Fund's NAV in equities and up to 15% of the Fund's NAV may be invested in debt securities. A minimum of 2% of its NAV will be invested in liquid assets for liquidity purpose.

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, a company incorporated in Malaysia, is jointly owned by CIMB Group and The Principal Financial Group. 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.

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

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

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

Standards, amendments to published standards and interpretations to existing standards that are effective:

The Fund has applied the following amendments for the first time for the financial year beginning 1 April 2017:

- Amendments to MFRS 107 “Statement of Cash Flows - Disclosure Initiative” introduce an additional disclosure on changes in liabilities arising from financing activities.

The adoption of these amendments did not have any impact on the current financial year or any prior financial year and is not likely to affect future years.

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

**(i) Financial year beginning on/after 1 April 2018**

- MFRS 9 “Financial Instruments” (effective from 1 January 2018) will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss (“ECL”) model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(a) Basis of preparation (continued)****(i) Financial year beginning on/after 1 April 2018 (continued)**

The Fund has reviewed its financial assets and liabilities and has assessed the following impacts from the adoption of the new standard on 1 January 2018:

There will be no impact on the Fund's accounting for financial assets as the Fund's equity investments currently measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9.

There will be no impact on the Fund's accounting for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Fund does not have any such liabilities.

The new impairment model requires the recognition of impairment provisions based on ECL rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost. Based on the assessments undertaken to date, the Fund does not expect any loss allowance to be recognised upon adoption of MFRS 9.

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

The Fund designates its investment in quoted securities as financial assets at fair value through profit or loss at inception.

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's loans and receivables comprise cash and cash equivalents, amount due from stockbrokers, amount due from Manager and dividends receivable.

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

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

**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.

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

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are 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.

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 investments for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the investments 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.

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

Impairment for assets carried at amortised cost

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

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

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

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent financial year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

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

**(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 effective interest rate method on an accrual basis.

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").

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Foreign currency (continued)**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/period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**(e) Creation and cancellation of units**

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

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

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

**(f) Cash and cash equivalents**

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

**(g) Taxation**

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

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

**(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.

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

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

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

**(j) Distribution**

A distribution to the Fund's unit holders is accounted for as a finance cost in the statement of comprehensive income. A proposed distribution is recognised as a financial liability in the year in which it is approved.

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

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amount due from stockbrokers. A provision for impairment of amount due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbroker. Significant financial difficulties of the stockbroker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

**(l) Segment information**

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

**(m) Critical accounting estimates and judgments in applying accounting policies**

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

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

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

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



**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 USD</b>	<b>Loans and receivables USD</b>	<b>Total USD</b>
<b>2018</b>			
Cash and cash equivalents (Note 9)	-	36,250,319	36,250,319
Quoted securities (Note 8)	966,241,428	-	966,241,428
Amount due from stockbrokers	-	7,442,181	7,442,181
Amount due from Manager	-	24,340,693	24,340,693
Dividends receivable	-	1,479,231	1,479,231
	<u>966,241,428</u>	<u>69,512,424</u>	<u>1,035,753,852</u>
<b>2017</b>			
Cash and cash equivalents (Note 9)	-	16,166,957	16,166,957
Quoted securities (Note 8)	527,502,683	-	527,502,683
Amount due from Manager	-	3,710,688	3,710,688
Dividends receivable	-	743,244	743,244
	<u>527,502,683</u>	<u>20,620,889</u>	<u>548,123,572</u>

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

The Fund aims to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long term.

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

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

**(a) Market risk**

**(i) Price risk**

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

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

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

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>966,241,428</u>	<u>527,502,683</u>

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

<b>% Change in price of quoted securities</b>	<b>Market value USD</b>	<b>Impact on profit or loss/NAV USD</b>
<b>2018</b>		
-5%	917,929,357	(48,312,071)
0%	966,241,428	-
5%	<u>1,014,553,499</u>	<u>48,312,071</u>
<b>2017</b>		
-5%	501,127,549	(26,375,134)
0%	527,502,683	-
5%	<u>553,877,817</u>	<u>26,375,134</u>

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

(a) Market risk (continued)

(ii) Interest rate risk

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

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

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

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

(iii) Currency risk

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

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

Financial assets	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
<b>2018</b>						
AUD	1	123,422,956	-	-	256,206	123,679,163
CNY	1,569,880	101,170,602	-	-	-	102,740,482
HKD	-	256,907,425	4,434,336	-	111,622	261,453,383
IDR	-	34,470,880	-	-	-	34,470,880
INR	-	74,019,284	-	-	47,866	74,067,150
KRW	-	78,602,740	-	-	664,659	79,267,399
MYR	2,792,737	64,106,816	-	18,613,911	-	85,513,464
SGD	4,679,908	37,661,941	-	2,444,517	-	44,786,366
THB	-	65,061,060	3,007,845	-	398,878	68,467,783
TWD	9,187,706	76,574,355	-	-	-	85,762,061
	18,230,232	911,998,059	7,442,181	21,058,428	1,479,231	960,208,131

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

(a) Market risk (continued)

(iii) Currency risk (continued)

Financial assets	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Total USD
<b>2017</b>						
AUD	-	117,026,667	-	-	-	117,026,667
CNY	-	78,016,500	-	-	-	78,016,500
HKD	-	81,736,917	-	-	-	81,736,917
IDR	-	14,994,759	-	-	-	14,994,759
INR	84,446	50,962,705	-	-	-	51,047,151
KRW	-	17,928,672	-	-	743,244	18,671,916
MYR	4,822	11,573,865	-	3,688,012	-	15,266,699
PHP	-	10,665,651	-	-	-	10,665,651
SGD	1,591,576	28,723,152	-	-	-	30,314,728
THB	-	21,604,471	-	-	-	21,604,471
TWD	-	46,484,613	-	-	-	46,484,613
	1,680,844	479,717,972	-	3,688,012	743,244	485,830,072

Financial liabilities	Amount due to stockbrokers USD	Amount due to Manager USD	Other payables and accruals USD	Net assets attributable to unit holders USD	Total USD
<b>2018</b>					
MYR	-	4,655,630	55,231	865,320,149	870,031,010
SGD	-	-	-	51,555,099	51,555,099
THB	3,009,879	-	-	-	3,009,879
TWD	9,187,706	-	-	-	9,187,706
	12,197,585	4,655,630	55,231	916,875,248	933,783,694

Financial liabilities	Amount due to Manager USD	Other payables and accruals USD	NAV attributable to unit holders USD	Total USD
<b>2017</b>				
MYR	4,544,623	187,421	368,972,336	373,704,380
SGD	-	-	118,629,797	118,629,797
	4,544,623	187,421	487,602,133	492,334,177

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

**(a) Market risk (continued)**

**(iii) Currency risk (continued)**

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 each reporting 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.

	Change in foreign exchange rate	Impact on profit or loss/NAV	
		2018 USD	2017 USD
	%		
AUD	5	6,183,958	5,851,333
CNY	5	5,137,024	3,900,825
HKD	5	13,072,669	4,086,846
IDR	5	1,723,544	749,738
INR	5	3,703,358	2,552,358
KRW	5	3,963,370	933,593
MYR	5	39,225,877	17,921,884
PHP	5	-	533,283
SGD	5	338,437	4,415,753
THB	5	3,272,895	1,080,224
TWD	5	3,828,718	2,324,231
		<u>80,449,850</u>	<u>44,350,071</u>

**(b) Credit risk**

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

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

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

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

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

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

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

	<b>Cash and cash equivalents USD</b>	<b>Amount due from stockbrokers USD</b>	<b>Amount due from Manager USD</b>	<b>Dividends receivable USD</b>	<b>Total USD</b>
<b>2018</b>					
Basic					
Materials					
- Baa2	-	-	-	109,174	109,174
- Baa3	-	-	-	61,159	61,159
Consumer Products					
- Baa1	-	4,434,336	-	-	4,434,336
- Not Rated	-	-	-	111,622	111,622
Energy					
- Baa1	-	-	-	398,878	398,878
Finance					
- HSBC Bank (Malaysia) Bhd (A3)	36,250,319	-	-	-	36,250,319
- AAA	-	-	-	365,102	365,102
- Baa1	-	3,007,845	-	-	3,007,845
Health Care					
- A3	-	-	-	95,218	95,218
Industrials					
- Not Rated	-	-	-	99,829	99,829
Technology					
- A1	-	-	-	238,249	238,249
Others					
- Not Rated	-	-	24,340,693	-	24,340,693
	<u>36,250,319</u>	<u>7,442,181</u>	<u>24,340,693</u>	<u>1,479,231</u>	<u>69,512,424</u>

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

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

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

	<b>Cash and cash equivalents USD</b>	<b>Amount due from stockbrokers USD</b>	<b>Amount due from Manager USD</b>	<b>Dividends receivable USD</b>	<b>Total USD</b>
<b>2017</b>					
Consumer Products					
- Not Rated	-	-	-	270,317	270,317
Energy					
- Not Rated	-	-	-	325,904	325,904
Finance					
- HSBC Bank (Malaysia) Bhd (AAA)	11,401,146	-	-	-	11,401,146
- Malayan Banking Bhd (AAA)	1,463,997	-	-	-	1,463,997
- Public Bank Bhd (AAA)	1,492,730	-	-	-	1,492,730
- United Overseas Bank Malaysia Bhd (AAA)	1,809,084	-	-	-	1,809,084
- Not Rated	-	-	-	79,294	79,294
Industrial Products					
- Not Rated	-	-	-	67,729	67,729
Others					
- Not Rated	-	-	3,710,688	-	3,710,688
	<u>16,166,957</u>	<u>-</u>	<u>3,710,688</u>	<u>743,244</u>	<u>20,620,889</u>

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

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

(c) Liquidity risk

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

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

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

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
<b>2018</b>			
Amount due to stockbrokers	12,197,585	-	12,197,585
Amount due to Manager	5,252,939	-	5,252,939
Accrued Management fee	1,504,064	-	1,504,064
Amount due to Trustee	42,827	-	42,827
Other payables and accruals #	94,406	15,514	109,920
Net assets attributable to unit holders*	<u>1,016,606,800</u>	<u>-</u>	<u>1,016,606,800</u>
<b>Contractual undiscounted cash flows</b>	<u>1,035,698,621</u>	<u>15,514</u>	<u>1,035,714,135</u>
<b>2017</b>			
Amount due to Manager	4,544,623	-	4,544,623
Accrued management fee	2,326,787	-	2,326,787
Amount due to Trustee	68,120	-	68,120
Other payables and accruals #	144,626	17,119	161,745
Net assets attributable to unit holders*	<u>540,997,341</u>	<u>-</u>	<u>540,997,341</u>
<b>Contractual undiscounted cash flows</b>	<u>548,081,497</u>	<u>17,119</u>	<u>548,098,616</u>

# Other payables and accruals excludes GST reverse charge payable amounting to USD39,717 (2017: USD24,956).

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



**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(d) Capital risk management**

The capital of the Fund is represented by net assets attributable to unit holders of USD1,016,606,800 (2017: USD540,997,341). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

**(e) Fair value estimation**

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

The fair value of financial assets traded in active markets (such as trading securities) 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.

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

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>2018</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>966,241,428</u>	<u>-</u>	<u>-</u>	<u>966,241,428</u>
<b>2017</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>527,502,683</u>	<u>-</u>	<u>-</u>	<u>527,502,683</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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

**4. MANAGEMENT FEE**

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

For the financial year ended 31 March 2018, the management fee for the respective classes is recognised at the following rates: (2017: Class MYR 1.80% per annum, Class SGD 1.50% per annum and Class USD 1.50% per annum).

<b>Class MYR</b>	<b>Class SGD</b>	<b>Class USD</b>
1.80%	1.50%	1.50%

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

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

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.08% per annum, calculated daily based on the NAV of the Fund. The trustee's fee includes local custodian fee but excludes the foreign sub-custodian fee (if any). The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears. For the financial year ended 31 March 2018, the foreign sub-custodian fee amounted to USD377,728 (2017: USD332,783).

For the financial year ended 31 March 2018, the Trustee's fee is recognised at the rate of 0.05% per annum (2017: 0.05% per annum).

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

**6. TAXATION**

	<b>2018 USD</b>	<b>2017 USD</b>
Tax charged for the financial year:		
- Capital gains tax	1,128,309	752,982
- Withholding tax	1,780,645	1,184,068
	<u>2,908,954</u>	<u>1,937,050</u>

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

	<b>2018 USD</b>	<b>2017 USD</b>
Profit before taxation	<u>156,251,797</u>	<u>64,050,274</u>
Taxation at Malaysian statutory rate of 24% (2017: 24%)	37,500,431	15,372,066
Tax effects of:		
Investment income not subject to tax	(48,504,296)	(19,589,457)
Expenses not deductible for tax purposes	7,783,492	1,535,925
Restriction on tax deductible expenses for Unit Trust Funds	3,220,373	2,681,466
Investment income subject to capital gains tax	1,128,309	752,982
Investment income subject to withholding tax	1,780,645	1,184,068
Taxation	<u>2,908,954</u>	<u>1,937,050</u>

**7. FINANCE COST**

Distribution to unit holders is derived from the following sources:

	<b>2018 USD</b>	<b>2017 USD</b>
Dividend income	9,781,788	-
Interest income	90,160	-
Net realised gain from disposal of quoted securities	17,814,200	-
	<hr/>	<hr/>
	27,686,148	-
Less:		
Expenses	(1,601,362)	-
Net distribution amount	<hr/>	<hr/>
	26,084,786	-

**Distribution on 6 April 2017**

Gross/Net distribution per unit (cent)

- Class MYR	0.3105	-
- Class SGD	1.0942	-
- Class USD	1.1100	-
	<hr/>	<hr/>

**Distribution on 27 July 2017**

Gross/Net distribution per unit (cent)

- Class MYR	0.3420	-
- Class SGD	1.1671	-
- Class USD	1.2300	-
	<hr/>	<hr/>

**Distribution on 9 November 2017**

Gross/Net distribution per unit (cent)

- Class MYR	0.3784	-
- Class SGD	1.2231	-
- Class USD	1.2900	-
	<hr/>	<hr/>

**Distribution on 29 January 2018**

Gross/Net distribution per unit (cent)

- Class MYR	0.3491	-
- Class SGD	1.3080	-
- Class USD	1.4300	-
	<hr/>	<hr/>

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current financial year's realised income.

Gross distribution per unit is derived from gross realised income less expenses, 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.

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

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Designated at fair value through profit or loss at inception:		
- Quoted securities	<u>966,241,428</u>	<u>527,502,683</u>
Net gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	64,075,253	34,756,303
- Unrealised fair value gain	<u>96,590,486</u>	<u>32,701,589</u>
	<u>160,665,739</u>	<u>67,457,892</u>

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost USD</b>	<b>Market value USD</b>	<b>Percentage of NAV %</b>
<b>2018</b>				
<b>QUOTED SECURITIES</b>				
<b>AUSTRALIA</b>				
<b>Basic Materials</b>				
Amcor Ltd	467,595	4,714,102	5,101,471	0.50
BHP Billiton Ltd	1,678,874	31,867,271	36,465,054	3.59
BlueScope Steel Ltd	1,323,884	11,998,360	15,381,364	1.51
Boral Ltd	3,856,242	18,390,958	22,089,856	2.17
	<u>7,326,595</u>	<u>66,970,691</u>	<u>79,037,745</u>	<u>7.77</u>
<b>Consumer Products</b>				
Aristocrat Leisure Ltd	947,510	17,056,944	17,552,343	1.73
<b>Health Care</b>				
CSL Ltd	123,060	13,743,087	14,729,610	1.45
<b>Industrials</b>				
Cleanaway Waste Management Ltd	10,878,744	12,241,749	12,103,258	1.19
<b>TOTAL AUSTRALIA</b>	<u>19,275,909</u>	<u>110,012,471</u>	<u>123,422,956</u>	<u>12.14</u>
<b>CAYMAN ISLANDS</b>				
<b>Technology</b>				
NetEase INC	66,095	21,970,536	18,532,377	1.82
<b>TOTAL CAYMAN ISLANDS</b>	<u>66,095</u>	<u>21,970,536</u>	<u>18,532,377</u>	<u>1.82</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>CHINA</b>				
<b>Basic Materials</b>				
Anhui Conch Cement Co Ltd - A <sup>4</sup>	5,911,232	22,959,895	30,290,391	2.98
<b>Consumer Products</b>				
Midea Group Co Ltd - A <sup>4</sup>	3,143,430	16,169,841	27,303,298	2.69
<b>Technology</b>				
Hangzhou Hikvision Digital Technology Co Ltd	4,705,614	18,513,318	30,955,810	3.05
Shenzhen Kstar Science And Technology Co Ltd - A <sup>4</sup>	4,825,567	12,892,235	12,621,103	1.24
	9,531,181	31,405,553	43,576,913	4.29
<b>TOTAL CHINA</b>	<b>18,585,843</b>	<b>70,535,289</b>	<b>101,170,602</b>	<b>9.96</b>
<b>HONG KONG</b>				
<b>Basic Materials</b>				
Xinyi Glass Holdings Ltd	17,930,000	20,739,081	27,004,669	2.66
<b>Consumer Products</b>				
China Mengniu Dairy Co Ltd	3,238,000	8,638,593	11,098,652	1.09
Galaxy Entertainment Group Ltd	2,374,000	19,504,455	21,552,948	2.12
GuangZhou Automobile Group Co Ltd	8,804,000	21,383,146	16,221,441	1.60
	14,416,000	49,526,194	48,873,041	4.81
<b>Finance</b>				
AIA Group Ltd	4,712,200	34,482,814	39,868,775	3.92
Industrial & Commercial Bank of China Ltd	50,240,000	36,306,126	43,082,985	4.24
Ping An Insurance Group Co of China Ltd - H <sup>1</sup>	3,485,500	33,215,024	35,441,254	3.49
	58,437,700	104,003,964	118,393,014	11.65

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>HONG KONG (CONTINUED)</b>				
<b>Technology</b>				
Sunny Optical Technology Group Co Ltd	380,000	7,616,870	7,016,057	0.69
Tencent Holdings Ltd	1,065,700	31,509,648	55,620,644	5.47
	<u>1,445,700</u>	<u>39,126,518</u>	<u>62,636,701</u>	<u>6.16</u>
<b>TOTAL HONG KONG</b>	<b><u>92,229,400</u></b>	<b><u>213,395,757</u></b>	<b><u>256,907,425</u></b>	<b><u>25.28</u></b>
<b>INDIA</b>				
<b>Finance</b>				
HDFC Bank Ltd	716,032	20,655,454	20,736,696	2.04
Housing Development Finance Corp Ltd	951,861	22,522,766	26,682,197	2.62
	<u>1,667,893</u>	<u>43,178,220</u>	<u>47,418,893</u>	<u>4.66</u>
<b>Industrials</b>				
Larsen & Toubro Ltd	1,321,527	26,696,115	26,600,391	2.62
<b>TOTAL INDIA</b>	<b><u>2,989,420</u></b>	<b><u>69,874,335</u></b>	<b><u>74,019,284</u></b>	<b><u>7.28</u></b>
<b>INDONESIA</b>				
<b>Consumer Products</b>				
Astra International Tbk PT	30,611,600	18,690,539	16,276,700	1.60
<b>Finance</b>				
Bank Central Asia Tbk PT	10,720,600	12,769,218	18,194,180	1.79
<b>TOTAL INDONESIA</b>	<b><u>41,332,200</u></b>	<b><u>31,459,757</u></b>	<b><u>34,470,880</u></b>	<b><u>3.39</u></b>
<b>MALAYSIA</b>				
<b>Finance</b>				
CIMB Group Holdings Bhd	13,476,738	20,008,129	25,090,043	2.47
Malayan Banking Bhd	6,562,300	17,275,671	18,011,491	1.77
Public Bank Bhd	3,380,100	19,438,172	21,005,282	2.07
	<u>23,419,138</u>	<u>56,721,972</u>	<u>64,106,816</u>	<u>6.31</u>
<b>TOTAL MALAYSIA</b>	<b><u>23,419,138</u></b>	<b><u>56,721,972</u></b>	<b><u>64,106,816</u></b>	<b><u>6.31</u></b>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>SINGAPORE</b>				
<b>Finance</b>				
DBS Group Holdings Ltd	1,012,700	16,969,919	21,264,078	2.09
<b>Technology</b>				
Venture Corp Ltd	764,000	16,346,087	16,397,863	1.61
<b>TOTAL SINGAPORE</b>	<b>1,776,700</b>	<b>33,316,006</b>	<b>37,661,941</b>	<b>3.70</b>
<b>SOUTH KOREA</b>				
<b>Basic Materials</b>				
Lotte Chemical Corp	44,657	18,295,287	18,175,892	1.79
Posco	50,977	13,399,030	15,597,089	1.53
	95,634	31,694,317	33,772,981	3.32
<b>Energy</b>				
SK Innovation Co Ltd	62,799	12,347,750	12,455,279	1.23
<b>Technology</b>				
Samsung Electronics Co Ltd	13,995	27,601,696	32,374,480	3.18
<b>TOTAL SOUTH KOREA</b>	<b>172,428</b>	<b>71,643,763</b>	<b>78,602,740</b>	<b>7.73</b>
<b>TAIWAN</b>				
<b>Finance</b>				
CTBC Financial Holding Co Ltd	28,941,188	19,155,140	21,066,067	2.07
CTBC Financial Holding Co Ltd - Preference Share	235,825	470,740	493,914	0.05
	29,177,013	19,625,880	21,559,981	2.12
<b>Technology</b>				
Hon Hai Precision Industry Co Ltd	3,210,000	10,292,787	10,073,549	0.99
Parade Technologies Ltd	811,000	12,953,882	16,150,282	1.59
Taiwan Semiconductor Manufacturing Co Ltd	3,388,000	22,190,333	28,790,543	2.83
	7,409,000	45,437,002	55,014,374	5.41
<b>TOTAL TAIWAN</b>	<b>36,586,013</b>	<b>65,062,882</b>	<b>76,574,355</b>	<b>7.53</b>



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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>THAILAND</b>				
<b>Consumer Products</b>				
CP ALL PCL	<u>6,462,600</u>	<u>12,715,065</u>	<u>18,229,311</u>	<u>1.79</u>
<b>Energy</b>				
PTT PCL	<u>1,187,000</u>	<u>17,702,096</u>	<u>21,002,457</u>	<u>2.07</u>
<b>Finance</b>				
Bangkok Bank PCL	2,523,000	17,314,529	17,468,327	1.72
Thanachart Capital PCL	160,200	204,306	276,008	0.03
TMB Bank PLC - NVDR <sup>2</sup>	<u>98,527,500</u>	<u>8,764,404</u>	<u>8,084,957</u>	<u>0.80</u>
	<u>101,210,700</u>	<u>26,283,239</u>	<u>25,829,292</u>	<u>2.55</u>
<b>TOTAL THAILAND</b>	<b><u>108,860,300</u></b>	<b><u>56,700,400</u></b>	<b><u>65,061,060</u></b>	<b><u>6.41</u></b>
<b>UNITED STATES</b>				
<b>Telecommunications</b>				
Autohome Inc - ADR <sup>3</sup>	<u>415,534</u>	<u>27,587,662</u>	<u>35,710,992</u>	<u>3.51</u>
<b>TOTAL UNITED STATES</b>	<b><u>415,534</u></b>	<b><u>27,587,662</u></b>	<b><u>35,710,992</u></b>	<b><u>3.51</u></b>
<b>TOTAL QUOTED SECURITIES</b>	<b><u>345,708,980</u></b>	<b><u>828,280,830</u></b>	<b><u>966,241,428</u></b>	<b><u>95.06</u></b>
<b>ACCUMULATED UNREALISED GAIN ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>137,960,598</u></b>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>966,241,428</u></b>		

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2017</b>				
<b>QUOTED SECURITIES</b>				
<b>AUSTRALIA</b>				
<b>Basic Materials</b>				
BHP Billiton Ltd	1,431,278	24,064,326	26,305,764	4.86
BlueScope Steel Ltd	1,067,519	9,790,425	10,005,955	1.85
	<u>2,498,797</u>	<u>33,854,751</u>	<u>36,311,719</u>	<u>6.71</u>
<b>Consumer Products</b>				
Ooh! Media Ltd	<u>1,738,600</u>	<u>6,247,900</u>	<u>6,140,928</u>	<u>1.14</u>
<b>Finance</b>				
Macquarie Group Ltd	<u>132,775</u>	<u>8,347,240</u>	<u>9,156,200</u>	<u>1.69</u>
<b>Health Care</b>				
Ramsay Health Care Ltd	<u>243,098</u>	<u>11,706,195</u>	<u>12,989,394</u>	<u>2.40</u>
<b>Industrials</b>				
Amcor Ltd	757,790	7,639,730	8,725,017	1.61
Boral Ltd	3,396,332	15,134,920	15,164,058	2.80
	<u>4,154,122</u>	<u>22,774,650</u>	<u>23,889,075</u>	<u>4.41</u>
<b>Energy</b>				
Oil Search Ltd	<u>1,203,590</u>	<u>6,269,042</u>	<u>6,643,673</u>	<u>1.23</u>
<b>Utilities</b>				
AGL Energy Ltd	<u>1,086,065</u>	<u>15,483,198</u>	<u>21,895,678</u>	<u>4.05</u>
<b>TOTAL AUSTRALIA</b>	<b><u>11,057,047</u></b>	<b><u>104,682,976</u></b>	<b><u>117,026,667</u></b>	<b><u>21.63</u></b>
<b>CAYMAN ISLANDS</b>				
<b>Consumer Products</b>				
Terena International Inc.	<u>1,072,171</u>	<u>13,520,365</u>	<u>20,028,154</u>	<u>3.70</u>
<b>Technology</b>				
NetEase Inc.	60,062	10,089,751	17,057,608	3.15
YY Inc.	232,031	12,474,058	10,698,949	1.98
	<u>292,093</u>	<u>22,563,809</u>	<u>27,756,557</u>	<u>5.13</u>
<b>TOTAL CAYMAN ISLANDS</b>	<b><u>1,364,264</u></b>	<b><u>36,084,174</u></b>	<b><u>47,784,711</u></b>	<b><u>8.83</u></b>

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

<b>Name of counter</b>	<b>Quantity Units</b>	<b>Aggregate cost USD</b>	<b>Market value USD</b>	<b>Percentage of NAV %</b>
<b>2017 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>CHINA</b>				
<b>Basic Materials</b>				
China Shenhua Energy Co. Ltd	3,422,000	7,310,201	7,943,065	1.47
<b>Consumer Products</b>				
Midea Group Co Ltd - A*	2,222,300	10,907,378	10,739,661	1.99
Saic Motor Corp Ltd	2,958,394	10,829,954	10,896,607	2.01
Weichai Power Co Ltd	8,511,661	14,509,336	13,896,663	2.57
	<u>13,692,355</u>	<u>36,246,668</u>	<u>35,532,931</u>	<u>6.57</u>
<b>Finance</b>				
Industrial and Commercial Bank of China Ltd	16,874,000	10,848,238	11,029,439	2.04
<b>Health Care</b>				
Aier Eye Hospital Group Co. Ltd	2,466,352	11,034,554	10,820,240	2.00
China Medical System Holdings Ltd	5,044,000	6,700,811	8,943,262	1.65
	<u>7,510,352</u>	<u>17,735,365</u>	<u>19,763,502</u>	<u>3.65</u>
<b>Industrials</b>				
Anhui Conch Cement Co Ltd	5,383,798	16,295,624	16,204,707	3.00
Hangzhou Hikvision Digital Technology Co Ltd	3,339,154	12,661,311	15,458,623	2.86
Sinotrans Ltd - H <sup>1</sup>	12,740,000	8,314,255	5,950,421	1.10
	<u>21,462,952</u>	<u>37,271,190</u>	<u>37,613,751</u>	<u>6.96</u>
<b>TOTAL CHINA</b>	<b><u>62,961,659</u></b>	<b><u>109,411,662</u></b>	<b><u>111,882,688</u></b>	<b><u>20.69</u></b>
<b>HONG KONG</b>				
<b>Finance</b>				
AIA Group Ltd	2,750,600	16,570,440	17,341,840	3.21
<b>Health Care</b>				
Shanghai Pharmaceuticals Holding Co Ltd	3,440,400	9,228,973	9,008,345	1.67
<b>Technology</b>				
Tencent Holdings Ltd	750,700	14,186,572	21,520,544	3.98
<b>TOTAL HONG KONG</b>	<b><u>6,941,700</u></b>	<b><u>39,985,985</u></b>	<b><u>47,870,729</u></b>	<b><u>8.86</u></b>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2017 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>INDIA</b>				
<b>Finance</b>				
HDFC Bank Ltd	391,989	7,854,332	8,719,111	1.61
Housing Development Finance Corp Ltd	744,656	14,076,568	17,247,334	3.19
	<u>1,136,645</u>	<u>21,930,900</u>	<u>25,966,445</u>	<u>4.80</u>
<b>Industrials</b>				
Adani Ports & Special Economic Zone Ltd	1,679,383	6,749,665	8,793,968	1.63
Larsen & Toubro Ltd	667,200	14,609,765	16,202,292	3.00
	<u>2,346,583</u>	<u>21,359,430</u>	<u>24,996,260</u>	<u>4.63</u>
<b>TOTAL INDIA</b>	<b><u>3,483,228</u></b>	<b><u>43,290,330</u></b>	<b><u>50,962,705</u></b>	<b><u>9.43</u></b>
<b>INDONESIA</b>				
<b>Finance</b>				
PT Bank Central Asia Tbk	12,074,000	13,476,181	14,994,759	2.77
<b>TOTAL INDONESIA</b>	<b><u>12,074,000</u></b>	<b><u>13,476,181</u></b>	<b><u>14,994,759</u></b>	<b><u>2.77</u></b>
<b>MALAYSIA</b>				
<b>Consumer Products</b>				
British American Tobacco Malaysia Bhd	888,800	12,174,085	9,163,301	1.69
<b>Telecommunications</b>				
Axiata Group Bhd	2,107,100	2,286,329	2,410,564	0.45
<b>TOTAL MALAYSIA</b>	<b><u>2,995,900</u></b>	<b><u>14,460,414</u></b>	<b><u>11,573,865</u></b>	<b><u>2.14</u></b>
<b>PHILIPPINES</b>				
<b>Finance</b>				
Metropolitan Bank & Trust Co	6,693,271	12,674,096	10,665,651	1.97
<b>TOTAL PHILIPPINES</b>	<b><u>6,693,271</u></b>	<b><u>12,674,096</u></b>	<b><u>10,665,651</u></b>	<b><u>1.97</u></b>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2017 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>SINGAPORE</b>				
<b>Consumer Products</b>				
ComfortDelGro Corp Ltd	<u>2,231,900</u>	<u>3,999,250</u>	<u>4,087,279</u>	<u>0.76</u>
<b>Finance</b>				
Frasers Logistic & Industrial Trust	<u>13,967,300</u>	<u>9,592,349</u>	<u>9,841,657</u>	<u>1.82</u>
<b>Industrials</b>				
Singapore Technologies Engineering Ltd	<u>3,352,300</u>	<u>8,337,895</u>	<u>8,944,813</u>	<u>1.65</u>
Venture Corp Ltd	<u>712,900</u>	<u>5,351,741</u>	<u>5,849,403</u>	<u>1.08</u>
	<u>4,065,200</u>	<u>13,689,636</u>	<u>14,794,216</u>	<u>2.73</u>
<b>TOTAL SINGAPORE</b>	<b><u>20,264,400</u></b>	<b><u>27,281,235</u></b>	<b><u>28,723,152</u></b>	<b><u>5.31</u></b>
<b>SOUTH KOREA</b>				
<b>Health Care</b>				
Osstem Implant Co Ltd	<u>164,797</u>	<u>10,542,667</u>	<u>7,704,966</u>	<u>1.42</u>
<b>Technology</b>				
SK Hynix Inc	<u>226,463</u>	<u>9,994,215</u>	<u>10,223,706</u>	<u>1.89</u>
<b>TOTAL SOUTH KOREA</b>	<b><u>391,260</u></b>	<b><u>20,536,882</u></b>	<b><u>17,928,672</u></b>	<b><u>3.31</u></b>
<b>TAIWAN</b>				
<b>Finance</b>				
CTBC Financial Holding Co Ltd	<u>20,583,188</u>	<u>13,358,147</u>	<u>12,721,974</u>	<u>2.35</u>
<b>Industrials</b>				
Hon Hai Precision Industry Co Ltd	<u>4,607,000</u>	<u>13,554,841</u>	<u>13,819,750</u>	<u>2.55</u>
<b>Technology</b>				
Taiwan Semiconductor Manufacturing Co Ltd	<u>3,201,000</u>	<u>17,200,476</u>	<u>19,942,889</u>	<u>3.69</u>
<b>TOTAL TAIWAN</b>	<b><u>28,391,188</u></b>	<b><u>44,113,464</u></b>	<b><u>46,484,613</u></b>	<b><u>8.59</u></b>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2017 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>THAILAND</b>				
<b>Consumer Products</b>				
Charoen Pokhand Foods PCL - NVDR <sup>2</sup>	13,730,400	11,701,341	11,097,608	2.05
<b>Finance</b>				
Thanachart Capital PCL	7,476,400	8,433,831	10,506,863	1.94
<b>TOTAL THAILAND</b>	<b>21,206,800</b>	<b>20,135,172</b>	<b>21,604,471</b>	<b>3.99</b>
<b>TOTAL QUOTED SECURITIES</b>	<b>177,824,717</b>	<b>486,132,571</b>	<b>527,502,683</b>	<b>97.52</b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>41,370,112</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>527,502,683</b>		

<sup>1</sup> H shares refer to the shares of companies incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange or other foreign exchange. H shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock exchange.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> A-shares trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. A-shares are shares of mainland China-based companies, and are available for purchase to select foreign institutions through the Qualified Foreign Institutional Investor (“QFII”) system.

**9. CASH AND CASH EQUIVALENTS**

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Deposits with licensed financial institutions	-	4,765,811
Bank balances	36,250,319	11,401,146
	<u>36,250,319</u>	<u>16,166,957</u>

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

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Deposits with licensed financial institutions	<u>-</u>	<u>3.48</u>

Deposits with licensed financial institutions of the Fund have an average maturity of Nil days (2017: 3 days).

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

	<b>2018</b>	<b>2017</b>
	<b>No. of units</b>	<b>No. of units</b>
Class MYR (i)	8,901,629,746	4,812,109,337
Class SGD (ii)	50,126,198	146,768,182
Class USD (iii)	67,829,162	46,163,248
	<u>9,019,585,106</u>	<u>5,005,040,767</u>

(i) Class MYR

	<b>2018</b>	<b>2017</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	4,812,109,337	8,038,088,552
Add: Creation of units from applications	6,869,163,518	1,206,602,110
Add: Creation of units from distributions	226,870,161	
Less: Cancellation of units	<u>(3,006,513,270)</u>	<u>(4,432,581,325)</u>
At the end of the financial year	<u>8,901,629,746</u>	<u>4,812,109,337</u>

(ii) Class SGD

	<b>2018</b>	<b>2017</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	146,768,182	781,300
Add: Creation of units from applications	57,488,833	146,332,156
Add: Creation of units from distributions	3,457,540	
Less: Cancellation of units	<u>(157,588,357)</u>	<u>(345,274)</u>
At the end of the financial year	<u>50,126,198</u>	<u>146,768,182</u>

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

(iii) Class USD

	<b>2018</b>	<b>2017</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	46,163,248	67,630,023
Add: Creation of units from applications	74,827,554	6,338,370
Add: Creation of units from distributions	461,191	
Less: Cancellation of units	<u>(53,622,831)</u>	<u>(27,805,145)</u>
At the end of the financial year	<u>67,829,162</u>	<u>46,163,248</u>

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

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
MER	<u>2.02</u>	<u>1.95</u>

MER is derived based on the following calculation:

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

- A = Management fee
- B = Trustee's and custodian fees
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses excluding GST on transaction costs
- F = Average NAV of the Fund calculation on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is USD725,359,590 (2017: USD608,658,553 )

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

	<b>2018</b>	<b>2017</b>
PTR (times)	<u>1.31</u>	<u>1.39</u>

PTR is derived from 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 = USD1,086,366,905 (2017: USD788,931,812)
- total disposal for the financial year = USD808,293,901 (2017: USD908,608,791)



**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>
CIMB-Principal Asset Management Bhd	The Manager
CIMB Group Sdn Bhd	Holding company of the Manager
CIMB Group Holdings Bhd ("CIMB")	Ultimate holding company of the Manager
PT CIMB-Principal Asset Management	Subsidiary of the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager
CIMB Securities (Taiwan) Ltd	Fellow related party to the Manager
CIMB-GK Securities Pte Ltd	Fellow related party to the Manager
Subsidiaries and associates of CIMB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

Units held by the Manager and parties related to the Manager

	<b>2018</b>		<b>2017</b>	
	<b>No. of units</b>	<b>USD</b>	<b>No. of units</b>	<b>USD</b>
<b>Manager</b>				
CIMB-Principal Asset Management Bhd				
- Class MYR	204,433	19,871	381,651	29,234
- Class SGD	365	375	1,072	866
- Class USD	755	1,110	1,297	1,499

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

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

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

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

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institutions:		
- CIMB Bank Bhd	<u>7,540</u>	<u>30,612</u>
Cash placements with licensed financial institutions		
- CIMB Bank Bhd	<u>9,563,361</u>	<u>94,981,883</u>

**14. TRANSACTIONS WITH BROKERS/DEALERS**

Details of transactions with the top 10 brokers/dealers for the financial year ended 31 March 2018 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees USD</b>	<b>Percentage of total brokerage fees %</b>
Citigroup Global Markets Ltd	461,153,670	24.34	549,809	16.31
Credit Suisse Securities (Hong Kong) Ltd	191,229,565	10.09	443,013	13.14
CLSA (Hong Kong) Ltd	162,278,662	8.57	424,868	12.60
Macquarie Capital Securities (Singapore) Pte Ltd	152,154,200	8.03	430,445	12.77
PT J.P. Morgan Sekuritas Indonesia	147,173,556	7.77	46,438	1.38
China International Capital Corp Ltd	129,586,615	6.84	278,000	8.25
JP Morgan Securities Singapore Pte Ltd	100,282,600	5.29	188,480	5.59
CLSA (Singapore) Pte Ltd	83,199,332	4.39	87,467	2.59
Instinet Singapore Services Pte Ltd	79,098,132	4.17	155,534	4.61
Samsung Securities Co Ltd	46,666,718	2.46	87,407	2.59
Others #	<u>341,837,756</u>	<u>18.05</u>	<u>679,437</u>	<u>20.17</u>
	<u><u>1,894,660,806</u></u>	<u><u>100.00</u></u>	<u><u>3,370,898</u></u>	<u><u>100.00</u></u>

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

Details of transactions with the top 10 brokers/dealers for the financial year ended 31 March 2017 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees USD</b>	<b>Percentage of total brokerage fees %</b>
Macquarie Capital Securities (Singapore) Pte Ltd	311,327,960	18.30	772,233	19.94
Citigroup Global Markets Ltd	249,267,465	14.65	625,108	16.14
JP Morgan Securities Singapore Pte Ltd	204,254,503	12.01	544,122	14.05
Instinet Singapore Services Pte Ltd	181,426,205	10.67	327,698	8.46
CLSA (Hong Kong) Ltd	128,568,184	7.56	322,722	8.33
Credit Suisse Services (Hong Kong) Ltd	121,208,441	7.13	230,761	5.96
CLSA (Singapore) Pte Ltd	105,846,358	6.22	139,347	3.60
Sanford C. Bernstein & Co Ltd	88,855,490	5.22	225,860	5.83
CIMB-GK Securities Pte Ltd #	80,588,955	4.74	180,127	4.65
China International Capital Corp Ltd	43,095,244	2.53	89,703	2.32
Others #	186,497,318	10.97	415,850	10.72
	<u>1,700,936,123</u>	<u>100.00</u>	<u>3,873,531</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CIMB-GK Securities Pte Ltd, CIMB Investment Bank Bhd, CIMB Securities (Singapore) Pte Ltd, CIMB Bank Bhd, and CIMB Securities (Taiwan) Ltd, fellow related parties to the Manager amounting to USD37,217,127 (2017: USD80,588,955, USD17,521,995 (2017: Nil), USD409,641 (2017: USD25,230,248), Nil (2017: USD94,811,883), and Nil (2017: USD1,983,538) respectively. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

**15. SEGMENT INFORMATION**

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

**15. SEGMENT INFORMATION (CONTINUED)**

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

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

**16. SUBSEQUENT EVENTS**

The Manager proposed for income distribution of 0.10 cent per unit for MYR class, 1.03 cent per unit for SGD class, and 1.47 cent per unit for USD class respectively in respect of the month of April 2018, which has been approved by the Trustee. The distribution will be accounted for as a finance cost in the Statement of Comprehensive Income for the financial year ending 31 March 2019.

**17. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 18 May 2018.

## DIRECTORY

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