

# CIMB-Principal Asean Total Return Fund

Unaudited Interim Report

For The Six Months Financial Period Ended 31 May 2019

**CIMB-PRINCIPAL ASEAN TOTAL RETURN FUND**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2019**

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## INVESTORS' LETTER

Dear Valued Investor,

Thank you for your continued support and for the confidence that you have placed in us. Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("Principal Malaysia") has achieved RM55.6 billion in Asset under Management ("AUM") as of May 2019.

We continue to achieve prestigious recognitions, grabbing six individual awards at The Edge-Thomson Reuters Lipper Fund Awards 2018. In addition, we received recognition from Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for six funds.

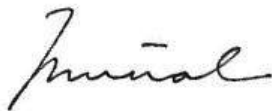
We were also bestowed the 'Best Wealth Manager' in Malaysia at The Asset Triple A Private Banking, Wealth Management, Investment and Exchange-Traded Fund ("ETF") Awards 2018. Latest, we were named the 'Best Asset Management Company' in Malaysia at the International Finance Awards 2018.

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.

Effective 1 April 2019, we have appointed Amanie Advisors Sdn Bhd ("Amanie") as our new Shariah advisor. Amanie is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. It is a registered Shariah advisory company for Islamic unit trust with the Securities Commission Malaysia ("SC"). Amanie was established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah Principles.

Thank you.

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



**Munirah Khairuddin**  
Chief Executive Officer

**MANAGER'S REPORT**

**FUND OBJECTIVE AND POLICY**

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

The Fund aims to 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 has performed in line with its objective of achieving capital appreciation, as stated under the Fund Performance section.

**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 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 Collective Investment Schemes.

<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 & Class USD

3 March 2015

Class SGD

9 September 2015

**What was the size of the Fund as at 31 May 2019?**

USD11.67 million (65.31 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 six months financial period ended 31 May 2019?**

There was no distribution made for the six months financial period ended 31 May 2019.

**PERFORMANCE DATA**

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

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>31.05.2017</b>
	%	%	%
Quoted securities			
- Basic Materials	0.76	-	-
- Consumer Products	15.68	14.85	9.85
- Consumer Products & Services	4.75	-	-
- Construction	-	2.67	8.75
- Energy	5.15	2.94	-
- Finance	17.55	29.65	24.68
- Financial Services	3.86	-	-
- Healthcare	4.08	2.21	-
- Industrial Products	-	3.54	-
- Industrials	3.71	2.11	5.60
- Plantation	1.37	-	-
- Property	1.02	-	5.84
- Real Estate Investment Trusts ("REITs")	12.50	-	-
- Technology	-	7.18	2.95
- Telecommunications	4.57	2.12	4.90
- Telecommunications & Media	3.06	-	-
- Trading/Services	-	6.07	21.78
- Utilities	-	-	5.34
Cash and other net assets	21.94	26.66	10.31
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Note: Effective 24 September 2018, Bursa Malaysia has changed its sectoral index and classification.

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

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>31.05.2017</b>
NAV (USD Million)			
- Class MYR	9.98	13.17	6.13
- Class SGD	0.03	0.02	0.07
- Class USD	1.66	2.15	0.34
Units in circulation (Million)			
- Class MYR	62.49	76.97	41.85
- Class SGD	0.03	0.02	0.07
- Class USD	2.79	3.37	0.63
NAV per unit (USD)			
- Class MYR	0.1597	0.1711	0.1463
- Class SGD	1.0052	1.0708	0.9148
- Class USD	0.5950	0.6376	0.5452

**PERFORMANCE DATA (CONTINUED)**

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

	<b>01.12.2018 to 31.05.2019</b>	<b>01.12.2017 to 31.05.2018</b>	<b>01.12.2016 to 31.05.2017</b>
Highest NAV per unit (USD)			
- Class MYR	0.1664	0.1860	0.1468
- Class SGD	1.0475	1.1639	0.9178
- Class USD	0.6202	0.6930	0.5470
Lowest NAV per unit (USD)			
- Class MYR	0.1498	0.1660	0.1225
- Class SGD	0.9418	1.0384	0.7659
- Class USD	0.5581	0.6183	0.4564
Total return (%)			
- Class MYR	1.01	2.55	17.32
- Class SGD	1.46	2.56	17.39
- Class USD	1.04	2.54	17.42
- Capital growth (%)			
- Class MYR	1.01	2.55	17.32
- Class SGD	1.46	2.56	17.39
- Class USD	1.04	2.54	17.42
- Income distribution (%)			
- Class MYR	-	-	-
- Class SGD	-	-	-
- Class USD	-	-	-
Management Expense Ratio ("MER") (%) ^	1.01	-	-
Portfolio Turnover Ratio ("PTR") (times) #	1.92	1.09	1.09

^ The Fund's MER stood at 1.01% during the financial period under review, while Nil during previous financial period as expenses were then borne by the Manager.

# The Fund's PTR was at 1.92 times, higher than previous financial period as the Fund was actively realising profit and re-investing into the market during the financial period under review.

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>31.05.2017</b>	<b>31.05.2016</b>	<b>Since inception to 31.05.2015</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Annual total return					
- Class MYR	(7.04)	16.81	15.71	(6.87)	(2.76)
- Class USD	(6.99)	16.74	15.80	(6.88)	1.40
(Launch date: 3 March 2015)					

	<b>31.05.2019</b>	<b>31.05.2018</b>	<b>31.05.2017</b>	<b>Since inception to 31.05.2016</b>
Annual total return				
- Class SGD	(6.38)	16.87	15.77	13.19
(Launch date: 9 September 2015)				

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



**MARKET REVIEW (1 DECEMBER 2018 TO 31 MAY 2019)**

In this six-month period, the regional equity markets including ASEAN were volatile. US and China agreed for trade truce at Group of Twenty (“G20”) meeting at the end of November 2018. In December 2018, the Organisation of the Petroleum Exporting Countries (“OPEC”) agreed to cut production by 0.8 million barrels per day (“bpd”). The US Federal reserve (the “Fed”) hiked rate by 25 basis points (“bps”) towards the end of December 2018. However, the Fed Chairman made more dovish comments at the end of January 2019. ASEAN equity markets rose in January 2019. By February 2019, Brent and West Texas Intermediate (“WTI”) crude oil prices surged up on implementation of OPEC output cuts. In March 2019, US yield curve, 10-year yield and 3-month yield, inverted. Thailand just concluded their first election since 2014, and General Prayuth was expected to remain as the Prime Minister. In April 2019, according to unofficial results, Indonesian President Jokowi was expected to be re-elected. Standard & Poor’s (“S&P”) upgraded Philippines’ credit rating to BBB+ from BBB which is 2 notches above investment grade. It cited the country’s strong economic growth trajectory, solid government fiscal accounts.

In May 2019, US-China trade tension returned. ASEAN equity markets declined. US announced the hike in tariff on USD200 billion tranche of US imports of Chinese goods from 10% to 25%. China announced retaliatory tariff on USD60 billion of US imports from 5% to 10%, to between 5% to 25%. US placed Huawei Technologies Co. Ltd (“Huawei”) in entity list, prohibiting Huawei from securing supplies from US firms without US Government approvals. In Philippines, Central Bank Bangko Sentral ng Pilipinas (“BSP”) announced 25 bps interest rate cut and reserve requirement ratios (“RRR”) cuts of 200 bps to 16% in three tranches, i.e. 100 bps end-May 2019, and 50 bps each 28 June 2019 and 26 July 2019. Indonesia’s sovereign rating was upgraded by S&P Global Ratings to BBB from BBB- for its strong economic growth prospects and prudent fiscal policy, brightened by the re-election of President Joko Widodo.

**FUND PERFORMANCE**

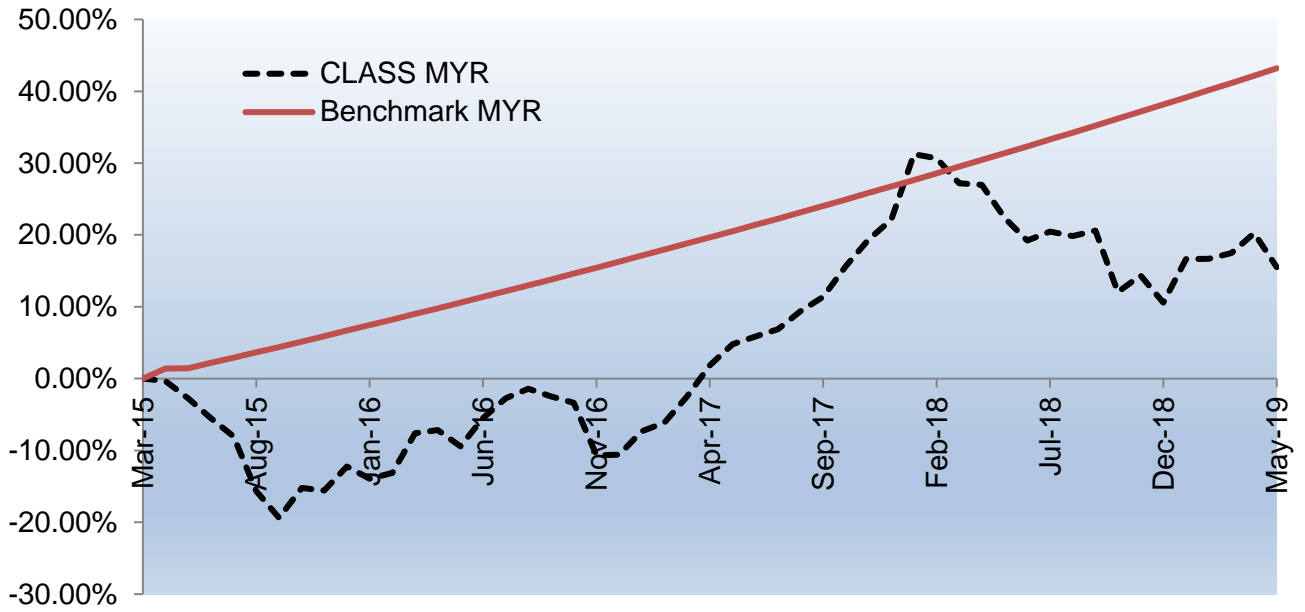
	<b>6 months to 31.05.2019</b>			<b>1 year to 31.05.2019</b>		
	<b>Class MYR</b>	<b>Class SGD</b>	<b>Class USD</b>	<b>Class MYR</b>	<b>Class SGD</b>	<b>Class USD</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	-	-	-	-	-	-
Capital	1.01	1.46	1.04	(7.04)	(6.38)	(6.99)
Total Return	1.01	1.46	1.04	(7.04)	(6.38)	(6.99)
Benchmark	4.40	4.40	4.40	9.00	9.00	9.00
Average Total Return	N/A	N/A	N/A	(7.04)	(6.38)	(6.99)

	<b>3 years to 31.05.2019</b>			<b>Since inception to 31.05.2019</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	25.69	26.38	25.74	15.52	43.30	18.72
Total Return	25.69	26.38	25.74	15.52	43.30	18.72
Benchmark	29.50	29.50	29.50	43.20	37.23	43.20
Average Total Return	7.92	8.12	7.93	3.45	9.67	4.12

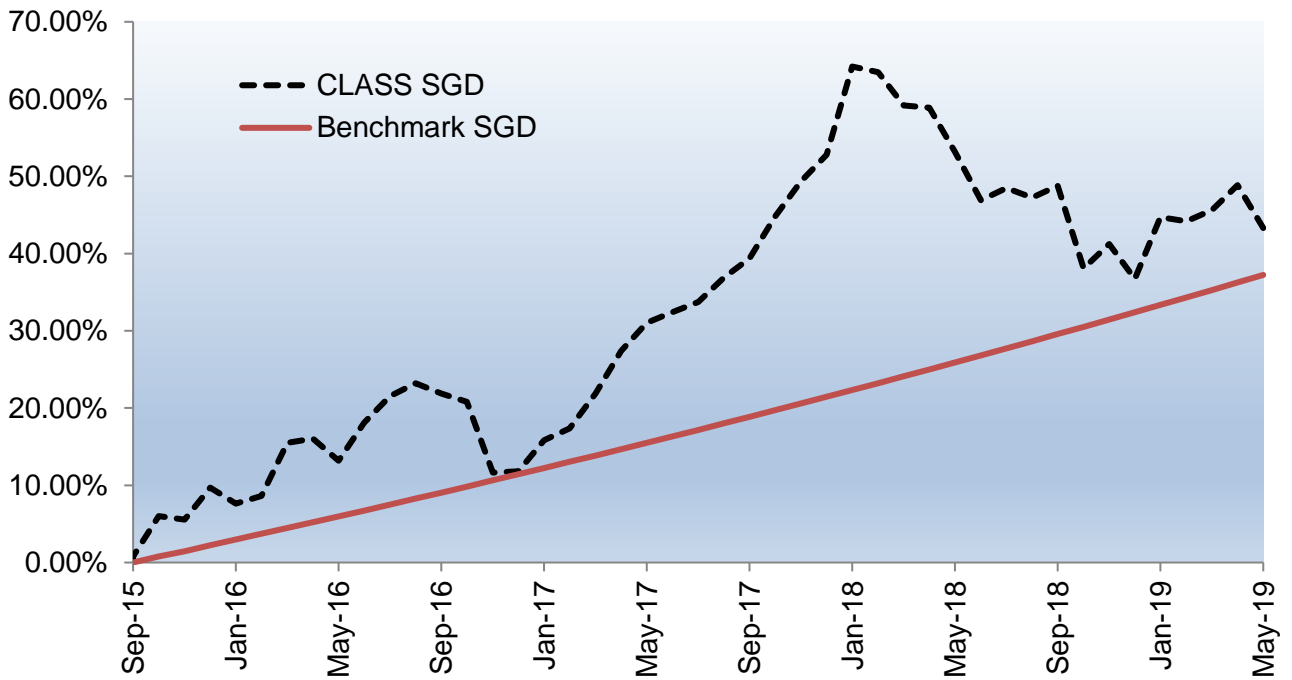
The Fund’s total return were 15.52%, 43.30% and 18.72% since inception, for Class MYR, Class SGD and Class USD respectively. The variance in performance of the three classes was due to volatility in currencies and different inception dates.

FUND PERFORMANCE (CONTINUED)

Class MYR

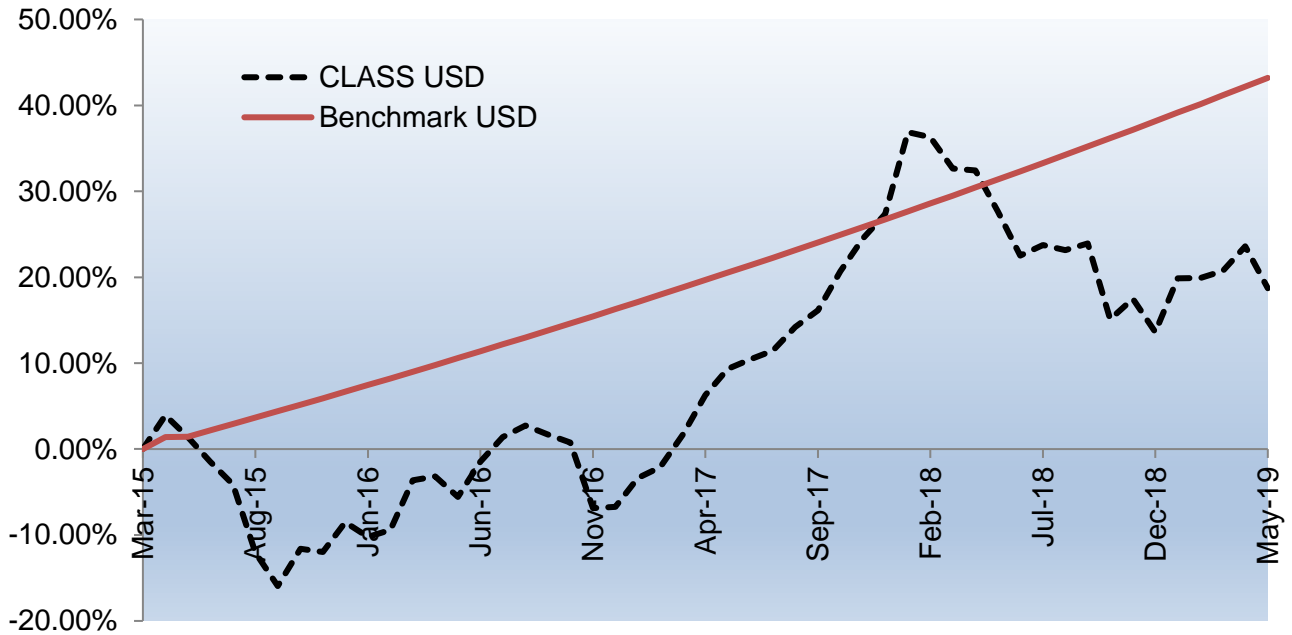


Class SGD



**FUND PERFORMANCE (CONTINUED)**

**Class USD**



**Changes in NAV**

**CLASS MYR**

	<b>31.05.2019</b>	<b>30.11.2018</b> <b>Audited</b>	<b>Changes</b> <b>%</b>
NAV (USD Million)	9.98	11.13	(10.33)
NAV/Unit (USD)	0.1597	0.1578	1.20

**CLASS SGD**

	<b>31.05.2019</b>	<b>30.11.2018</b> <b>Audited</b>	<b>Changes</b> <b>%</b>
NAV (USD Million)	0.03	0.04	(25.00)
NAV/Unit (USD)	1.0052	0.9918	1.35

**CLASS USD**

	<b>31.05.2019</b>	<b>30.11.2018</b> <b>Audited</b>	<b>Changes</b> <b>%</b>
NAV (USD Million)	1.66	1.74	(4.60)
NAV/Unit (USD)	0.5950	0.5879	1.21

For the financial period under review, the Fund's NAV declined by -10.33%, -25.00% and -4.60% for Class MYR, Class SGD and Class USD, respectively, due to redemptions. The increase in NAV per unit for all 3 classes was mainly due to positive investment performance.

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

**PORTFOLIO STRUCTURE**

**Asset allocation**

<b>(% of NAV)</b>	<b>31.05.2019</b>	<b>30.11.2018 Audited</b>
Quoted securities	78.06	87.91
Cash and other net assets	21.94	12.09
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The Fund remained invested in quoted securities during the financial period under review. The weight of equities was reduced due to macro uncertainties.

**MARKET OUTLOOK\***

The regional outlook is clouded by the US-China trade talks. Global manufacturing Purchasing Managers' Index ("PMI") have been weakening. On the bright side, lower global bond yields have helped cushion the hit to prices of risk assets. Some ASEAN countries have started easing monetary policies. Further, domestic consumption can be supported by targeted fiscal policies. As private sector demand for credit is muted and exports are weak, policies to support household spending, education, health care and tax cuts could be increasingly favoured. Due to ongoing trade tension between the US and China, ASEAN is expected to benefit from the supply chain shift. Therefore, incentive policy for Foreign Direct Investment ("FDI") is another potential driver for economy growth, especially for Vietnam, Thailand and Indonesia.

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

**INVESTMENT STRATEGY**

Given the global growth uncertainties, we prefer companies with quality growth, strong balance sheet and decent dividend yield. Singapore offers yield with relatively stable currency. For those countries with monetary easing, especially Indonesia and Philippines, there are selective opportunities in interest rate sensitive sectors for example banks and property. Post elections in the last two years, countries like Malaysia, Indonesia, Thailand and Philippines could embark on reform and investment which would potentially benefit the domestically-driven sectors for example construction and industrial estates. Overall, ASEAN markets offer a set of diversified opportunities. We remain positive on the long-term outlook of ASEAN.

**UNIT HOLDINGS STATISTICS**

Breakdown of unit holdings by size as at 31 May 2019 are as follows:

**CLASS MYR**

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	42	0.12	0.19
5,001 to 10,000	46	0.35	0.56
10,001 to 50,000	153	3.77	6.03
50,001 to 500,000	69	8.12	12.99
500,001 and above	3	50.13	80.23
<b>Total</b>	<b>313</b>	<b>62.49</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	33.33
10,001 to 50,000	1	0.02	66.67
50,001 to 500,000	-	-	-
500,001 and above	-	-	-
<b>Total</b>	<b>4</b>	<b>0.03</b>	<b>100.00</b>

**CLASS USD**

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 to 10,000	1	0.01	0.36
10,001 to 50,000	-	-	-
50,001 to 500,000	1	0.08	2.87
500,001 and above	1	2.70	96.77
<b>Total</b>	<b>4</b>	<b>2.79</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

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

During the financial period 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 Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 13 to 45 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 May 2019 of its financial performance, changes in equity and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting.

For and on behalf of the Manager

**Principal Asset Management Berhad (Company No.: 304078-K)**

*(formerly known as CIMB-Principal Asset Management Berhad)*

**MUNIRAH KHAIRUDDIN**

Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**

Director

Kuala Lumpur

16 July 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 period ended 31 May 2019. To the best of our knowledge, Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*), (the "Manager"), has operated and managed the Fund in accordance with the following:-

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

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
16 July 2019

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2019**

	Note	01.12.2018 to 31.05.2019 USD	01.12.2017 to 31.05.2018 USD
<b>INCOME/(LOSS)</b>			
Dividend income		193,416	212,682
Interest income from deposits with licensed financial institutions at amortised cost		14,845	17,100
Net gain/(loss) on financial assets at fair value through profit or loss	7	344,408	(242,711)
Net foreign exchange loss		<u>(68,024)</u>	<u>(53,201)</u>
		<u>484,645</u>	<u>(66,130)</u>
<b>EXPENSES</b>			
Management fee	4	113,885	-
Trustee's & custodian fees	5	23,831	-
Transaction costs		159,268	90,346
Audit fee		(9,172)	-
Tax agent's fee		(2,566)	-
Other expenses		3,312	2,563
		<u>288,558</u>	<u>92,909</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		196,087	(159,039)
Taxation	6	<u>(12,170)</u>	<u>(12,251)</u>
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>183,917</u>	<u>(171,290)</u>
Increase/(Decrease) in net assets attributable to unit holders are made up as follows:			
Realised amount		(831,762)	477,933
Unrealised amount		1,015,679	(649,223)
		<u>183,917</u>	<u>(171,290)</u>

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



**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2019**

		31.05.2019	30.11.2018
	Note	USD	Audited USD
<b>ASSETS</b>			
Cash and cash equivalents	8	2,680,644	1,415,140
Financial assets at fair value through profit or loss	7	9,109,578	11,347,527
Amount due from stockbrokers		474,009	219,802
Amount due from Manager		18,978	75,311
Dividends receivable		28,924	1,931
Other receivables		12,537	12,537
<b>TOTAL ASSETS</b>		<b>12,324,670</b>	<b>13,072,248</b>
<b>LIABILITIES</b>			
Amount due to stockbrokers		478,422	32,944
Amount due to Manager		61,865	4,167
Accrued management fees		106,790	107,597
Amount due to trustee		604	608
Other payables and accruals		7,563	19,300
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<b>655,244</b>	<b>164,616</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>11,669,426</b>	<b>12,907,632</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>11,669,426</b>	<b>12,907,632</b>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- Class MYR		9,980,565	11,126,478
- Class SGD		30,963	44,072
- Class USD		1,657,898	1,737,082
		<b>11,669,426</b>	<b>12,907,632</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class MYR		62,490,946	70,502,607
- Class SGD		30,800	44,432
- Class USD		2,786,302	2,954,445
	9	<b>65,308,048</b>	<b>73,501,484</b>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- Class MYR		0.1597	0.1578
- Class SGD		1.0052	0.9918
- Class USD		<b>0.5950</b>	<b>0.5879</b>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- Class MYR		RM0.6690	RM0.6597
- Class SGD		SGD1.3844	SGD1.3616
- Class USD		<b>USD0.5950</b>	<b>USD0.5879</b>

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

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2019**

	<b>01.12.2018 to 31.05.2019</b>	<b>01.12.2017 to 31.05.2018</b>
	<b>USD</b>	<b>USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	12,907,632	7,460,401
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
- Class MYR	948,034	11,514,757
- Class SGD	2,591	34,999
- Class USD	6,298	2,225,289
	<u>956,923</u>	<u>13,775,045</u>
Cancellation of units		
- Class MYR	(2,253,409)	(4,973,404)
- Class SGD	(16,122)	(21,677)
- Class USD	(109,515)	(725,837)
	<u>(2,379,046)</u>	<u>(5,720,918)</u>
Increase/(Decrease) in net assets attributable to unit holders during the financial period	<u>183,917</u>	<u>(171,290)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u>11,669,426</u>	<u>15,343,238</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2019**

	<b>01.12.2018 to 31.05.2019 USD</b>	<b>01.12.2017 to 31.05.2018 USD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from disposal of quoted securities	25,289,302	10,394,432
Purchase of quoted securities	(22,710,010)	(16,898,582)
Dividend income received	156,780	162,096
Interest income from deposits with licensed financial institutions	14,845	17,100
Management fee paid	(114,692)	-
Trustee's fees paid	(23,836)	-
Payments for other fees and expenses	(2,150)	(17,685)
Net realised foreign exchange loss	(41,709)	(36,995)
<b>Net cash generated from/(used in) operating activities</b>	<b>2,568,530</b>	<b>(6,379,634)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	1,011,915	13,629,739
Payments for cancellation of units	(2,321,727)	(5,729,560)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,309,812)</b>	<b>7,900,179</b>
Net increase in cash and cash equivalents	1,258,718	1,520,545
Effects of foreign exchange differences	6,786	(2,604)
Cash and cash equivalents at the beginning of the financial period	1,415,140	1,301,737
Cash and cash equivalents at the end of the financial period	<b>2,680,644</b>	<b>2,819,678</b>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	1,710,166	1,213,957
Deposits with licensed financial institutions	970,478	1,605,721
Cash and cash equivalents at the end of the financial period	<b>2,680,644</b>	<b>2,819,678</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2019****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 Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) 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 Collective Investment Schemes.

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of preparation

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

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

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

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

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

#### Standard that is effective:

The Fund has applied the following standard for the first time for the financial period beginning 1 December 2018:

- MFRS 9 ‘Financial Instruments’ became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in MFRS 139.

Classification and measurement of debt assets is driven by the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (“SPPI”). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. MFRS 9 also introduces a new expected credit loss (“ECL”) impairment model.

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

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

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

MFRS 9 has been applied retrospectively by the Fund and did not result in any change to the classification or measurement of financial instruments as outlined in Note 2(b).

The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

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

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

#### (i) Financial year beginning on/after 1 December 2019

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

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

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

### (b) Financial assets and financial liabilities

#### Classification

Up to 30 November 2018, 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 financing and receivables comprise cash and cash equivalents, amount due from stockbrokers, amount due from Manager, dividends receivable, and other receivables.

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

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.

From 1 December 2018, the Fund classify its financial assets in the following measurement categories:

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

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

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

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

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities, within the scope of MFRS 139, 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.

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

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 period which they arise.

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

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

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.

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the investments for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the investments are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

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

Impairment for assets carried at amortised costs

Up to 30 November 2018, for assets carried at amortised cost, the Fund assesses at the end of the reporting period 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.



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

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 period, 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.

From 1 December 2018 onwards, the Fund measures credit risk and ECL using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any ECL. The Manager consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

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

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

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

Up to 30 November 2018, when a loan and receivable is impaired, the Fund reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

From 1 December 2018, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain or loss on disposal of quoted securities 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”). The financial statements are presented in USD, which is the Fund’s functional and presentation currency.

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

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

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

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

The Fund issues cancellable units, in 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.

**(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 period.

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, up to 31 May 2018, subsequently measured at amortised cost using the effective interest method, less provision for impairment for amount due from stockbrokers.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(j) Amount due from/to stockbrokers (continued)**

A provision for impairment of amount due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbroker.

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

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

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

**(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.

**(l) 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. RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

##### (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.

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

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

##### (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.

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

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

**(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.

**(d) Capital risk management**

The capital of the Fund is represented by net asset attributable to unit holders of USD11,669,426 (30.11.2018: USD12,907,632). 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. 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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>31.05.2019</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	9,109,578	-	-	9,109,578

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

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

(i) Fair value hierarchy (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>30.11.2018</b>				
<b>Audited</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	11,347,527	-	-	11,347,527

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**

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 six months financial period ended 31 May 2019 and 31 May 2018, 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.

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 six months financial period ended 31 May 2019, the Trustee's fee is recognised at a rate of 0.06% per annum (31.05.2018: 0.06% per annum) for each unit class.

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



**6. TAXATION**

	<b>01.12.2018 to 31.05.2019</b>	<b>01.12.2017 to 31.05.2018</b>
	<b>USD</b>	<b>USD</b>
Tax charged for the financial period:		
- Withholding taxation	<u>12,170</u>	<u>12,251</u>

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

	<b>01.12.2018 to 31.05.2019</b>	<b>01.12.2017 to 31.05.2018</b>
	<b>USD</b>	<b>USD</b>
Profit/(Loss) before taxation	<u>196,087</u>	<u>(159,039)</u>
Taxation at Malaysian statutory rate of 24% (31.05.2018: 24%)	47,061	(38,169)
Tax effects of:		
- (Income not subject to tax)/Loss not deductible for tax purposes	(116,315)	15,871
- Expenses not deductible for tax purposes	41,160	22,298
- Restriction on tax deductible expenses for Unit Trust Funds	28,094	-
- Income subject to withholding tax	<u>12,170</u>	<u>12,251</u>
Taxation	<u>12,170</u>	<u>12,251</u>

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

	<b>31.05.2019</b>	<b>30.11.2018</b>
	<b>USD</b>	<b>Audited USD</b>
Designated at fair value through profit or loss at inception:		
- Quoted securities	<u>9,109,578</u>	<u>11,347,527</u>

	<b>01.12.2018 to 31.05.2019</b>	<b>01.12.2017 to 31.05.2018</b>
	<b>USD</b>	<b>USD</b>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(663,173)	401,137
- Unrealised fair value gain/(loss)	<u>1,007,581</u>	<u>(643,848)</u>
	<u>344,408</u>	<u>(242,711)</u>

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

Name of counter	Quantity USD	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>31.05.2019</b>				
<b>QUOTED SECURITIES</b>				
<b>INDONESIA</b>				
<b>Basic Materials</b>				
Indocement Tunggal Prakarsa Tbk PT	19,100	26,560	28,371	0.24
Semen Indonesia Persero Tbk PT	75,000	62,650	60,693	0.52
	<u>94,100</u>	<u>89,210</u>	<u>89,064</u>	<u>0.76</u>
<b>Consumer Products</b>				
Astra International Tbk PT	516,700	271,540	269,707	2.31
Blue Bird Tbk PT	439,000	104,703	91,967	0.79
Gudang Garam Tbk PT	22,200	124,743	125,173	1.07
Map Aktif Adiperkasa PT	493,000	226,718	190,843	1.64
	<u>1,470,900</u>	<u>727,704</u>	<u>677,690</u>	<u>5.81</u>
<b>Finance</b>				
Bank Central Asia Tbk PT	140,900	226,567	287,278	2.46
Bank Mandiri Persero Tbk PT	662,500	349,174	356,256	3.05
Bank Negara Indonesia Persero Tbk PT	222,600	137,282	131,009	1.12
Bank Rakyat Indonesia Persero Tbk PT	664,900	183,422	191,002	1.64
	<u>1,690,900</u>	<u>896,445</u>	<u>965,545</u>	<u>8.27</u>
<b>Industrials</b>				
Pembangunan Perumahan Persero Tbk PT	453,601	68,789	62,609	0.54
<b>REITs</b>				
Pakuwon Jati Tbk PT	80,800	3,710	3,991	0.03
Puradelta Lestari Tbk PT	8,111,000	137,099	142,073	1.22
	<u>8,191,800</u>	<u>140,809</u>	<u>146,064</u>	<u>1.25</u>
<b>Telecommunications</b>				
Telekomunikasi Indonesia Persero Tbk PT	686,800	181,363	187,669	1.61
XL Axiata Tbk PT	567,100	106,603	113,638	0.97
	<u>1,253,900</u>	<u>287,966</u>	<u>301,307</u>	<u>2.58</u>
<b>TOTAL INDONESIA</b>	<b><u>13,155,201</u></b>	<b><u>2,210,923</u></b>	<b><u>2,242,279</u></b>	<b><u>19.21</u></b>

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

Name of counter	Quantity USD	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>31.05.2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>MALAYSIA</b>				
<b>Consumer Products &amp; Services</b>				
Berjaya Food Bhd	384,300	133,018	165,132	1.42
DRB-Hicom Bhd	183,600	94,706	91,164	0.78
Genting Malaysia Bhd	355,100	276,062	266,177	2.28
Sime Darby Bhd	56,100	31,176	31,070	0.27
	<u>979,100</u>	<u>534,962</u>	<u>553,543</u>	<u>4.75</u>
<b>Energy</b>				
Dialog Group Bhd	283,700	221,227	224,847	1.93
Serba Dinamik Holdings Bhd	125,000	116,994	122,344	1.05
Yinson Holdings Bhd	215,000	217,341	253,032	2.17
	<u>623,700</u>	<u>555,562</u>	<u>600,223</u>	<u>5.15</u>
<b>Financial Services</b>				
CIMB Group Holdings Bhd	47,000	59,429	59,129	0.51
Public Bank Bhd	48,100	264,445	270,986	2.32
RHB Bank Bhd	86,000	117,095	119,690	1.03
	<u>181,100</u>	<u>440,969</u>	<u>449,805</u>	<u>3.86</u>
<b>Health Care</b>				
Hartalega Holdings Bhd	97,500	120,455	121,031	1.04
IHH Healthcare Bhd	89,700	126,203	117,773	1.01
Kossan Rubber Industries Bhd	73,900	69,821	69,860	0.60
	<u>261,100</u>	<u>316,479</u>	<u>308,664</u>	<u>2.65</u>
<b>Plantation</b>				
FGV Holdings Bhd	588,800	171,579	160,237	1.37
<b>Property</b>				
Malaysian Resources Corporation Bhd	356,700	77,573	79,191	0.68
Sapura Energy Bhd	564,700	47,198	39,768	0.34
	<u>921,400</u>	<u>124,771</u>	<u>118,959</u>	<u>1.02</u>
<b>REITs</b>				
IGB REIT	655,700	289,245	292,709	2.51
KLCCP Stapled Group	135,100	256,981	248,656	2.13
	<u>790,800</u>	<u>546,226</u>	<u>541,365</u>	<u>4.64</u>

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

Name of counter	Quantity USD	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>31.05.2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>MALAYSIA (CONTINUED)</b>				
<b>Telecommunications &amp; Media</b>				
Axiata Group Bhd	38,400	42,375	42,993	0.37
Telekom Malaysia Bhd	70,800	59,551	61,014	0.52
TIME dotCom Bhd	119,200	244,367	252,685	2.17
	<u>228,400</u>	<u>346,293</u>	<u>356,692</u>	<u>3.06</u>
<b>TOTAL MALAYSIA</b>	<b><u>4,574,400</u></b>	<b><u>3,036,841</u></b>	<b><u>3,089,488</u></b>	<b><u>26.50</u></b>
<b>PHILIPPINES</b>				
<b>Consumer Products</b>				
SM Investments Corp	7,730	136,498	139,584	1.20
Universal Robina Corp	29,590	87,388	94,725	0.81
	<u>37,320</u>	<u>223,886</u>	<u>234,309</u>	<u>2.01</u>
<b>Finance</b>				
Ayala Corp	6,890	122,010	121,378	1.04
Bank of Philippine Islands	19,350	29,832	29,971	0.26
BDO Unibank Inc	11,200	29,505	29,628	0.25
	<u>37,440</u>	<u>181,347</u>	<u>180,977</u>	<u>1.55</u>
<b>Industrials</b>				
Megawide Construction Corp	144,600	57,525	55,992	0.48
<b>TOTAL PHILIPPINES</b>	<b><u>219,360</u></b>	<b><u>462,758</u></b>	<b><u>471,278</u></b>	<b><u>4.04</u></b>
<b>SINGAPORE</b>				
<b>Consumer Products</b>				
ComfortDelGro Corporation Ltd	98,100	172,521	175,219	1.50
First Resources Ltd	52,500	59,417	58,703	0.50
	<u>150,600</u>	<u>231,938</u>	<u>233,922</u>	<u>2.00</u>
<b>Finance</b>				
DBS Group Holdings Ltd	3,200	61,524	56,436	0.48
Oversea-Chinese Banking Corporations Ltd	14,900	126,731	114,351	0.98
United Overseas Bank Ltd	10,100	194,169	172,332	1.48
	<u>28,200</u>	<u>382,424</u>	<u>343,119</u>	<u>2.94</u>

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

Name of counter	Quantity USD	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>31.05.2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>SINGAPORE (CONTINUED)</b>				
<b>Industrials</b>				
Keppel Corporation Ltd	12,700	61,637	55,603	0.48
Singapore Technologies Engineering Ltd	72,800	201,427	206,674	1.77
	<u>85,500</u>	<u>263,064</u>	<u>262,277</u>	<u>2.25</u>
<b>REITs</b>				
CapitaLand Commercial Trust	85,200	118,390	119,392	1.02
CapitaLand Ltd	99,800	254,303	233,326	2.00
City Developments Ltd	4,900	29,287	29,245	0.25
Keppel DC REIT	212,600	240,693	240,805	2.06
Mapletree North Asia Commercial Trust	93,600	91,078	89,707	0.77
	<u>496,100</u>	<u>733,751</u>	<u>712,475</u>	<u>6.10</u>
<b>Telecommunications</b>				
NetLink NBN Trust	385,500	232,837	232,316	1.99
<b>TOTAL SINGAPORE</b>	<b><u>1,145,900</u></b>	<b><u>1,844,014</u></b>	<b><u>1,784,109</u></b>	<b><u>15.28</u></b>
<b>THAILAND</b>				
<b>Consumer Products</b>				
CP ALL PCL	129,900	319,156	328,070	2.81
Land & Houses PCL - NVDR <sup>1</sup>	615,400	207,040	206,581	1.77
	<u>745,300</u>	<u>526,196</u>	<u>534,651</u>	<u>4.58</u>
<b>Finance</b>				
Bangkok Bank PCL	47,800	319,863	297,452	2.55
Muangthai Capital PCL	113,600	180,177	193,368	1.66
	<u>161,400</u>	<u>500,040</u>	<u>490,820</u>	<u>4.21</u>
<b>Health Care</b>				
Bangkok Dusit Medical Services PCL - NVDR <sup>1</sup>	206,000	161,428	166,354	1.43

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

Name of counter	Quantity USD	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>31.05.2019 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>THAILAND (CONTINUED)</b>				
<b>Industrials</b>				
Airports of Thailand PCL	<u>25,200</u>	<u>53,769</u>	<u>50,875</u>	<u>0.44</u>
<b>REIT</b>				
Amata Corp PCL - NVDR <sup>1</sup>	<u>87,100</u>	<u>58,322</u>	<u>60,131</u>	<u>0.51</u>
<b>TOTAL THAILAND</b>	<b><u>1,225,000</u></b>	<b><u>1,299,755</u></b>	<b><u>1,302,831</u></b>	<b><u>11.17</u></b>
<b>VIETNAM</b>				
<b>Consumer Products</b>				
Vietnam Dairy Products Joint Stock Company (Vinamilk)	<u>27,232</u>	<u>169,208</u>	<u>150,524</u>	<u>1.28</u>
<b>Finance</b>				
Bank for Foreign Trade of Vietnam	<u>24,080</u>	<u>59,941</u>	<u>69,069</u>	<u>0.58</u>
<b>TOTAL VIETNAM</b>	<b><u>51,312</u></b>	<b><u>229,149</u></b>	<b><u>219,593</u></b>	<b><u>1.86</u></b>
<b>TOTAL QUOTED SECURITIES</b>	<b><u>20,371,173</u></b>	<b><u>9,083,440</u></b>	<b><u>9,109,578</u></b>	<b><u>78.06</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>26,138</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>9,109,578</u>		

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

<b>Name of counter</b>	<b>Quantity USD</b>	<b>Aggregate cost USD</b>	<b>Market value USD</b>	<b>Percentage of NAV %</b>
<b>30.11.2018</b>				
<b>Audited</b>				
<b>QUOTED SECURITIES</b>				
<b>INDONESIA</b>				
<b>Energy</b>				
Indo Tambangraya Megah Tbk PT	47,800	65,185	32,606	0.25
<b>Consumer Products</b>				
Astra International Tbk PT	287,000	147,087	164,394	1.27
Gudang Garam Tbk PT	53,100	264,562	349,925	2.71
Mitra Adiperkasa Tbk PT	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 Tbk PT	168,300	248,623	147,518	1.14
Bank CIMB Niaga Tbk PT	1,246,300	118,815	165,168	1.28
Bank Mandiri Persero Tbk PT	946,700	540,029	306,534	2.38
Bank Rakyat Indonesia Persero Tbk PT	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>Industrials</b>				
Pembangunan Perumahan Persero Tbk PT	1,026,001	268,359	433,489	3.36
United Tractors Tbk PT	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>				
Telekomunikasi Indonesia Persero Tbk PT	1,258,500	324,737	68,107	0.53
XL Axiata Tbk PT	1,158,000	264,457	122,009	0.95
	<u>2,416,500</u>	<u>589,194</u>	<u>190,116</u>	<u>1.48</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>Consumer Products</b>				
Berjaya Food Bhd	1,048,800	363,024	71,175	0.55
Bermaz Auto Bhd	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)

Name of counter	Quantity USD	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>30.11.2018 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>QUOTED SECURITIES</b>				
<b>(CONTINUED)</b>				
<b>MALAYSIA (CONTINUED)</b>				
<b>Energy</b>				
Hibiscus Petroleum Bhd	931,000	234,549	230,018	1.78
<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
	1,108,900	567,753	596,444	4.62
<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>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
DBS Group Holdings Ltd	39,200	693,473	343,458	2.66
Oversea-Chinese Banking Corporation	72,100	610,779	697,988	5.41
United Overseas Bank Ltd	23,600	452,736	403,169	3.12
	145,500	1,832,284	1,702,347	13.19
<b>Industrials</b>				
Keppel Corporation Ltd	78,300	464,674	296,193	2.29
<b>Technology</b>				
Venture Corporation Ltd	27,200	397,951	136,930	1.06
<b>TOTAL SINGAPORE</b>	<b>525,600</b>	<b>3,167,201</b>	<b>2,343,602</b>	<b>18.15</b>



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

Name of counter	Quantity USD	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>30.11.2018 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>THAILAND</b>				
<b>Consumer Products</b>				
Central Plaza Hotel PCL - NVDR <sup>1</sup>	52,300	81,268	338,473	2.62
CP ALL PCL	195,000	474,881	244,322	1.89
Osotspa PCL	89,600	68,537	65,262	0.51
	<u>336,900</u>	<u>624,686</u>	<u>648,057</u>	<u>5.02</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>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>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
<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>

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

Name of counter	Quantity USD	Aggregate cost USD	Market value USD	Percentage of NAV %
<b>30.11.2018 (CONTINUED)</b>				
<b>Audited (Continued)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>TOTAL QUOTED SECURITIES</b>	<u><b>22,964,203</b></u>	<b>12,328,970</b>	<u><b>11,347,527</b></u>	<u><b>87.91</b></u>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><b>(981,443)</b></u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><b>11,347,527</b></u>		

<sup>1</sup> NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand ("SET"). It is a valid security as specified by the United States Securities and Exchange Commission ("SEC") and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

**8. CASH AND CASH EQUIVALENTS**

	<b>31.05.2019</b>	<b>30.11.2018</b>
	<b>USD</b>	<b>Audited USD</b>
Deposits with licensed financial institutions	970,478	589,915
Bank balances	1,710,166	825,225
	<u>2,680,644</u>	<u>1,415,140</u>

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

	<b>31.05.2019</b>	<b>30.11.2018</b>
	<b>%</b>	<b>Audited %</b>
Deposits with licensed financial institutions	<u>2.97</u>	<u>3.45</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 2 days (30.11.2018: 3 days).

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

	<b>01.12.2018 to 31.05.2019</b>	<b>01.12.2017 to 30.11.2018</b>
	<b>No. of units</b>	<b>Audited No. of units</b>
Class MYR (i)	62,490,946	70,502,607
Class SGD (ii)	30,800	44,432
Class USD (iii)	2,786,302	2,954,445
	<u>65,308,048</u>	<u>73,501,484</u>
 (i) Class MYR		
At the beginning of the financial period/year	70,502,607	40,370,224
Add : Creation of units from applications	5,899,940	82,377,190
Less: Cancellation of units	<u>(13,911,601)</u>	<u>(52,244,807)</u>
At the end of the financial period/year	<u>62,490,946</u>	<u>70,502,607</u>
 (ii) Class SGD		
At the beginning of the financial period/year	44,432	6,223
Add : Creation of units from applications	2,585	58,458
Less: Cancellation of units	<u>(16,217)</u>	<u>(20,249)</u>
At the end of the financial period/year	<u>30,800</u>	<u>44,432</u>
 (iii) Class USD		
At the beginning of the financial period/year	2,954,445	1,129,671
Add : Creation of units from applications	10,787	3,606,564
Less: Cancellation of units	<u>(178,930)</u>	<u>(1,781,790)</u>
At the end of the financial period/year	<u>2,786,302</u>	<u>2,954,445</u>

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

	<b>01.12.2018 to 31.05.2019</b>	<b>01.12.2017 to 31.05.2018</b>
	%	%
MER	<u>1.01</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 period calculated on a daily basis is USD12,686,661 (31.05.2018: USD12,809,610).

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

	<b>01.12.2018 to 31.05.2019</b>	<b>01.12.2017 to 31.05.2018</b>
PTR (times)	<u>1.92</u>	<u>1.09</u>

PTR is derived based on the following calculation:

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

**Under Monetary Authority of Singapore (“MAS”) Guidelines**

	<b>01.12.2018 to 31.05.2019</b>	<b>01.12.2017 to 31.05.2018</b>
PTR (times)	<u>1.82</u>	<u>0.87</u>

PTR is derived based on the following calculation:

$$\frac{\text{Lesser of total acquisition or total disposal for the financial period}}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where:

total acquisition for the financial period = USD23,069,675 (31.05.2018: USD16,819,106)

total disposal for the financial period = USD25,652,033 (31.05.2018: USD11,168,228)

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

Units held by the Manager and parties related to the Manager

	<b>31.05.2019</b>		<b>30.11.2018</b>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>Audited RM</u>
<b>Manager</b>				
Principal Asset Management Bhd <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>				
- CLASS MYR	52,067	8,315	40,149	6,336
- CLASS SGD	500	503	501	497
- CLASS USD	90	54	90	53

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.

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

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.

	<b>01.12.2018 to 31.05.2019 USD</b>	<b>01.12.2017 to 31.05.2018 USD</b>
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Bhd	<u>669</u>	<u>29</u>
Cash placements with licensed financial institution:		
- CIMB Bank Bhd	<u>5,084,942</u>	<u>167,906</u>
	<b>31.05.2019 USD</b>	<b>30.11.2018 Audited USD</b>
<u>Significant related party balances</u>		
Amount due from stockbrokers:		
- CGS-CIMB Securities (Singapore) Pte Ltd (formerly known as CIMB Securities (Singapore) Pte Ltd)	<u>68,423</u>	<u>124,179</u>

**13. TRANSACTIONS WITH BROKERS/DEALERS**

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 May 2019 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage Fees USD</b>	<b>Percentage of total brokerage fees %</b>
CGS-CIMB Securities (Singapore) Pte Ltd #	6,399,079	13.13	18,452	15.28
Instinet Pacific Services Ltd	4,031,348	8.27	11,214	9.28
Maybank Investment Bank Bhd	3,228,754	6.63	6,775	5.61
UOB Kay Hian Pte Ltd	3,099,664	6.36	7,582	6.28
Daiwa Capital Markets Singapore Ltd	3,038,389	6.24	7,596	6.29
J.P. Morgan Securities (Asia Pacific) Ltd	3,023,746	6.21	8,516	7.05
Credit Suisse (Hong Kong) Ltd	2,914,960	5.98	8,091	6.70
RHB Investment Bank Bhd	2,753,175	5.65	6,195	5.13
KAF-Seagroatt & Campbell Securities Sdn Bhd	2,706,235	5.55	6,089	5.04
Mandiri Sekuritas PT	2,692,789	5.53	6,732	5.57
Others #	14,833,569	30.45	33,543	27.77
	<u>48,721,708</u>	<u>100.00</u>	<u>120,785</u>	<u>100.00</u>

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

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 31 May 2018 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades USD</b>	<b>Percentage of total trades %</b>	<b>Brokerage Fees USD</b>	<b>Percentage of total brokerage fees %</b>
CIMB Securities (Singapore Pte Ltd) #	5,021,149	17.94	13,214	18.66
Maybank Investment Bank Bhd	2,231,821	7.97	5,025	7.10
J.P. Morgan Securities Singapore Pte Ltd	2,131,342	7.62	5,721	8.08
Mandiri Sekuritas PT	1,995,039	7.13	4,988	7.05
Macquarie Capital Securities (M) Sdn Bhd	1,900,539	6.79	4,113	5.81
RHB Investment Bank Bhd	1,883,569	6.73	4,845	6.84
Daiwa Capital Markets Singapore Ltd	1,553,393	5.55	3,883	5.48
Macquarie Capital Securities (Singapore) Pte Ltd	1,276,751	4.56	3,366	4.75
Credit Suisse Securities (Singapore) Pte Ltd	1,260,950	4.51	4,415	6.24
Citigroup Global Markets Ltd	1,125,443	4.02	3,080	4.35
Others #	7,607,338	27.18	18,151	25.64
	<u>27,987,334</u>	<u>100.00</u>	<u>70,801</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CGS-CIMB Securities (Singapore) Pte Ltd (formerly known as CIMB Securities (Singapore) Pte Ltd) and CIMB Investment Bank Bhd, fellow related parties to the Manager amounting to USD6,399,079 (31.05.2018: USD5,021,149) and USD174,903 (31.05.2018: USD884,558) 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 period.

**16. MFRS 9 FINANCIAL INSTRUMENTS**

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

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

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139)	Reclassi- fications	Remeas- urements	New (MFRS 9)
			RM	RM	RM	RM
<b>Assets</b>						
Cash and cash equivalents	Loans and receivables	Amortised cost	1,415,140	-	-	1,415,140
Investment in quoted securities	FVTPL	FVTPL	11,347,527	-	-	11,347,527
Amount due from stockbrokers	Loans and receivables	Amortised cost	219,802	-	-	219,802
Amount due from Manager	Loans and receivables	Amortised cost	75,311	-	-	75,311
Dividends receivable	Loans and receivables	Amortised cost	1,931	-	-	1,931
Other receivables	Loans and receivables	Amortised cost	12,537	-	-	12,537
<b>Liabilities</b>						
Amount due to stockbrokers	Amortised cost	Amortised cost	32,944	-	-	32,944
Amount due to Manager	Amortised cost	Amortised cost	4,167	-	-	4,167
Accrued management fee	Amortised cost	Amortised cost	107,597	-	-	107,597
Amount due to Trustee	Amortised cost	Amortised cost	608	-	-	608
Other payables and accruals	Amortised cost	Amortised cost	19,300	-	-	19,300



**DIRECTORY**

**Head office of the Manager**

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