

# CIMB-PRINCIPAL ASEAN TOTAL RETURN FUND

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018

## Investments that stand the test of time

FORWARD  Your Investments



**CIMB-PRINCIPAL ASEAN TOTAL RETURN FUND**  
**FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 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 has achieved RM54.02 billion in Asset under Management ("AUM") as at September 2018.

**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

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

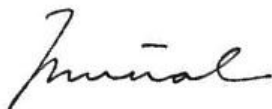
- CIMB-Principal Global Titans Fund
- CIMB-Principal Asia Pacific Dynamic Income Fund
- CIMB Islamic Asia Pacific Equity Fund
- CIMB-Principal Greater China Equity Fund
- CIMB-Principal PRS Plus Conservative
- CIMB-Principal PRS Plus Growth

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

These prestigious awards are a celebration of the trust that you have placed in us and testament to our capability in bringing potential value to your financial goals and needs. We look forward to serving you for many years to come and to the best of our ability.

Thank you.

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



**Munirah Khairuddin**  
Chief Executive Officer

**MANAGER'S REPORT**

**FUND OBJECTIVE AND POLICY**

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

The Fund aims to achieve capital appreciation over the medium to long term by investing in the Association of Southeast Asian Nations ("ASEAN") region.

**Has the Fund achieved its objective?**

The Fund outperformed the benchmark for the period since inception, for the SGD class. The USD and MYR class are affected by the weaker regional currencies against USD and MYR.

**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 ASEAN region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the ASEAN region. 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 operations in Thailand but listed on the New York Stock Exchange ("NYSE"). The threshold for 'significant operations' would be at least 30% of total group revenue to derive from countries in the ASEAN region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports).

Investment universe of the Fund will be in countries where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commissions ("IOSCO") which include but not limited to Brunei Darussalam, Indonesia, Malaysia, Philippine, Singapore, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE. In the event the Manager is unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), the Manager will seek to invest in other accessible markets.

Under general market conditions, the Fund will invest in equities of companies which the Manager believe will exhibit good growth potential<sup>^</sup> when compared to its industry or the overall market<sup>#</sup>. 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 minimum credit rating for these debt securities must be at least "BBB" by Fitch Ratings ("Fitch") or its equivalent by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). The Fund may opt to access into the equities and/or debt securities market via investment in units of other Collective Investment Schemes ("CIS") that is in line with the Fund's objective\*, subject to the requirements of the Securities Commission Malaysia ("SC") Guidelines and the Standards of Qualifying CIS.

<sup>^</sup> good growth potential - Refers to companies that have a better growth than the Gross Domestic Product ("GDP") of the respective country and reasonably priced based on the Manager's estimate. Reasonably priced means when the intrinsic value is higher than the current market price.

<sup>#</sup> compared to its industry or the overall market - The comparison will be conducted at the point of purchase.

\* with effect from 30 September 2017.

**Base Currency**

United States Dollar ("USD")

**Fund category/type**

Equity/Growth

**How long should you invest for?**

Medium term to long term

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

High

**FUND OBJECTIVE AND POLICY (CONTINUED)**

**When was the Fund launched?**

Class MYR

3 March 2015

Class SGD

9 July 2015

Class USD

3 March 2015

**What was the size of the Fund as at 30 November 2018?**

USD12.91 million (73.50 million units)

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

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

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

**What is the Fund distribution policy?**

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

**What was the net income distribution for the financial year ended 30 November 2018?**

There was no distribution made for financial year ended 30 November 2018.

**PERFORMANCE DATA**

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

	<b>30.11.2018</b>	<b>30.11.2017</b>	<b>30.11.2016</b>
	%	%	%
Quoted securities			
- Basic Materials	2.92	-	-
- Construction	-	10.33	-
- Consumer Products	26.54	17.69	10.20
- Energy	6.72	1.36	2.01
- Finance	37.58	21.58	16.41
- Health Care	1.61	1.92	7.66
- Industrials	10.51	5.99	21.08
- Properties	-	4.31	-
- Real Estate Investment Trust ("REIT")	-	0.95	2.93
- Technology	-	1.75	3.13
- Telecommunications	2.03	1.92	7.33
- Trading/Services	-	10.39	-
- Utilities	-	-	3.79
Cash and other net assets	12.09	21.81	25.46
	<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>30.11.2018</b>	<b>30.11.2017</b>	<b>30.11.2016</b>
NAV (USD Million)			
- Class MYR	11.13	6.75	5.08
- Class SGD	0.04	0.01	0.17
- Class USD	1.74	0.70	0.61
Units in circulation (Million)			
- Class MYR	70.50	40.37	40.62
- Class SGD	0.04	0.01	0.21
- Class USD	2.94	1.13	1.31
NAV per unit (USD)			
- Class MYR	0.1578	0.1672	0.1250
- Class SGD	0.9918	1.0461	0.7813
- Class USD	0.5879	0.6228	0.4656
	<b>30.11.2018</b>	<b>30.11.2017</b>	<b>30.11.2016</b>
Highest NAV per unit (USD)			
- Class MYR	0.1860	0.1680	0.1404
- Class SGD	1.1639	1.0511	0.8775
- Class USD	0.6930	0.6258	0.5229
Lowest NAV per unit (USD)			
- Class MYR	0.1525	0.1225	0.1163
- Class SGD	0.9545	0.7659	0.7271
- Class USD	0.5683	0.4564	0.4333
Total return (%)			
- Class MYR	(5.63)	33.64	5.80
- Class SGD	(5.60)	33.77	5.78
- Class USD	(5.61)	33.68	5.79
Capital growth (%)			
- Class MYR	(5.63)	33.64	5.80
- Class SGD	(5.60)	33.77	5.78
- Class USD	(5.61)	33.68	5.79
Income distribution (%)			
- Class MYR	-	-	-
- Class SGD	-	-	-
- Class USD	-	-	-
Management Expense Ratio ("MER") (%) ^	1.10	-	-
Portfolio Turnover Ratio ("PTR") (times) #	1.89	6.98	5.31

^ The Fund's MER is 1.10% during the financial year under review.

# The Fund's PTR was at 1.89 times as we actively realise profit and reinvest into the market which is rather volatile during the financial year under review. However, for the financial year under review, the Fund's PTR dropped from 6.98 times to 1.89 times due to higher average NAV.

**PERFORMANCE DATA (CONTINUED)**

	<b>30.11.2018</b>	<b>30.11.2017</b>	<b>30.11.2016</b>	<b>Since inception to 30.11.2015</b>
	%	%	%	%
Annual total return				
- Class MYR	(5.63)	33.64	5.80	(15.58)
- Class USD	(5.61)	33.68	5.79	(11.98)

(Launch date: 3 March 2015)

	<b>30.11.2018</b>	<b>30.11.2017</b>	<b>30.11.2016</b>	<b>Since inception to 30.11.2015</b>
	%	%	%	%
Annual total return				
- Class SGD	(5.60)	33.77	5.78	5.53

(Launch date: 9 July 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 DECEMBER 2017 TO 30 NOVEMBER 2018)**

For the financial year under review, ASEAN markets along with global markets extended its rally until the beginning of February 2018 before faltered through the financial year end. In February 2018, bond market was spooked by higher than expected inflationary concerns in the US and the rising crude oil prices was adding pressure to this rising expectation. In addition, the ongoing trade protectionism rhetoric from the US Government, political crisis in Italy and its' threat to Euro zone, tightening USD liquidity, the US Federal Reserve (the "Fed") continues to hike interest rate, weakening Chinese Yuan Renminbi ("CNY") and slowing China economy were not helping the sentiment either. Hence, most emerging market currencies were impacted. Countries with current account deficit and fiscal deficit, or twin deficits, faced significant selling pressures. In ASEAN, there are two countries with twin deficits namely Indonesia and Philippines.

The worst performer in USD term during the year under review was Philippines (-14.49%) followed by Singapore (-11.69%), Malaysia (-4.93%), Indonesia (-4.46%), Thailand (-0.77%) and Vietnam (-0.01%). For the financial year under review, Indonesia Rupiah ("IDR") was the worst performing currency in ASEAN registering depreciation against USD of (-5.66%) followed by Philippines Peso ("PHP") (-4.01%), Vietnamese Dong ("VND") (-2.58%), Malaysian Ringgit ("MYR") (-2.17%), Singapore Dollar ("SGD") (-1.78%) and Thai Baht ("THB") (-0.99%).

Indonesian market led the ASEAN markets after the conclusion of Jakarta election in April 2018 followed by sovereign rating upgrade by rating agency, Standard & Poor's ("S&P"), to investment grade along with Fitch and Moody. The better than expected earnings posted by financial and mining sectors added to the rally. In addition, Bank Indonesia cut interest rate twice or a total of 50 basis points ("bps") to 4.25% since August 2017. It hit all time high on 28 February 2018. Subsequently, Indonesia equity market started to correct on the back of weakening IDR and rising bond yield. Due to weak consumer spending, Indonesia government continued to put a cap on the petrol pump price. Hence, there was a concern that its deficit will grow. Thus, bond yield rose and IDR depreciated.

Philippines, after 5 years of strong growth, the nation is showing signs of overheating. Furthermore, it started to register current account deficit since early 2017 and Philippines' inflation is highly correlated to crude oil price movement because it is a net importer of fuel oil. Hence, Philippines has been underperforming for the financial year under review.



**MARKET REVIEW (1 DECEMBER 2017 TO 30 NOVEMBER 2018)**

Indonesia and Philippines markets' performance were largely due to their twin deficits status. Hence, central bankers in these two countries were trying to be ahead of the Fed in terms of hiking interest rates. In 2018 alone, both central bankers have hiked a total of 175 bps in interest rates. Depreciation of IDR and PHP on top of rising interest rates are expected to increase cost pressure to corporate in these two countries, hence, the selloff in the equity markets.

After underperforming the market since the start of financial year, Thailand made comeback and started to rally led by banks, consumers and healthcare stocks. The rallies were quite broad-based with consumer names gaining momentum after digesting weak second quarter financial results. Optimism resumed after the current military government announced that Thailand will hold a general election soon. The military has repeatedly delayed a vote since seizing power in 2014, citing concerns such as changes to the constitution and security issues. In addition, due to its strong current account position, THB is one of the performing currencies along with MYR. Nonetheless, due to the trade tensions between President Donald Trump and the rest of the nations, Thailand market is dragged along as well because the latter is still highly reliant on exports, meanwhile, foreign investors continued to exit the market due to the lack of growth and expensive valuations

Malaysian market continued its rally aided by its strong MYR and the optimism was boosted as the nation getting closer to its 14<sup>th</sup> General Election ("GE14"). Meanwhile, Singapore continued to enjoy its rally. Singaporean consumer confidence risen ever since the Government started to show sign of easing on its property policy measure that was tightened since 2013. Furthermore, Singaporean banks are beneficiaries of rising interest rate. Subsequently, Singapore led the decline in ASEAN largely due to escalating trade tensions between US and China because the country economy is the most exposed to global trades in the region, followed by Vietnam. Secondly, Singapore and Vietnam were the best performing markets prior to the selloff, hence, the profit taking took place. Malaysia was hit due to the regime change post GE14 on 9 May 2018 after 61-years of unchanged government, which naturally heightened the uncertainties on top of the external factors mentioned above.

**FUND PERFORMANCE**

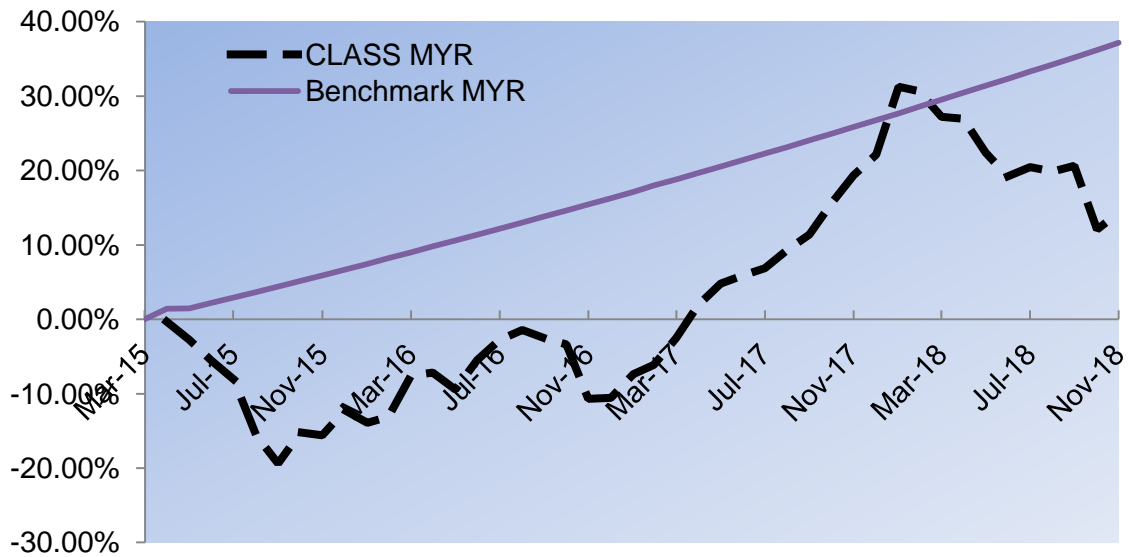
	<b>1 year to 30.11.2018</b>			<b>3 years to 30.11.2018</b>		
	<b>Class MYR</b>	<b>Class SGD</b>	<b>Class USD</b>	<b>Class MYR</b>	<b>Class SGD</b>	<b>Class USD</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	-	-	-	-	-	-
Capital	(5.63)	(5.60)	(5.61)	33.64	33.59	33.49
Total Return	(5.63)	(5.60)	(5.61)	33.64	33.59	33.49
Benchmark	9.00	9.00	9.00	29.50	29.50	29.50
Average Total Return	(5.63)	(5.60)	(5.61)	10.15	10.13	10.11

	<b>Since inception to 30.11.2018</b>		
	<b>Class MYR</b>	<b>Class SGD</b>	<b>Class USD</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Income	-	-	-
Capital	14.36	41.25	17.50
Total Return	14.36	41.25	17.50
Benchmark	37.16	31.44	37.16
Average Total Return	3.65	10.70	4.40

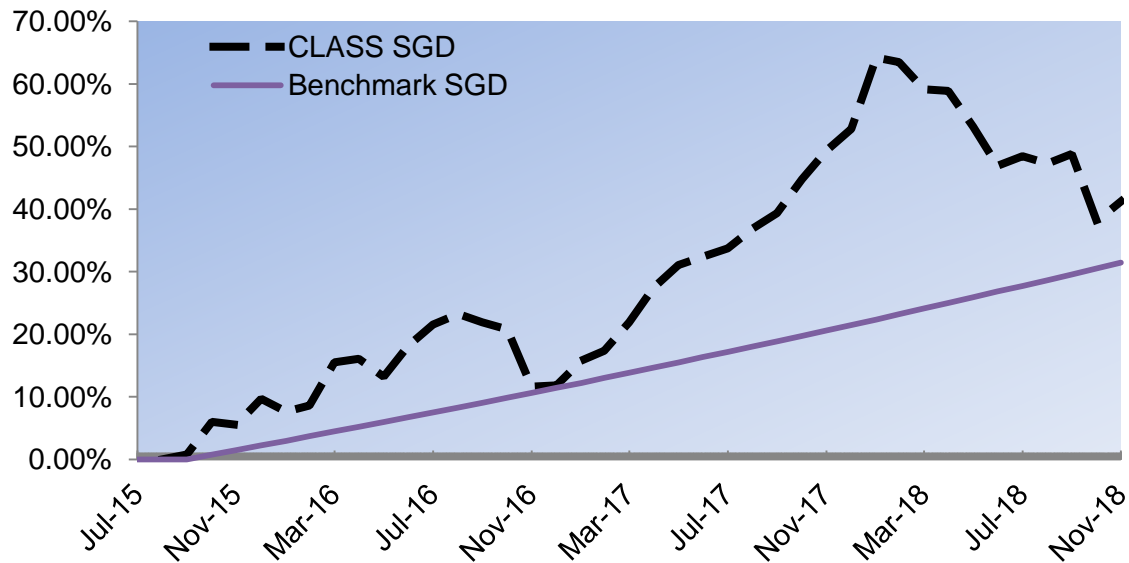
The Fund generated 14.36%, 41.25% and 17.50% since inception, for MYR, SGD, USD classes respectively. The variance in performance of the three classes was due to volatility in currencies.

FUND PERFORMANCE (CONTINUED)

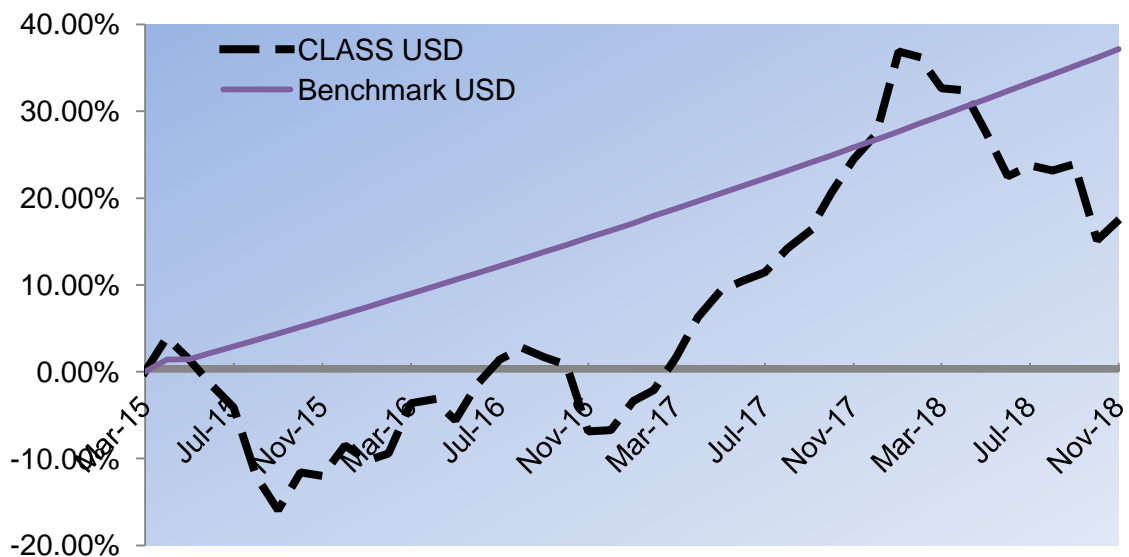
Class MYR



Class SGD



Class USD



**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV**

**CLASS MYR**

	<b>30.11.2018</b>	<b>30.11.2017</b>	<b>Changes %</b>
NAV (USD Million)	11.13	6.75	64.89
NAV/Unit (USD)	0.1578	0.1672	(5.62)

**CLASS SGD**

	<b>30.11.2018</b>	<b>30.11.2017</b>	<b>Changes %</b>
NAV (USD Million)	0.04	0.01	>100
NAV/Unit (USD)	0.9918	1.0461	(5.19)

**CLASS USD**

	<b>30.11.2018</b>	<b>30.11.2017</b>	<b>Changes %</b>
NAV (USD Million)	1.74	0.70	>100
NAV/Unit (USD)	0.5879	0.6228	(5.60)

For the financial year under review, NAV for the Class MYR was at USD11.13 million, NAV for the Class SGD was at USD0.04 million and NAV for the Class USD was at USD1.74 million.

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>30.11.2018</b>	<b>30.11.2017</b>
Quoted securities	87.91	78.19
Cash and other net assets	12.09	21.81
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The Fund remained invested in equities during the financial year under review. The weight has been moved from local securities to foreign securities as we turned slightly cautious ahead of Malaysia's GE14 on 9 May 2018. Meanwhile, cash and other net assets were lower largely due to portfolio rebalancing activity and we cautious in the near term.

## MARKET OUTLOOK\*

Both Indonesia and Philippines central bankers raised another 25 bps to a total of 175 bps rate hikes in interest rate so far in 2018 which added credibility that they are now ahead of the curve. Both IDR and PHP were the best performing currencies for the month, appreciating 5.97% and 1.95%, respectively. In addition, the dovish remarks by the US Federal Reserve (the “Fed”) Chairman Jerome Powell further reduced the pressure on emerging markets currencies.

Results season just concluded with mixed signals. Indonesia and Philippines had shown better than expected earnings for the third quarter of 2018 as most corporates managed to sustain the profitability through cost cutting. Meanwhile, Vietnam, Singapore and Thailand corporates reported in-line to slightly below expectation earnings partly due to high expectation on banks. Lastly, Malaysia corporates continued to report weaker than expected earnings and we expect this to continue in the near future.

\* 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

Markets are expected to remain volatile going into 2019, hence, the Fund will stay invested in companies with stable cash-flows and high dividend yield.

## UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 30 November 2018 are as follows:

### CLASS MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	40	0.12	0.17
5,001 to 10,000	42	0.32	0.45
10,001 to 50,000	152	3.75	5.32
50,001 to 500,000	72	8.86	12.57
500,001 and above	4	57.45	81.49
<b>Total</b>	<b>310</b>	<b>70.50</b>	<b>100.00</b>

### CLASS SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	2	0.00	0.00
5,001 to 10,000	1	0.01	25.00
10,001 to 50,000	1	0.03	75.00
50,001 to 500,000	-	-	-
500,001 and above	-	-	-
<b>Total</b>	<b>4</b>	<b>0.04</b>	<b>100.00</b>

**UNIT HOLDINGS STATISTICS (CONTINUED)**

**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 to 10,000	1	0.01	0.34
10,001 to 50,000	-	-	-
50,001 to 500,000	1	0.08	3.04
500,001 and above	1	2.87	96.62
<b>Total</b>	<b>4</b>	<b>2.96</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL ASEAN TOTAL RETURN FUND**

We, being the Directors of CIMB-Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 17 to 50 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2018 and of its financial performance, changes in equity and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

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

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

**ALEJANDRO ECHEGORRI**  
Executive Director

Kuala Lumpur  
16 January 2019

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL ASEAN TOTAL RETURN FUND**

We have acted as Trustee of CIMB-Principal ASEAN Total Return Fund (the "Fund") for the financial year ended 30 November 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 Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deed and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie  
Head, Trustee Operations

Kuala Lumpur  
16 January 2019

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL ASEAN TOTAL RETURN FUND**

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

Our opinion

In our opinion, the financial statements of CIMB-Principal ASEAN Total Return Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 30 November 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 30 November 2018, and the statement of comprehensive income, statement of changes in net asset attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 50.

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 ASEAN TOTAL RETURN FUND (CONTINUED)**

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL ASEAN TOTAL RETURN 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 ASEAN TOTAL RETURN 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  
16 January 2019

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018**

	Note	2018 USD	2017 USD
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		361,880	153,108
Interest income from deposits with licensed financial institutions		37,327	16,283
Net (loss)/gain on financial assets at fair value through profit or loss	7	(1,286,693)	1,932,587
Net foreign exchange (loss)/gain		(116,664)	28,079
		<u>(1,004,150)</u>	<u>2,130,057</u>
<b>EXPENSES</b>			
Management fee	4	127,663	-
Trustee's & custodian fees	5	1,277	-
Transaction costs		161,589	114,333
Audit fee		15,300	-
Tax agent's fee		4,000	-
Other expenses		578	3,090
		<u>310,407</u>	<u>117,423</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(1,314,557)	2,012,634
Taxation	6	(14,807)	(9,760)
<b>(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>(1,329,364)</u>	<u>2,002,874</u>
(Decrease)/Increase in net assets attributable to unit holders are made up as follows:			
Realised amount		69,295	1,370,265
Unrealised amount		(1,398,659)	632,609
		<u>(1,329,364)</u>	<u>2,002,874</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2018**

	Note	2018 USD	2017 USD
<b>ASSETS</b>			
Cash and cash equivalents	8	1,415,140	1,301,737
Financial assets at fair value through profit or loss	7	11,347,527	5,832,910
Amount due from stockbrokers		219,802	199,855
Amount due from Manager		75,311	371,946
Dividends receivable		1,931	4,462
Other receivables		12,537	24,554
<b>TOTAL ASSETS</b>		<u>13,072,248</u>	<u>7,735,464</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		32,944	275,063
Amount due to Manager		4,167	-
Accrued management fees		107,597	-
Amount due to trustee		608	-
Other payables & accruals		19,300	-
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>164,616</u>	<u>275,063</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>12,907,632</u>	<u>7,460,401</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>12,907,632</u>	<u>7,460,401</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- Class MYR		11,126,478	6,750,307
- Class SGD		44,072	6,510
- Class USD		1,737,082	703,584
		<u>12,907,632</u>	<u>7,460,401</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class MYR		70,502,607	40,370,224
- Class SGD		44,432	6,223
- Class USD		2,954,445	1,129,671
	9	<u>73,501,484</u>	<u>41,506,118</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- Class MYR		0.1578	0.1672
- Class SGD		0.9918	1.0461
- Class USD		<u>0.5879</u>	<u>0.6228</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- Class MYR		RM0.6597	RM0.6838
- Class SGD		SGD1.3616	SGD1.4117
- Class USD		<u>USD0.5879</u>	<u>USD0.6228</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 30 NOVEMBER 2018**

	<b>2018 USD</b>	<b>2017 USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	7,460,401	5,857,752
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class MYR	14,467,474	5,450,646
- Class SGD	62,174	1,586
- Class USD	2,380,922	800,984
	<u>16,910,570</u>	<u>6,253,216</u>
Cancellation of units		
- Class MYR	(8,974,373)	(5,586,301)
- Class SGD	(22,394)	(178,578)
- Class USD	(1,137,208)	(888,562)
	<u>(10,133,975)</u>	<u>(6,653,441)</u>
(Decrease)/Increase in net assets attributable to unit holders during the financial year	<u>(1,329,364)</u>	<u>2,002,874</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u><u>12,907,632</u></u>	<u><u>7,460,401</u></u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018**

	Note	2018 USD	2017 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of quoted securities		(25,499,457)	16,190,189
Purchase of quoted securities		19,216,667	(15,903,814)
Dividend income received		319,685	143,139
Interest income from deposits with licensed financial institutions		37,327	16,283
Management fee paid		(20,066)	-
Trustee's fees paid		(669)	-
Other income		17,584	-
Net realised foreign exchange (loss)/gain		(1,043,431)	24,565
Payments for other fees and expenses		(6,145)	(18,094)
<b>Net cash (used in)/generated from operating activities</b>		<b>(6,978,505)</b>	<b>452,268</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		17,242,662	5,917,065
Payments for cancellation of units		(10,142,424)	(6,680,754)
<b>Net cash generated from/(used in) financing activities</b>		<b>7,100,238</b>	<b>(763,689)</b>
Net increase/(decrease) in cash and cash equivalents		121,733	(311,421)
Effects of foreign exchange differences		(8,330)	9,050
Cash and cash equivalents at the beginning of the financial year		1,301,737	1,604,108
Cash and cash equivalents at the end of the financial year	<b>8</b>	<b>1,415,140</b>	<b>1,301,737</b>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		589,915	485,307
Deposits with licensed financial institutions		825,225	816,430
Cash and cash equivalents at the end of the financial year	<b>8</b>	<b>1,415,140</b>	<b>1,301,737</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 30 NOVEMBER 2018****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES**

CIMB-Principal ASEAN Total Return Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 23 February 2015 (referred to as the "Deed") 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 ASEAN region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the ASEAN region. 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 operations in Thailand but listed on the NYSE. The threshold for 'significant operations' would be at least 30% of total group revenue to derive from countries in the ASEAN region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports).

Investment universe of the Fund will be in countries where the regulatory authority is an ordinary or associate member of the IOSCO which include but not limited to Brunei Darussalam, Indonesia, Malaysia, Philippine, Singapore, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE. In the event the Manager is unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), the Manager will seek to invest in other accessible markets.

Under general market conditions, the Fund will invest in equities of companies which we believe will exhibit good growth potential when compared to its industry or the overall market. 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 minimum credit rating for these debt securities must be at least "BBB" by Fitch or its equivalent by S&P and Moody's. The Fund may opt to access into the equities and/or debt securities market via investment in units of other CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines and the Standards of Qualifying CIS.

All investments are subjected to the Securities Commission Malaysia ("SC") Guidelines on Unit Trust Funds, SC requirements, the Deed, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

The Manager, a company incorporated in Malaysia, is jointly owned by CIMB Group Sdn Bhd and Principal International (Asia) Limited. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the 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(I).

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 December 2017:

- Amendments to MFRS 107 "Statement of Cash Flows - Disclosure Initiative" (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund's financial statements.

### (i) Financial year beginning on/after 1 December 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.

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

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 changes are:

- For financial liabilities classified as FVTPL, the fair value changes due to own credit risk should be recognized directly to OCI. There is no subsequent recycling to profit or loss.
- When a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, should be recognized immediately in profit or loss.

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.

The Fund has reviewed its financial assets and liabilities and has assessed the following impact from the adoption of the new standard on 1 December 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.

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

The Fund designates its investments 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, dividends receivable and other receivables.

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.

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.

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

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

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the 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 year from the date of placement to the date of maturity of the respective deposits.

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

Impairment for assets carried at amortised costs

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

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

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

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

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

**(c) Income recognition**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(c) Income recognition (continued)**

Interest income from deposits with licensed financial institutions is recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

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 investments, 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.

Transactions and balances

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

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(f) Cash and cash equivalents**

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

**(g) Taxation**

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

Tax on 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.

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

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

**(j) 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 stockbrokers. Significant financial difficulties of the stockbrokers, probability that the stockbrokers will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

**(k) 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 who is responsible for allocating resources and assessing performance of the operating segments.

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

**(I) 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 judgments 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 these accounting policies, no significant judgement was required.

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

Financial instruments of the Fund 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 8)	-	1,415,140	1,415,140
Quoted securities (Note 7)	11,347,527	-	11,347,527
Amount due from stockbrokers	-	219,802	219,802
Amount due from Manager	-	75,311	75,311
Dividends receivable	-	1,931	1,931
Other receivables	-	12,537	12,537
	<u>11,347,527</u>	<u>1,724,721</u>	<u>13,072,248</u>
<b>2017</b>			
Cash and cash equivalents (Note 8)	-	1,301,737	1,301,737
Quoted securities (Note 7)	5,832,910	-	5,832,910
Amount due from stockbrokers	-	199,855	199,855
Amount due from Manager	-	371,946	371,946
Dividends receivable	-	4,462	4,462
Other receivables	-	24,554	24,554
	<u>5,832,910</u>	<u>1,902,554</u>	<u>7,735,464</u>

The Fund aims to achieve capital appreciation over the medium to long term by investing in the ASEAN region.

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

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

**(a) Market risk**

**(i) Price risk**

Price risk is the risk that the fair value of an investment in quoted securities will fluctuate because of changes in market prices (other than those arising from 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 Deed.



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

(a) Market risk (continued)

(i) Price risk (continued)

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>11,347,527</u>	<u>5,832,910</u>

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

% Change in price of quoted securities	Market value USD	Impact on profit or loss/NAV USD
<b>2018</b>		
-5%	10,780,151	(567,376)
0%	11,347,527	-
5%	<u>11,914,903</u>	<u>567,376</u>
<b>2017</b>		
-5%	5,541,264	(291,646)
0%	5,832,910	-
5%	<u>6,124,556</u>	<u>291,646</u>

(ii) Interest rate risk

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

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

The Fund's exposure to fair value interest rate risk arises from deposit with licensed financial institutions. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

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

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

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

(a) Market risk (continued)

(ii) Currency risk

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

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

	Cash and cash equivalents USD	Financial assets at fair value through profit or loss USD	Amount due from stockbroker USD	Amount due from Manager USD	Dividends receivable USD	Other receivables USD	Total USD
<b>Financial assets 2018</b>							
IDR	-	2,757,770	217,824	-	-	-	2,975,594
MYR	2,044	2,307,527	1,978	67,277	1,931	12,537	2,393,294
PHP	-	692,079	-	-	-	-	692,079
SGD	30,365	2,343,602	-	8,034	-	-	2,382,001
THB	-	2,423,835	-	-	-	-	2,423,835
VND	-	822,714	-	-	-	-	822,714
	32,409	11,347,527	219,802	75,311	1,931	12,537	11,689,517
<b>2017</b>							
IDR	-	1,092,431	-	-	1,538	-	1,093,969
MYR	5,130	2,602,038	101,054	371,946	1,087	24,554	3,105,809
PHP	104	191,759	-	-	-	-	191,863
SGD	14,103	924,732	-	-	1,837	-	940,672
THB	-	859,168	98,801	-	-	-	957,969
VND	-	162,782	-	-	-	-	162,782
	19,337	5,832,910	199,855	371,946	4,462	24,554	6,453,064

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

(a) Market risk (continued)

(ii) Currency risk

Financial liabilities	Amount due to stockbrokers USD	Amount due to managers USD	Total USD
<b>2018</b>			
MYR	-	4,167	4,167
PHP	32,944	-	32,944
	<u>32,944</u>	<u>4,167</u>	<u>37,111</u>
<b>2017</b>			
IDR	106,631	-	106,631
PHP	13,666	-	13,666
THB	154,766	-	154,766
	<u>275,063</u>	<u>-</u>	<u>275,063</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of the 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 USD
<b>2018</b>		
IDR	5	148,571
MYR	5	119,665
PHP	5	32,957
SGD	5	119,100
THB	5	121,192
VND	5	41,136
		<u>582,621</u>
<b>2017</b>		
IDR	5	49,367
MYR	5	155,290
PHP	5	8,910
SGD	5	47,034
THB	5	40,160
VND	5	8,139
		<u>308,900</u>

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

**(b) Credit risk**

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

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

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

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

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

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Other receivables USD	Total USD
<b>2018</b>						
Consumer Products						
- Not Rated	-	94,252	-	-	-	94,252
Finance						
- Hong Leong Bank Bhd (AAA)	108,053	-	-	-	-	108,053
- HSBC Bank Bhd (AAA)	589,915	-	-	-	-	589,915
- Malayan Banking Bhd (AAA)	358,586	-	-	-	-	358,586
- Public Bank Bhd (AAA)	358,586	-	-	-	-	358,586
Industrials						
- Not Rated	-	-	-	1,931	-	1,931
Telecommunications						
- Not Rated	-	125,550	-	-	-	125,550
Others						
- Not Rated	-	-	75,311	-	12,537	87,848
	1,415,140	219,802	75,311	1,931	12,537	1,724,721

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

(b) Credit risk (continued)

	Cash and cash equivalents USD	Amount due from stockbrokers USD	Amount due from Manager USD	Dividends receivable USD	Other receivables USD	Total USD
<b>2017</b>						
Energy						
- Not Rated	-	-	-	415	-	415
Finance						
- Hong Leong Bank Bhd (AAA)	103,688	-	-	-	-	103,688
- HSBC Bank Bhd (AAA)	485,307	-	-	-	-	485,307
- Malayan Banking Bhd (AAA)	97,820	-	-	-	-	97,820
- Public Bank Bhd (AAA)	614,922	-	-	-	-	614,922
- Not Rated	-	-	-	1,538	-	1,538
Industrials						
- Not Rated	-	-	-	2,509	-	2,509
Others						
- Not Rated	-	199,855	371,946	-	24,554	596,355
	<u>1,301,737</u>	<u>199,855</u>	<u>371,946</u>	<u>4,462</u>	<u>24,554</u>	<u>1,902,554</u>

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

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and deposits with licensed financial institutions 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 end of the reporting year/period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

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

(c) Liquidity risk (continued)

	Less than 1 month USD	Between 1 month and 1 year	Total USD
<b>2018</b>			
Amount due to stockbrokers	32,944	-	32,944
Amount due to Manager	4,167	-	4,167
Accrued management fees	107,597	-	107,597
Amount due to trustee	608	-	608
Other payables & accruals	-	19,300	19,300
Net assets attributable to unit holders*	<u>12,907,632</u>	<u>-</u>	<u>12,907,632</u>
<b>Contractual undiscounted cash flows</b>	<u>13,052,948</u>	<u>19,300</u>	<u>13,072,248</u>
<b>2017</b>			
Amount due to stockbrokers	275,063	-	275,063
Net assets attributable to unit holders*	<u>7,460,401</u>	<u>-</u>	<u>7,460,401</u>
<b>Contractual undiscounted cash flows</b>	<u>7,735,464</u>	<u>-</u>	<u>7,735,464</u>

\* Outstanding units are redeemed on demand at the 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.

(d) Capital risk management

The capital of the Fund is represented by net asset attributable to unit holders of USD12,907,632 (2017: USD7,460,401). The amount of capital can change significantly on a daily basis as the Fund is subjected to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

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

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

(e) Fair value estimation (continued)

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 and liabilities that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires 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.

(i) Fair value hierarchy (continued)

	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	11,347,527	-	-	11,347,527
<b>2017</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	5,832,910	-	-	5,832,910

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

**(e) Fair value estimation (continued)**

(i) Fair value hierarchy (continued)

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

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

**4. MANAGEMENT FEE, AUDIT FEE AND TAX AGENT'S FEE**

In accordance with the Deed, the Manager is entitled to a fee of up to 3.00% per annum, calculated and accrued daily based on the NAV of the Fund.

For the financial year ended 30 November 2018 (2017: Class MYR 1.80% per annum, Class SGD 1.50% per annum, class USD 1.80% per annum), the management fee for the respective classes is recognised at the following rates:

Class MYR	Class SGD	Class USD
1.80%	1.50%	1.80%

Management fee was borne by the Manager prior to 1 June 2018. Effective from 1 June 2018, the fee is charged to the Fund.

For the financial year ended 30 November 2017 the audit fee and tax agent's fee of RM10,000 and RM4,000 respectively are borne by the Manager.

There is no further liability in respect of management fee, audit fee and tax agent's fee other than the amount recognised above.

**5. TRUSTEE'S FEE**

In accordance with the Deed, the Trustee is entitled to a fee up to 0.20% per annum, calculated and accrued daily based on the NAV of the Fund. The Trustee's fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

For the financial year ended 30 November 2018, the Trustee's fee is recognised at a rate of 0.06% per annum (2017: 0.06% per annum) for each unit class.

Trustee's fee was borne by the Manager prior to 1 June 2018. Effective from 1 June 2018, the fee is charged to the Fund.

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



**6. TAXATION**

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Tax charged for the financial year:		
- Withholding taxation	<u>14,807</u>	<u>9,760</u>

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

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
(Loss)/Profit before taxation	<u>(1,314,557)</u>	<u>2,012,634</u>
Taxation at Malaysian statutory rate of 24% (2017: 24%)	(315,494)	483,032
Tax effects of:		
Investment loss not deductible for tax/(Investment income not subject to tax)	240,996	(511,214)
Expenses not deductible for tax purposes	40,060	28,182
Restriction on tax deductible expenses for Unit Trust Funds	34,438	-
Investment income subject to withholding tax	<u>14,807</u>	<u>9,760</u>
Taxation	<u><u>14,807</u></u>	<u><u>9,760</u></u>

**7. 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>11,347,527</u>	<u>5,832,910</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	111,966	1,303,411
- Unrealised fair value (loss)/gain	<u>(1,398,659)</u>	<u>629,176</u>
	<u><u>(1,286,693)</u></u>	<u><u>1,932,587</u></u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2018</b>				
<b>QUOTED SECURITIES</b>				
<b>INDONESIA</b>				
<b>Basic Materials</b>				
PT Indo Tambangraya Megah	47,800	65,185	32,606	0.25
<b>Industrials</b>				
PT Pembangunan Perumahan Persero TBK	1,026,001	268,359	433,489	3.36
PT United Tractors TBK	85,500	202,128	57,046	0.44
	<u>1,111,501</u>	<u>470,487</u>	<u>490,535</u>	<u>3.80</u>
<b>Telecommunications</b>				
PT XL Axiata TBK	1,158,000	264,457	122,009	0.95
PT Telekomunikasi TBK	1,258,500	324,737	68,107	0.53
	<u>2,416,500</u>	<u>589,194</u>	<u>190,116</u>	<u>1.48</u>
<b>Consumer Products</b>				
PT Astra International TBK	287,000	147,087	164,394	1.27
PT Gudang Garam TBK	53,100	264,562	349,925	2.71
PT Mitra Adiperkasa TBK	2,411,300	113,848	421,161	3.26
	<u>2,751,400</u>	<u>525,497</u>	<u>935,480</u>	<u>7.24</u>
<b>Finance</b>				
Bank Central Asia	168,300	248,623	147,518	1.14
PT Bank CIMB Niaga TBK	1,246,300	118,815	165,168	1.28
PT Bank Mandiri Persero Tbk	946,700	540,029	306,534	2.38
PT Bank Rakyat Indonesia TBK	1,748,400	445,295	489,813	3.80
	<u>4,109,700</u>	<u>1,352,762</u>	<u>1,109,033</u>	<u>8.60</u>
<b>TOTAL INDONESIA</b>	<b><u>10,436,901</u></b>	<b><u>3,003,125</u></b>	<b><u>2,757,770</u></b>	<b><u>21.37</u></b>
<b>MALAYSIA</b>				
<b>Basic Materials</b>				
Chemical Company of Malaysia Bhd	800,000	437,580	344,681	2.67
<b>Industrials</b>				
V.S. Industry Bhd	906,900	375,936	378,371	2.93
Yinson Holdings Bhd	202,000	191,817	218,073	1.69
	<u>1,108,900</u>	<u>567,753</u>	<u>596,444</u>	<u>4.62</u>
<b>Consumer Products</b>				
Berjaya Food Bhd	1,048,800	363,024	71,175	0.55
Bermaz Auto Berhad	697,100	393,510	306,549	2.38
British American Tobacco Bhd	28,600	219,242	98,548	0.76
Padini Holdings Bhd	181,400	247,173	592,928	4.59
UMW Holdings Bhd	202,400	246,366	67,184	0.52
	<u>2,158,300</u>	<u>1,469,315</u>	<u>1,136,384</u>	<u>8.80</u>

**7. 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>2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>MALAYSIA (CONTINUED)</b>				
<b>Energy</b>				
Hibiscus Petroleum Bhd	931,000	234,549	230,018	1.78
<b>TOTAL MALAYSIA</b>	<b>4,998,200</b>	<b>2,709,197</b>	<b>2,307,527</b>	<b>17.87</b>
<b>PHILIPPINES</b>				
<b>Finance</b>				
Ayala Land Inc.	89,700	65,205	171,567	1.33
Bank Of Philippine Islands	171,180	319,922	77,989	0.60
BDO Unibank Inc.	39,730	97,560	442,522	3.43
	300,610	482,687	692,078	5.36
<b>TOTAL PHILIPPINES</b>	<b>300,610</b>	<b>482,687</b>	<b>692,078</b>	<b>5.36</b>
<b>SINGAPORE</b>				
<b>Industrials</b>				
Venture Corporation Ltd	27,200	397,951	136,930	1.06
<b>Consumer Products</b>				
ComfortDelGro Corporation Ltd	274,600	472,292	208,132	1.61
<b>Finance</b>				
City Developments Ltd	10,600	75,296	257,732	2.00
United Overseas Bank Ltd	23,600	452,736	403,169	3.12
DBS Group Holdings Ltd	39,200	693,473	343,458	2.66
Oversea-Chinese Banking Corporation	72,100	610,779	697,988	5.41
	145,500	1,832,284	1,702,347	13.19
<b>Energy</b>				
Keppel Corporation Ltd	78,300	464,674	296,193	2.29
<b>TOTAL SINGAPORE</b>	<b>525,600</b>	<b>3,167,201</b>	<b>2,343,602</b>	<b>18.15</b>
<b>THAILAND</b>				
<b>Health Care</b>				
Chularat Hospital PCL	2,365,800	155,710	207,625	1.61
<b>Industrials</b>				
Airports Of Thailand	74,900	156,439	133,069	1.03
<b>Telecommunications</b>				
Advanced Info Service PCL	10,600	60,894	71,019	0.55

**7. 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>2018 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>THAILAND (CONTINUED)</b>				
<b>Consumer Products</b>				
OSOTSPA PCL	89,600	68,537	65,262	0.51
Central Plaza Hotel PCL - NVDR	52,300	81,268	338,473	2.62
CP ALL PCL	195,000	474,881	244,322	1.89
	<u>336,900</u>	<u>624,686</u>	<u>648,057</u>	<u>5.02</u>
<b>Finance</b>				
Bangkok Bank PCL	58,700	394,864	304,435	2.36
BTS Group Holdings PCL	479,100	137,472	222,541	1.72
Kasikornbank PCL	84,800	593,275	346,547	2.69
TMB Bank PLC	3,091,500	226,711	148,180	1.15
	<u>3,714,100</u>	<u>1,352,322</u>	<u>1,021,703</u>	<u>7.92</u>
<b>Energy</b>				
PTT Exploration and Production PCL	30,400	124,603	63,083	0.49
PTT Global Chemical PCL	26,600	64,014	132,961	1.03
PTT PCL	87,900	132,294	146,317	1.13
	<u>144,900</u>	<u>320,911</u>	<u>342,361</u>	<u>2.65</u>
<b>TOTAL THAILAND</b>	<b><u>6,647,200</u></b>	<b><u>2,670,962</u></b>	<b><u>2,423,834</u></b>	<b><u>18.78</u></b>
<b>VIETNAM</b>				
<b>Consumer Products</b>				
Vietnam Dairy Products Joint Stock Company (Vinamilk)	41,952	260,672	498,908	3.87
<b>Finance</b>				
Bank for Foreign Trade of Vietnam	13,740	35,126	323,808	2.51
<b>TOTAL VIETNAM</b>	<b><u>55,692</u></b>	<b><u>295,798</u></b>	<b><u>822,716</u></b>	<b><u>6.37</u></b>
<b>TOTAL QUOTED SECURITIES</b>	<b><u>22,964,203</u></b>	<b><u>12,328,970</u></b>	<b><u>11,347,527</u></b>	<b><u>87.91</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(981,443)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>11,347,527</u></b>		

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2017</b>				
<b>QUOTED SECURITIES</b>				
<b>INDONESIA</b>				
<b>Consumer Products</b>				
PT Astra International Tbk	333,600	198,331	196,664	2.64
PT Matahari Department Store Tbk	239,100	196,370	187,350	2.51
PT Mitra Adiperkasa Tbk	389,300	160,583	199,284	2.67
	<u>962,000</u>	<u>555,284</u>	<u>583,298</u>	<u>7.82</u>
<b>Finance</b>				
PT Bank Central Asia Tbk	63,600	70,097	95,673	1.28
PT Bank CIMB Niaga Tbk	260,900	23,555	23,529	0.32
PT Bank Mandiri Persero Tbk	132,400	72,747	72,425	0.97
PT Bank Rakyat Indonesia Tbk	377,000	79,225	89,457	1.20
	<u>833,900</u>	<u>245,624</u>	<u>281,084</u>	<u>3.77</u>
<b>Industrials</b>				
PT Pembangunan Perumahan Persero Tbk	445,501	131,309	84,635	1.13
<b>Telecommunications</b>				
PT Telekomunikasi Indonesia Persero Tbk	629,900	168,692	143,414	1.92
<b>TOTAL INDONESIA</b>	<b>2,871,301</b>	<b>1,100,909</b>	<b>1,092,431</b>	<b>14.64</b>
<b>MALAYSIA</b>				
<b>Construction</b>				
Gabungan AQRS Bhd	483,900	137,048	235,471	3.16
Gabungan AQRS Bhd - Warrant	1,224,100	136,461	181,093	2.43
IJM Corp Bhd	264,800	194,849	200,081	2.68
MGB Bhd	365,900	105,186	153,894	2.06
	<u>2,338,700</u>	<u>573,544</u>	<u>770,539</u>	<u>10.33</u>
<b>Finance</b>				
CIMB Group Holdings Bhd	304,521	445,759	450,508	6.04
<b>Industrials</b>				
Eonmetall Group Bhd	452,600	85,143	82,452	1.11
<b>Properties</b>				
Eastern and Oriental Bhd	245,300	102,697	88,775	1.19
LBS Bina Group Bhd	397,300	13,675	218,590	2.93
LBS Bina Group Bhd - Preference shares	53,340	177,781	14,347	0.19
	<u>695,940</u>	<u>294,153</u>	<u>321,712</u>	<u>4.31</u>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2017 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>MALAYSIA (CONTINUED)</b>				
<b>REIT</b>				
KIP REIT	323,400	70,793	71,173	0.95
<b>Technology</b>				
Microlink Solutions Bhd	707,300	226,038	130,581	1.75
<b>Trading/Services</b>				
Airasia Bhd	224,400	174,031	172,299	2.31
Dialog Group Bhd	116,800	50,916	68,832	0.92
Malaysia Airports Holdings Bhd	131,900	219,979	266,090	3.57
Pos Malaysia Bhd	156,900	201,669	203,343	2.73
Yinson Holdings Bhd	68,700	49,022	64,509	0.86
	698,700	695,617	775,073	10.39
<b>TOTAL MALAYSIA</b>	<b>5,521,161</b>	<b>2,391,047</b>	<b>2,602,038</b>	<b>34.88</b>
<b>PHILIPPINES</b>				
<b>Consumer Products</b>				
D&L Industries Inc	483,500	101,882	107,390	1.44
<b>Finance</b>				
Ayala Land Inc.	99,400	84,988	84,369	1.13
<b>TOTAL PHILIPPINES</b>	<b>582,900</b>	<b>186,870</b>	<b>191,759</b>	<b>2.57</b>
<b>SINGAPORE</b>				
<b>Energy</b>				
Keppel Corp Ltd	18,000	88,198	101,711	1.36
<b>Finance</b>				
City Developments Ltd	11,300	95,064	101,343	1.36
DBS Group Holdings Ltd	18,600	289,368	336,518	4.51
United Overseas Bank Ltd	5,400	100,224	104,777	1.40
	35,300	484,656	542,638	7.27
<b>Industrials</b>				
Valuetronics Holdings Ltd	204,000	139,434	143,524	1.92
Venture Corp Ltd	8,800	106,955	136,859	1.83
	212,800	246,389	280,383	3.75
<b>TOTAL SINGAPORE</b>	<b>266,100</b>	<b>819,243</b>	<b>924,732</b>	<b>12.38</b>

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

Name of counter	Quantity Units	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>2017 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>THAILAND</b>				
<b>Consumer Products</b>				
CP ALL PCL	103,500	191,281	231,760	3.11
Minor International PCL	175,600	213,401	234,310	3.14
	<u>279,100</u>	<u>404,682</u>	<u>466,070</u>	<u>6.25</u>
<b>Finance</b>				
Bangkok Bank PCL	16,700	109,457	110,136	1.48
Kasikornbank PCL	6,300	44,939	45,220	0.61
Supalai PCL	128,400	94,076	94,132	1.28
	<u>151,400</u>	<u>248,472</u>	<u>249,488</u>	<u>3.37</u>
<b>Health Care</b>				
Bangkok Dusit Medical Services PCL	219,800	134,434	143,610	1.92
	<u>219,800</u>	<u>134,434</u>	<u>143,610</u>	<u>1.92</u>
<b>TOTAL THAILAND</b>	<b><u>650,300</u></b>	<b><u>787,588</u></b>	<b><u>859,168</u></b>	<b><u>11.54</u></b>
<b>VIETNAM</b>				
<b>Consumer Products</b>				
Vietnam Dairy Products Joint Stock Company (Vinamilk)	19,820	130,037	162,782	2.18
	<u>19,820</u>	<u>130,037</u>	<u>162,782</u>	<u>2.18</u>
<b>TOTAL VIETNAM</b>	<b><u>19,820</u></b>	<b><u>130,037</u></b>	<b><u>162,782</u></b>	<b><u>2.18</u></b>
<b>TOTAL QUOTED SECURITIES</b>	<b><u>9,911,582</u></b>	<b><u>5,415,694</u></b>	<b><u>5,832,910</u></b>	<b><u>78.19</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>417,216</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>5,832,910</u>		

**8. CASH AND CASH EQUIVALENTS**

	<b>2018 USD</b>	<b>2017 USD</b>
Deposits with licensed financial institutions	589,915	816,430
Bank balances	825,225	485,307
	<u>1,415,140</u>	<u>1,301,737</u>

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

	<b>2018 %</b>	<b>2017 %</b>
Deposits with licensed financial institutions	<u>3.45</u>	<u>3.39</u>

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

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

	<b>2018 No. of units</b>	<b>2017 No. of units</b>
Class MYR (i)	70,502,607	40,370,224
Class SGD (ii)	44,432	6,223
Class USD (iii)	2,954,445	1,129,671
	<u>73,501,484</u>	<u>41,506,118</u>

(i) Class MYR		
At the beginning of the financial year	40,370,224	40,624,306
Add : Creation of units from applications	82,377,190	36,316,119
Less: Cancellation of units	(52,244,807)	(36,570,201)
At the end of the financial year	<u>70,502,607</u>	<u>40,370,224</u>

(ii) Class SGD		
At the beginning of the financial year	6,223	213,224
Add : Creation of units from applications	58,458	1,753
Less: Cancellation of units	(20,249)	(208,754)
At the end of the financial year	<u>44,432</u>	<u>6,223</u>

(iii) Class USD		
At the beginning of the financial year	1,129,671	1,313,781
Add : Creation of units from applications	3,606,564	1,491,257
Less: Cancellation of units	(1,781,790)	(1,675,367)
At the end of the financial year	<u>2,954,445</u>	<u>1,129,671</u>



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

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
MER	<u>1.10</u>	<u>-</u>

MER is derived based on the following calculation:

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

- A = Management fee (excluding management fee rebate)
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is USD13,520,333 (2017: USD2,320,381).

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

	<b>2018</b>	<b>2017</b>
PTR (times)	<u>1.89</u>	<u>6.98</u>

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial year = USD28,895,837 (2017: USD15,965,475)
- total disposal for the financial year = USD22,094,528 (2017: USD16,431,312)

**12. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTIES 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
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
CIMB Bank Bhd	Fellow related party to the Manager
CIMB Investment Bank Bhd	Fellow related party to the Manager
CIMB Securities (Singapore) Pte Ltd	Fellow related party to the Manager
Subsidiaries and associates of CIMB Group Holdings Berhad, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager

Units held by the Manager and parties related to the Manager

	<u>No. of units</u>	<u>2018 USD</u>	<u>No. of units</u>	<u>2017 USD</u>
<b>Manager</b>				
CIMB-Principal Asset Management Bhd				
- Class MYR	40,149	6,336	19,562	3,271
- Class SGD	501	497	1,000	1,046
- Class USD	90	53	100	62

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. 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.

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

	2018 USD	2017 USD
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institutions:		
- CIMB Bank Bhd	<u>29</u>	<u>1,596</u>
Cash placements with licensed financial institutions:		
- CIMB Bank Bhd	<u>167,906</u>	<u>5,870,411</u>
Dividend income:		
-CIMB Group Holdings Bhd	<u>43,191</u>	<u>-</u>
<u>Significant related party balances</u>		
Amount due from stockbrokers:		
- CIMB Securities (Singapore) Pte Ltd	<u>124,179</u>	<u>-</u>

**13. TRANSACTIONS WITH BROKERS/DEALERS**

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

Brokers/Dealers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
CIMB Securities (Singapore) Pte Ltd #	5,145,328	10.09	13,649	10.69
JP Morgan Securities (Singapore) Pte Ltd	4,041,263	7.93	11,494	9.00
RHB Investment Bank Bhd	3,830,147	7.51	9,225	7.22
Daiwa Capital Markets Singapore Ltd	3,089,511	6.06	7,724	6.05
PT Mandiri Securitas	3,033,938	5.95	7,585	5.94
Maybank Investment Bank Bhd	2,919,046	5.73	6,482	5.08
Affin Hwang Investment Bank Bhd	2,880,979	5.65	7,958	6.23
Macquarie Capital Securities (Singapore) Pte Ltd	2,678,887	5.25	7,342	5.75
KAF-Seagroatt & Campbell Securities Sdn Bhd	2,386,303	4.68	5,371	4.21
Macquarie Capital Securities (Malaysia) Sdn Bhd	2,291,406	4.49	4,993	3.91
Others #	18,682,413	36.66	45,871	35.92
	<u>50,979,221</u>	<u>100.00</u>	<u>127,694</u>	<u>100.00</u>

13. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for financial year ended 30 November 2017 are as follows:

Brokers/Dealers	Value of trades USD	Percentage of total trades %	Brokerage fees USD	Percentage of total brokerage fees %
CIMB Securities (Singapore) Pte Ltd #	7,230,991	22.32	21,523	25.52
CIMB Investment Bank Bhd #	3,100,228	9.57	7,026	8.33
Citigroup Global Markets Ltd	2,574,748	7.95	6,827	8.10
RHB Investment Bank Bhd	2,260,182	6.98	6,027	7.15
Credit Suisse Securities (Singapore) Pte Ltd	1,946,630	6.01	6,360	7.54
Credit Suisse Securities (Malaysia) Sdn Bhd	1,611,050	4.97	3,626	4.30
JP Morgan Securities (Malaysia) Sdn Bhd	1,401,225	4.33	3,153	3.74
JP Morgan Securities (Singapore) Pte Ltd	1,300,768	4.02	3,628	4.30
Maybank Investment Bank Bhd	1,289,558	3.98	2,902	3.44
Macquarie Capital Securities (Singapore) Pte Ltd	1,038,144	3.20	2,964	3.51
Others	8,643,263	26.67	20,297	24.07
	<u>32,396,787</u>	<u>100.00</u>	<u>84,333</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CIMB Securities (Singapore) Pte Ltd and CIMB Investment Bank Bhd, fellow related parties to the Manager amounting to USD5,145,328 (2017: USD7,230,991) and USD1,037,647 (2017: USD3,100,228) 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.

**14. SEGMENT INFORMATION**

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

The investment objective of the Fund is to achieve capital appreciation over the medium to long term by investing in the ASEAN region. 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 and foreign equities of companies domiciled in, listed in, and/or have significant operations in the ASEAN region.

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

**15. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 16 January 2019.

## DIRECTORY

### Head office of the Manager

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### Auditors of the Trusts and of the Manager

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