


CIMB ISLAMIC DALI EQUITY THEME FUND
ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018

Investments that stand the test of time

FORWARD  Your Investments



CIMB ISLAMIC DALI EQUITY THEME 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.

We continue to achieve prestigious recognitions from **The Edge | Thomson Reuters Lipper Fund Awards 2018** as follows:

- 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:

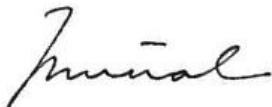
- CIMB-Principal Global Titans Fund
- CIMB-Principal Asia Pacific Dynamic Income Fund
- CIMB Islamic Asia Pacific Equity Fund
- CIMB-Principal Greater China Equity Fund
- CIMB-Principal PRS Plus Conservative
- CIMB-Principal PRS Plus Growth

We are delighted to share our latest win at **The Asset Triple A Private Banking, Wealth Management, Investment and Exchange-Traded Fund ("ETF") Awards 2018**, where we have been recognized as 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.

Thank you.

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



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide investors with medium to long-term capital appreciation through investments in securities of Malaysian companies that will benefit from prevailing investment themes and that conform with Shariah principles.

Has the Fund achieved its objective?

For the financial year under review, the fund has met its long term investment objectives.

What are the Fund investment policy and principal investment strategy?

The strategy of the Fund is to invest in sectors that are related to the prevailing domestic and/or global investment themes.

At least 70% of the Fund's Net Asset Value ("NAV") will be invested in equities listed on Bursa Malaysia that conform with Shariah principles and up to 28% of the Fund's NAV may be invested in other permissible investments. At least 2% of the Fund's NAV will be invested in Shariah-compliant liquid assets for liquidity purposes.

Fund category/type

Equity (Shariah-compliant)/Growth

How long should you invest for?

Recommended three (3) years or more

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

High

When was the Fund launched?

Class MYR

28 February 2008

Class SGD

18 February 2016

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

RM718.61 million (2,633.74 million units)

What is the Fund's benchmark?

Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") EMAS Shariah ("FBMS") Index

Note: Investors should note that the risk profile of the Fund is not same as the risk profile of the benchmark.

What is the Fund distribution policy?

Given the Fund's investment objective, the Fund is not expected to pay any distribution. All income earned by the Unit holders is proportionately reinvested within the Fund. Distributions, if any, will be incidental and will vary from period to period depending on market conditions and performance of the Fund.

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

The Fund distributed a total net income of RM55.89 million to unit holders for the financial year ended 30 November 2018.

MANAGER'S REPORT (CONTINUED)

FUND OBJECTIVE AND POLICY (CONTINUED)

The Fund's NAV per unit are as follows:

Date	NAV per unit (Before distribution) RM	NAV per unit (After distribution) RM
24.07.2018		
- Class MYR	0.3151	0.2951
- Class SGD	2.7180	2.6144

PERFORMANCE DATA

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

	30.11.2018	30.11.2017	30.11.2016
	%	%	%
Shariah-compliant quoted securities			
- Construction	3.69	9.05	9.08
- Consumer Products	-	-	0.68
- Consumer Products & Services	14.99	-	-
- Energy	3.69	-	-
- Finance	-	2.19	1.35
- Financial Services	2.72	-	-
- Health Care	7.26	-	-
- Industrial Products & Services	15.37	-	-
- Industrials	-	16.03	15.43
- Infrastructure Project Companies ("IPC")	-	2.66	6.24
- Plantation	5.51	13.81	7.86
- Property	2.14	1.90	1.29
- Real Estate Investment Trusts ("REITs")	0.78	0.66	0.57
- Technology	4.58	2.79	-
- Telecommunications & Media	7.19	-	-
- Transportation & Logistics	4.29	-	-
- Trading/Services	-	47.12	45.15
- Utilities	14.32	-	-
Cash and other net assets	13.47	3.79	12.35
	<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:

	30.11.2018	30.11.2017	30.11.2016
NAV (RM Million)			
- Class MYR	718.55	1,067.26	1,350.12
- Class SGD	0.056	0.039	0.003
Units in circulation (Million)			
- Class MYR	2633.72	3,274.08	4,231.10
- Class SGD	0.023	0.014	0.001
NAV per unit (RM)			
- Class MYR	0.2728	0.3259	0.3190
- Class SGD	2.4165	2.8111	2.7500
Highest NAV per unit (RM)			
- Class MYR	0.3478	0.3443	0.3654
- Class SGD	2.9997	2.9695	2.8901
Lowest NAV per unit (RM)			
- Class MYR	0.2728	0.3183	0.3191
- Class SGD	2.4165	2.7447	0.1000
Total return (%)			
- Class MYR	(10.61)	5.42	(4.21)
- Class SGD	(11.40)	9.04	(12.16)
Capital growth (%)			
- Class MYR	(16.30)	2.16	(9.97)
- Class SGD	(14.78)	5.72	(12.16)
Income distribution (%)			
- Class MYR	6.78	3.19	6.23
- Class SGD	3.96	3.17	-
	30.11.2018	30.11.2017	30.11.2016
Management Expense Ratio ("MER") (%) ^	1.62	1.66	1.66
Portfolio Turnover Ratio ("PTR") (times) #	0.75	0.95	0.54

^ The MER has decreased from 1.66% to 1.62% due to decreased in expenses during the financial year.

The Fund's PTR decreased from 0.95 times to 0.75 times as there was less trading activity for the financial year under review.

	30.11.2018	30.11.2017	30.11.2016
	RM	RM	RM
Distribution on 21 July 2016			
Gross/Net distribution per unit (sen)			
- Class MYR	-	-	2.00
Distribution on 27 October 2017			
Gross/Net distribution per unit (sen)			
- Class MYR	-	1.05	-
- Class SGD	-	9.00	-
Distribution on 24 July 2018			
Gross/Net distribution per unit (sen)			
- Class MYR	2.00	-	-
- Class SGD	10.36	-	-

PERFORMANCE DATA (CONTINUED)

	30.11.2018	30.11.2017	30.11.2016	30.11.2015	30.11.2014
	%	%	%	%	%
Annual total return					
- Class MYR	(10.61)	5.42	(4.21)	(0.82)	4.52

(Launch date: 28 February 2008)

	30.11.2018	Since inception to 30.11.2017
	%	%
Annual total return		
- Class SGD	(11.40)	(4.22)

(Launch date: 18 February 2016)

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)

The FBMS Index declined by 1,286.71 points or 10.0% to 11,633.44 points during the financial year under review.

In December 2017, the FBMS Index was up by 3.0% on the back of window dressing activities. For the period, the FBMS Index rose by 1,288.50 points or 10.72%, outperforming the conventional FBM Kuala Lumpur Composite Index ("FBMKLCI") which increased by 9.45%. Foreign investors were net buyers of RM10.3 billion in 2017 versus net sellers of RM3.2 billion in 2016. Brent crude oil price rose by 5.2% month-on-month ("m-o-m") or 17.7% year-on-year ("y-o-y") to USD67 per barrel, while the Malaysian Ringgit ("MYR") closed the period stronger at RM4.0465 against US Dollar ("USD"), up by 10% y-o-y.

FBMS Index had a strong start in January 2018 as it jumped by 2.7% on the back of a stronger MYR, higher oil prices, net foreign inflows, hike in overnight policy rate and overall stronger global economies. To note, foreign investors were net buyers of RM3.4 billion versus RM10.3 billion in the whole of 2017. Brent crude oil price closed at USD69.05 per barrel, while the MYR appreciated by 3.8% to close at RM3.8985 against USD.

February 2018 was a volatile month as investors began re-pricing more profit rate hikes in the US, earlier than expected, on the back of higher inflation expectations. In line with the global rout, the FBMS Index came off by 1.69%. To note, consumer price inflation eased in January 2018 to 2.7% (3.5% y-o-y in December 2017) due to currency gains and a higher base, as fuel prices and electricity tariffs were raised a period ago. In February 2018, foreign investors net sold RM1.1 billion bringing year-to-date ("YTD") net inflows to RM2.2 billion.

In March 2018, the FBMS Index declined by 1.5% amid US-China trade frictions. Large caps continued to outperform the broader market and small caps. For the first quarter of 2018, the FBMS Index was flattish, shedding by 0.5%, despite net foreign inflows of RM2.2 billion. The MYR strengthened by 4.5% in the first quarter of 2018. Bank Negara Malaysia ("BNM") kept Overnight Policy Rate ("OPR") unchanged at 3.25%. Meanwhile, the February 2018 Nikkei Purchasing Managers' Index ("PMI") fell to 49.9 versus 50.5 in January 2018.

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

The FBMS Index continued to shed by 0.5% in April 2018. Foreigners turned net buyers of RM1.5 billion in April 2018 after being net sellers of RM0.1 billion in March 2018, bringing YTD net foreign inflows to RM3.5 billion. In April 2018, the MYR depreciated by 1.5%, while the 10-period Malaysian Government Securities (“MGS”) rose by 19 basis points (“bps”) to 4.13%. Brent crude oil rose by 7% to USD75 per barrel. Construction outperformed, while technology, consumer staples and telecommunications underperformed.

Heavy foreign selling dragged the FBMS Index down by 7.5% in May 2018 as investors re-priced policy risk. The bulk of the selling came after the 14th General Elections (“GE14”) which saw the FBMS Index falling by 6.9%. To note, foreigners net sold RM5.6 billion in May 2018, reversing YTD net foreign flows to -RM1.9 billion. During the month, the MYR depreciated by 1.4%, the 10-period MGS rose by 5 bps to 4.18%, while Brent crude oil gained by 3% to USD77 per barrel.

In June 2018, the FBMS Index continued to succumb to heavy foreign selling, falling by 0.68%. In June 2018, foreigners net sold RM4.9 billion, bringing the six months of 2018 total net foreign flows outflow of RM6.8 billion versus net inflow of RM10.8 billion in 2017. During the month, the MYR depreciated further by 1.47% to RM4.04 against USD, the 10-period MGS rose by 2 bps to 4.20%, while Brent crude oil gained by 2.4% to USD79.44 per barrel.

After two consecutive months of sold off post GE14, the FBMS Index bucked the downtrend in July 2018 and ended higher by 5.9% as local investors started to bargain-hunt. Nevertheless, foreigners remained net sellers for third consecutive months with cumulative net outflows of RM1.7 billion. However, this is much lower as compared to RM4.9 billion outflows in June 2018. During the month, the MYR weakened by 0.64% to close at RM4.06 against USD, the 10-period Government Investment Issues (“GII”) dropped by 11 bps to 4.20% and Brent crude oil weakened by 6.1% to USD74.25 per barrel.

The FBMS Index ended the month of August 2018 marginally lower by 0.02%. Foreigners continue to be selling in the market albeit smaller amount as compared to the previous months. Total outflow for the eight months of 2018 amounted to RM8.6 billion versus net inflow of RM10.8 billion in 2017. During the month, the MYR weakened by 1% to close at RM4.11 against USD, the 10-period GII dropped by 7 bps to 4.14% and Brent crude oil strengthen by 4.2% to USD77.42 per barrel.

In September 2018, the FBMS Index ended lower by 1.0%. September 2018 saw net buying from the foreign investors primarily due FTSE rebalancing exercise with cumulative foreign in flow amounted to RM66 million, the first time since April 2018. Despite net foreign inflow for the month, total outflow for the nine months of 2018 amounted to RM8.5 billion versus net inflow of RM10.8 billion in 2017. During the month, the MYR weakened by 0.7% to close at RM4.14 against USD, the 10-period GII higher by 2 bps to 4.15% and Brent crude oil skyrocketed to USD82.72 per barrel, higher by 6.8% m-o-m.

In-line with regional weakness on global growth concerns, the FBMS Index ended October 2018 lower by 7.15%. The release of the mid-term review of the austere 11th Malaysia Plan offered no reprieve as investors further locked in gains made due to rising economic risk and uncertainties. Local investors were concerned that the Government will unveil new taxes and announce higher fiscal deficits during the 2019 Budget. Telecommunication companies were the largest loser on the back of regulatory risk, while construction sector underperformed on Mass Rapid Transit (“MRT”) Line 2 project cost cut. During the month, the MYR weakened by 1.1% while the 10-period GII rose by 10 bps to 4.25%. Brent crude oil price fell to USD75 per barrel, down by 9% m-o-m.

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

Finally, the FBMS Index ended November 2018 declining by 1.17%. During the month, the MYR was flat at RM4.18 against USD while the 10-period GII unchanged at 4.24%. Brent crude oil tumbled to USD58.71 per barrel, down by 22.20% m-o-m. November 2018 saw Khazanah Nasional Bhd (“Khazanah”) selling 16% of its stake in IHH Healthcare Bhd to Mitsui Group. This could be part of the rationalisation programs by Khazanah to increase its contribution to the Federal Government. Third quarter of 2018 Gross Domestic Product (“GDP”) came in lower than consensus forecast at 4.4% y-o-y, driven by domestic demand. Moody’s affirmed the A1 domestic issuer and foreign currency senior unsecured ratings of Petroliaam Nasional Berhad (“PETRONAS”), but changed its outlook to negative from stable.

FUND PERFORMANCE

Class MYR	1 year to 30.11.2018	3 years to 30.11.2018	5 years to 30.11.2018	Since inception to 30.11.2018
	%	%	%	%
Income	6.78	17.05	30.94	40.23
Capital	(16.30)	(22.80)	(28.48)	9.26
Total Return	(10.61)	(9.74)	(6.43)	53.07
Benchmark	(9.96)	(6.98)	(8.64)	16.57
Average Total Return	(10.61)	(3.36)	(1.32)	4.03

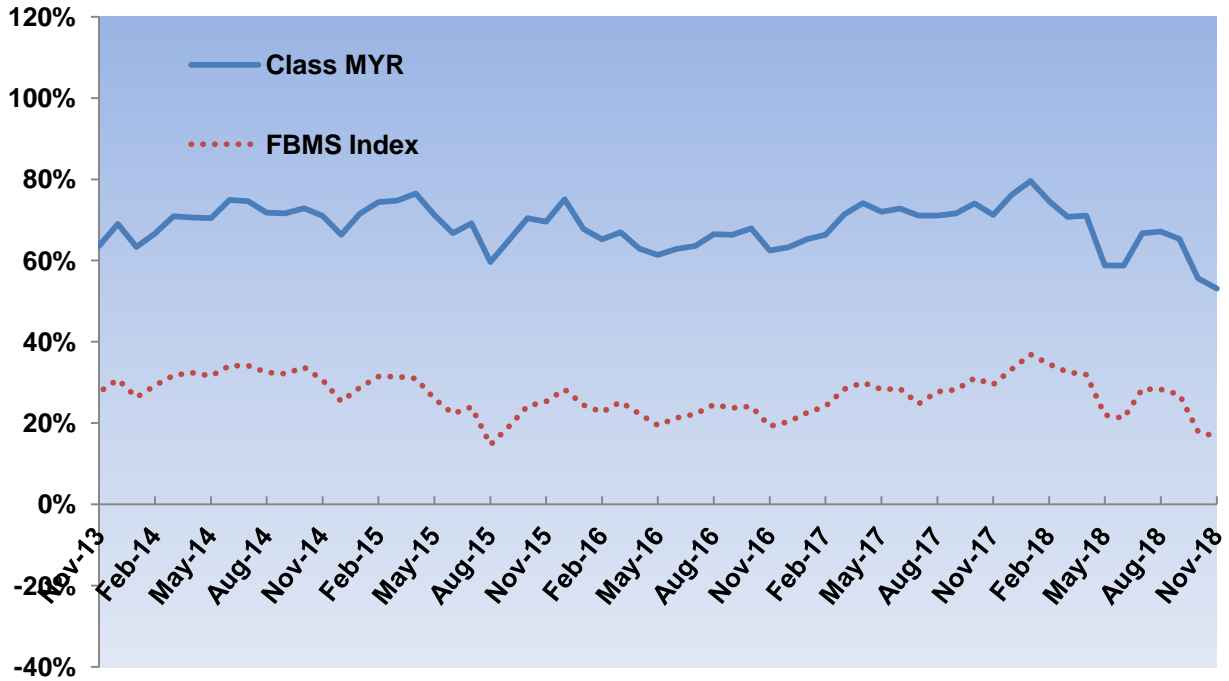
For the financial year under review, the Fund’s total return dropped by 10.61% and underperformed the benchmark marginally by 0.65%. The underperformance was mainly driven by telecommunication and trading and services sectors.

Class SGD	1 year to 30.11.2017	Since inception to 30.11.2017
	%	%
Income	3.96	7.26
Capital	(14.78)	(20.87)
Total Return	(11.40)	(15.14)
Benchmark	(10.37)	(11.94)
Average Total Return	(11.40)	(5.72)

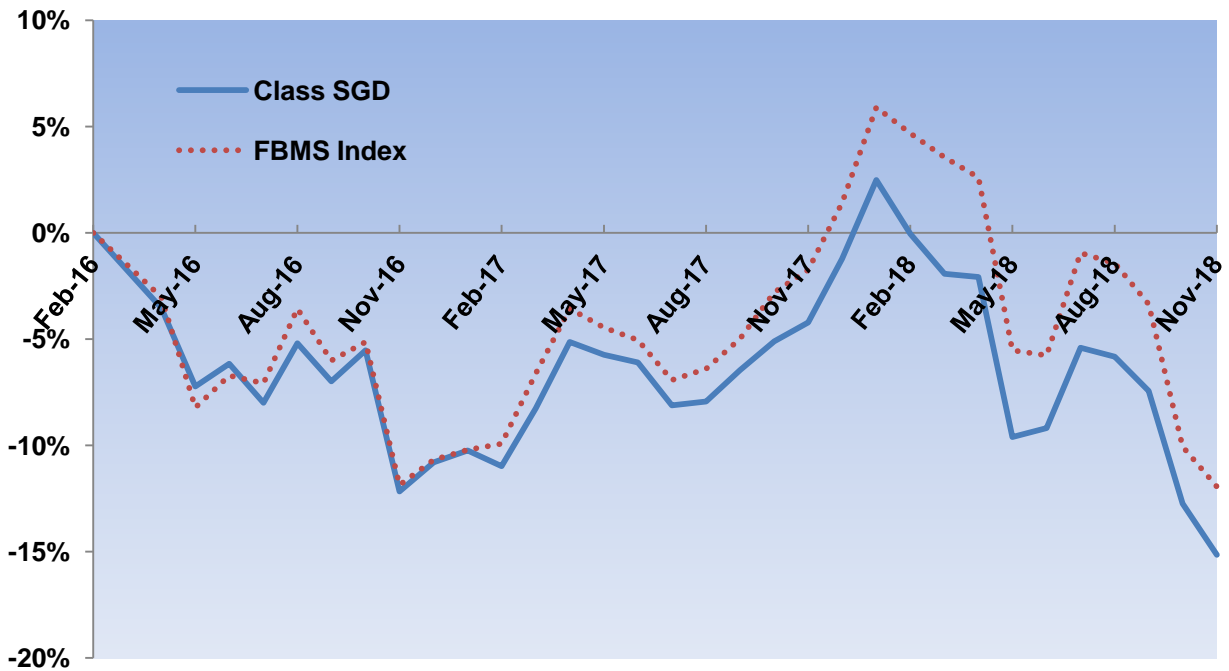
For the financial year under review, the Fund fell by 11.40%, underperforming the benchmark by 1.03%.

FUND PERFORMANCE (CONTINUED)

CLASS MYR



CLASS SGD



Changes in NAV

Class MYR	30.11.2018	30.11.2017	Changes %
NAV (RM Million)	718.55	1,067.26	(32.67)
NAV/Unit (RM)	0.2728	0.3259	(16.29)

Class SGD

NAV (RM Million)	0.056	0.039	43.59
NAV/Unit (RM)	2.4165	2.8111	(14.04)

The Fund's NAV of Class MYR declined by 32.67% for the financial year primarily due to redemption, while NAV per unit decreased by 16.29% due to the negative investment performance and distribution of income. Meanwhile, Fund's NAV of Class SGD rose by 43.59% for the financial year, while NAV per unit decreased by 14.04%.

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

(% of NAV)	30.11.2018	30.11.2017
Shariah-compliant quoted securities	86.53	96.21
Cash and other net assets	13.47	3.79
TOTAL	100.00	100.00

Asset allocation fell from 96.21% as at 30 November 2017 to 86.53% as at 30 November 2018. Post the GE14, we have embarked on capital preservation investment strategy and turn more cautious on the market given concerns on domestic earnings growth and global macro uncertainties.

MARKET OUTLOOK*

We continue to reiterate our cautious stance on the domestic market for rest of 2018 and 2019. We deemed the trade war truce between US and China following the Group of Twenty ("G20") meeting as a short-term reprieve for the market while additional time is sought to resolve the trade dispute between the two nations over 90 days from 1 January 2019. Risk of further escalation cannot be ruled out which will exacerbate the risk to moderating global economic growth amid tightening monetary conditions. Domestically, poor third quarter of 2018 earnings led to more downward revision by the Street for 2018 and 2019 estimates and this will add pressure to the FBMKLCI.

*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

On the back of all these uncertainties, we reiterated our capital preservation investment strategy with preference on big cap Government-Linked Companies (“GLCs”) and companies with strong fundamentals and solid cash flow and dividends in sectors such as Utilities & Renewable Energy, Consumer Staples and Industrials. We are also positive over the medium term on Exporters as US-China trade conflicts may benefit technology-related and Electronics Manufacturing Services (“EMS”) players in Malaysia.

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	4,757	16.13	0.61
5,001-10,000	9,132	67.28	2.55
10,001-50,000	27,237	663.65	25.20
50,001-500,000	12,254	1,406.08	53.39
500,001 and above	249	480.58	18.25
Total	53,629	2,633.72	100.00

CLASS SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	-
5,001-10,000	-	-	-
10,001-50,000	1	0.02	100.00
50,001-500,000	-	-	-
500,001 and above	-	-	-
Total	2	0.02	100.00

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 commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY THEME 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 18 to 55 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2018 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

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

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

ALEJANDRO ECHEGORRI
Executive Director

Kuala Lumpur
16 January 2019

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY THEME FUND**

We have acted as Trustee of CIMB Islamic DALI Equity Theme 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 Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

During this financial year, a total distribution of 2.00 sen per unit (gross) for MYR class and 10.36 sen per unit (gross) for SGD class have been distributed to the unit holders of the Fund respectively. We are of the view that the distribution is not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Head, Trustee Operations

Kuala Lumpur
16 January 2019

**SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY THEME FUND**

We have acted as the Shariah Adviser of CIMB Islamic DALI Equity Theme Fund (the "Fund") for the financial year ended 30 November 2018. Our responsibility is to ensure that the procedures and processes employed by CIMB-Principal Asset Management Berhad (the "Manager") are in accordance with Shariah and Shariah Investment Guidelines.

In our opinion, the Manager has managed and administered the Fund in accordance with the Shariah Investment Guidelines of the Fund and complied with applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 30 November 2018.

In addition, we confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC") and, where applicable the Shariah Advisory Council of Bank Negara Malaysia with exception to Tasco Berhad. The disposal of the said security has yet to be completed due to the market value was lower than the investment cost. However, the holding of the security is still within the ambit of the Shariah Investment Guidelines of the Fund. For investments other than the abovementioned, we have reviewed the same and are of the opinion that these investments were in accordance with the rulings of the Shariah Adviser and the Shariah Investment Guidelines of the Fund.

This report is made solely to the unit holders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report and we shall not be liable for any errors or non-disclosure on the part of the Manager.

For and on-behalf of Shariah Adviser
CIMB Islamic Bank Berhad

ASHRAF GOMMA ALI

Director/Regional Head, Shariah & Governance/Designated Person Responsible for Shariah Advisory

Kuala Lumpur
16 January 2019

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY THEME FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB Islamic DALI Equity Theme 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 assets attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 55.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY THEME 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 include the financial statements of the Fund and our auditor's report thereon.

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

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

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

Responsibilities of the Manager for the financial statements

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

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

The Manager is also responsible for overseeing the Fund's financial reporting process.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB ISLAMIC DALI EQUITY THEME 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 ISLAMIC DALI EQUITY THEME 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 RM	2017 RM
INVESTMENT (LOSS)/INCOME			
Dividend income		28,352,351	30,936,648
Profit income	4	2,705,829	3,228,683
Net (loss)/gain on financial assets at fair value through profit or loss	9	(103,819,281)	66,172,625
Net foreign exchange gain/(loss)		1,137	(929)
		<u>(72,759,964)</u>	<u>100,337,027</u>
EXPENSES			
Management fee	5	13,639,894	19,200,384
Trustee's fee	6	454,663	640,013
Transaction costs		3,396,762	5,562,149
Audit fee		15,300	14,500
Tax agent's fee		4,200	9,833
Other expenses		763,564	1,683,479
		<u>18,274,383</u>	<u>27,110,358</u>
(LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION		(91,034,347)	73,226,669
Finance cost	7	(55,893,339)	(35,292,470)
(LOSS)/PROFIT BEFORE TAXATION		<u>(146,927,686)</u>	<u>37,934,199</u>
Taxation	8	(11,141)	(19,749)
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(146,938,827)</u>	<u>37,914,450</u>
(Decrease)/increase in net assets attributable to unit holders are made up as follows:			
Realised amount		(49,639,370)	61,089,301
Unrealised amount		(97,299,457)	(23,174,851)
		<u>(146,938,827)</u>	<u>37,914,450</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 RM	2017 RM
ASSETS			
Cash and cash equivalents (Shariah-compliant)	10	86,775,924	36,367,178
Financial assets at fair value through profit or loss (Shariah-compliant)	9	621,831,886	1,026,898,549
Amount due from stockbrokers		10,673,408	24,268,480
Amount due from Manager		268,271	193,319
Dividends receivable		867,996	1,174,436
TOTAL ASSETS		<u>720,417,485</u>	<u>1,088,901,962</u>
LIABILITIES			
Amount due to stockbrokers		148,071	12,759,003
Amount due to Manager		684,681	7,285,154
Accrued management fee		912,547	1,353,625
Amount due to Trustee		30,418	45,121
Other payables and accruals		32,176	159,108
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>1,807,893</u>	<u>21,602,011</u>
NET ASSET VALUE OF THE FUND		<u>718,609,592</u>	<u>1,067,299,951</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>718,609,592</u>	<u>1,067,299,951</u>

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

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 NOVEMBER 2018 (CONTINUED)**

	Note	2018 RM	2017 RM
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (MYR)			
- Class MYR		718,553,543	1,067,260,594
- Class SGD		<u>56,049</u>	<u>39,357</u>
		<u>718,609,592</u>	<u>1,067,299,951</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		2,633,716,220	3,274,080,765
- Class SGD		<u>23,194</u>	<u>14,000</u>
	11	<u>2,633,739,414</u>	<u>3,274,094,765</u>
NET ASSET VALUE PER UNIT (MYR)			
- Class MYR		0.2728	0.3259
- Class SGD		<u>2.4165</u>	<u>2.8111</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		MYR 0.2728	MYR 0.3259
- Class SGD		<u>SGD 0.7907</u>	<u>SGD 0.9280</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**

	2018	2017
	RM	RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	1,067,299,951	1,350,127,167
Movement due to units created and cancelled during the financial year:		
- Creation of units from applications		
- Class MYR	26,353,933	63,130,885
- Class SGD	91,168	36,623
	<u>26,445,101</u>	<u>63,167,508</u>
- Creation of units from distribution		
- Class MYR	49,597,692	31,035,982
- Class SGD	51	190
	<u>49,597,743</u>	<u>31,036,172</u>
- Cancellation of units		
- Class MYR	(277,729,072)	(414,945,346)
- Class SGD	(65,304)	-
	<u>(277,794,376)</u>	<u>(414,945,346)</u>
(Decrease)/increase in net assets attributable to unit holders during the financial year	<u>(146,938,827)</u>	<u>37,914,450</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u>718,609,592</u>	<u>1,067,299,951</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 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of Shariah-compliant quoted securities		839,317,825	1,310,691,231
Purchases of Shariah-compliant quoted securities		(541,292,666)	(1,098,064,627)
Dividend income received		29,457,251	31,325,358
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions		2,705,829	3,228,683
Management fee paid		(14,080,972)	(19,535,180)
Trustee's fee paid		(469,366)	(651,173)
Tax refunded		-	91,805
Payments for other fees and expenses		(909,996)	(1,786,570)
Net cash generated from operating activities		<u>314,727,905</u>	<u>225,299,527</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		26,370,061	63,910,077
Payments for cancellation of units		(284,394,849)	(410,125,616)
Distribution paid		(6,295,596)	(4,256,298)
Net cash used in financing activities		<u>(264,320,384)</u>	<u>(350,471,837)</u>
Net increase/(decrease) in cash and cash equivalents		50,407,521	(125,172,310)
Effects of foreign exchange differences		1,225	(841)
Cash and cash equivalents at the beginning of the financial year		<u>36,367,178</u>	<u>161,540,329</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>86,775,924</u></u>	<u><u>36,367,178</u></u>
<u>Cash and cash equivalents comprised of:</u>			
Bank balances		82,814	298,726
Shariah-compliant deposits with licensed Islamic financial institutions		<u>86,693,110</u>	<u>36,068,452</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>86,775,924</u></u>	<u><u>36,367,178</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY

CIMB Islamic DALI Equity Theme Fund (the "Fund") is governed by a Principal Master Deed dated 15 May 2008, a Third Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008, a Seventh Supplemental Master Deed dated 19 November 2008, a Fifteenth Supplemental Master Deed dated 21 September 2012, a Seventeenth Supplemental Master Deed dated 25 March 2015 all executed between the Management Company and the AmTrustee Berhad (hereinafter known as the "Previous Trustee"), and a Principal Master Deed dated 10 April 2015 (collectively referred to as the "Deeds"), between CIMB-Principal Asset Management Berhad (the "Manager") and HSBC (Malaysia) Trustee Berhad (the "Trustee").

The strategy of the Fund is to invest in sectors that are related to the prevailing domestic and/or global investment themes.

At least 70% of the Fund's NAV will be invested in equities listed on Bursa Malaysia that conform with Shariah principles and up to 28% of the Fund's NAV may be invested in other permissible investments. At least 2% of the Fund's NAV will be invested in Shariah-compliant liquid assets for liquidity purposes.

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

The Manager, a company incorporated in Malaysia, is a subsidiary of CIMB Group Sdn Bhd and regards CIMB Group Holdings Berhad as its ultimate holding company. The Manager is also an associate of Principal International (Asia) Limited, which is a subsidiary of Principal Financial Group Inc. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

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

(i) Financial year beginning on/after 1 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 instruments¹ 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 instrument² is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest³.

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 recognised 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 recognised immediately in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(i) Financial year beginning on/after 1 December 2018 (continued)

MFRS 9 introduces an expected credit loss model (“ECL”) 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 impacts 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.

¹ For the purposes of the investments made by the Fund, equity instruments and derivatives refers to Shariah-compliant equity instruments and Shariah-compliant derivatives.

² For the purposes of the investments made by the Fund, debt instruments refers to Sukuk.

³ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

(b) Financial assets and financial liabilities

Classification

The Fund designates its investments in Shariah-compliant 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.

Financing 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 and dividends receivable.

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

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

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. Shariah-compliant 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 Shariah-compliant 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.

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

If a valuation based on the market price does not represent the fair value of the Shariah-compliant 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 Shariah-compliant quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant quoted securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the respective deposits.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**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 profit rate. The asset's carrying amount is reduced and the amount of the loss is recognised in statement of comprehensive income. If 'financing and receivables' has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit 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.

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions is recognised on a time proportionate basis using the effective profit method on an accrual basis.

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

(d) Foreign CurrencyFunctional and presentation currency

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign Currency (continued)

Functional and presentation currency (continued)

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

- i) Significant portion of the NAV is invested in investment denominated in RM.
- ii) Significant portion of the Fund's expenses are denominated in RM.
- iii) Significant portion of the units of the Fund are denominated in RM.

Transactions and balances

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

(e) Creation and cancellation of units

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

The Fund issues cancellable units, in two classes of units, known respectively as the Class MYR and Class SGD 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 Shariah-compliant deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Taxation

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(h) Transaction costs**

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

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

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

(j) Amount due from/to stockbrokers

Amounts due from/to stockbrokers represent receivables for Shariah-compliant quoted securities sold and payables for Shariah-compliant 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 profit method, less provision for impairment for amount due from stockbrokers. A provision for impairment of amount due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbroker. Significant financial difficulties of the stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

(k) Distribution

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

(l) Segment information

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In undertaking any of the Fund's Shariah-compliant 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 judgment was required.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Financing and receivables RM	Total RM
2018			
Cash and cash equivalents (Shariah-compliant) (Note 10)	-	86,775,924	86,775,924
Shariah-compliant quoted securities (Note 9)	621,831,886	-	621,831,886
Amount due from stockbrokers	-	10,673,408	10,673,408
Amount due from Manager	-	268,271	268,271
Dividends receivable	-	867,996	867,996
	<u>621,831,886</u>	<u>98,585,599</u>	<u>720,417,485</u>
2017			
Cash and cash equivalents (Shariah-compliant) (Note 10)	-	36,367,178	36,367,178
Shariah-compliant quoted securities (Note 9)	1,026,898,549	-	1,026,898,549
Amount due from stockbrokers	-	24,268,480	24,268,480
Amount due from Manager	-	193,319	193,319
Dividends receivable	-	1,174,436	1,174,436
	<u>1,026,898,549</u>	<u>62,003,413</u>	<u>1,088,901,962</u>

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

The Fund aims to provide investors with medium to long-term capital appreciation through investments in securities of Malaysian companies that will benefit from prevailing investment themes and that conform to Shariah principles.

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

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

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

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in Shariah-compliant quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of Shariah-compliant 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 Shariah-compliant quoted securities and other financial instruments within specified limits according to the Deeds.

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

	2018 RM	2017 RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted securities	<u>621,831,886</u>	<u>1,026,898,549</u>

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

% Change in price of Shariah-compliant quoted securities	Market Value RM	Impact on profit or loss/NAV RM
2018		
-5%	590,740,292	(31,091,594)
0%	621,831,886	-
5%	<u>652,923,480</u>	<u>31,091,594</u>
2017		
-5%	975,553,622	(51,344,927)
0%	1,026,898,549	-
5%	<u>1,078,243,476</u>	<u>51,344,927</u>

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

(a) Market risk (continued)

(ii) Currency risk

Currency risk is associated with Shariah-compliant cash holdings and receivables in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus RM based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

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 RM	Amount due from Manager RM	Total RM
Financial assets			
2018			
SGD	61,899	-	61,899
2017			
SGD	27,898	10,332	38,230
		Net assets attributable to unit holders RM	Total RM
Financial liabilities			
2018			
SGD		56,049	56,049
2017			
SGD		39,357	39,357

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

(a) Market risk (continued)

(ii) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables held constant. 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 RM
2018		
SGD	5	293
2017		
SGD	5	56

(iii) Interest rate risk

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

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

It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund including placements and deposits are in accordance with Shariah.

The Fund's exposure to fair value interest rate risk arises from Shariah-compliant investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly Shariah-compliant short term deposits with approved licensed Islamic 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.

(b) Credit risk

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

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

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

(b) Credit risk (continued)

For amount due from stockbrokers, 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 exchange. The credit risk is minimal as all transactions in Shariah-compliant 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 RM	Amount due from stockbrokers RM	Amount due from Manager RM	Dividends receivable RM	Total RM
2018					
Finance					
- CIMB Islamic Bank Bhd (AAA)	11,146,221	-	-	-	11,146,221
- Hong Leong Islamic Bank Bhd (AAA)	15,315,369	-	-	-	15,315,369
- HSBC Amanah Malaysia Bhd (AAA)	82,814	-	-	-	82,814
- Maybank Islamic Bank Bhd (AAA)	33,192,165	-	-	-	33,192,165
- Public Islamic Bank Bhd (AAA)	6,988,670	-	-	-	6,988,670
- RHB Islamic Bank Bhd (AA2)	20,050,685	-	-	-	20,050,685
- Not Rated	-	10,673,408	-	-	10,673,408
Consumer Products & Services					
- Not Rated	-	-	-	42,490	42,490
Energy					
- Not Rated	-	-	-	140,765	140,765
REITs					
- Not Rated	-	-	-	58,992	58,992
Technology					
- Not Rated	-	-	-	149,245	149,245
Telecommunications & Media					
- Not Rated	-	-	-	179,335	179,335
Transportation & Logistics					
- Not Rated	-	-	-	128,821	128,821
Utilities					
- Not Rated	-	-	-	168,348	168,348
Others					
- Not Rated	-	-	268,271	-	268,271
	86,775,924	10,673,408	268,271	867,996	98,585,599

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

(b) Credit risk (continued)

	Cash and cash equivalents RM	Amount due from stockbrokers RM	Amount due from Manager RM	Dividends receivable RM	Total RM
2017					
Finance					
- CIMB Islamic Bank Bhd (AAA)	8,000,668	-	-	-	8,000,668
- HSBC Amanah Malaysia Bhd (AAA)	298,726	-	-	-	298,726
- Public Islamic Bank Bhd (AAA)	22,238,296	-	-	-	22,238,296
- Hong Leong Islamic Bank Bhd (AA1)	5,829,488	-	-	-	5,829,488
- AAA	-	9,223,771	-	-	9,223,771
- AA2	-	2,086,278	-	-	2,086,278
- AA3	-	2,885,614	-	-	2,885,614
- Not Rated	-	10,072,817	-	-	10,072,817
Industrials					
- Not Rated	-	-	-	309,130	309,130
IPC					
- Not Rated	-	-	-	300,267	300,267
REITs					
- Not Rated	-	-	-	71,469	71,469
Trading/Services					
- Not Rated	-	-	-	493,570	493,570
Others					
- Not Rated	-	-	193,319	-	193,319
	36,367,178	24,268,480	193,319	1,174,436	62,003,413

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

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

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and, Shariah-compliant deposits with licensed Islamic financial institutions, which are capable of being converted into cash within 7 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2018			
Amount due to stockbrokers	148,071	-	148,071
Amount due to Manager	684,681	-	684,681
Accrued management fee	912,547	-	912,547
Amount due to Trustee	30,418	-	30,418
Other payables and accruals	-	32,176	32,176
Net assets attributable to unit holders*	<u>718,609,592</u>	<u>-</u>	<u>718,609,592</u>
Contractual undiscounted cash flows	<u><u>720,385,309</u></u>	<u><u>32,176</u></u>	<u><u>720,417,485</u></u>
2017			
Amount due to stockbrokers	12,759,003	-	12,759,003
Amount due to Manager	7,285,154	-	7,285,154
Accrued management fee	1,353,625	-	1,353,625
Amount due to Trustee	45,121	-	45,121
Other payables and accruals	83,925	75,183	159,108
Net assets attributable to unit holders*	<u>1,067,299,951</u>	<u>-</u>	<u>1,067,299,951</u>
Contractual undiscounted cash flows	<u><u>1,088,826,779</u></u>	<u><u>75,183</u></u>	<u><u>1,088,901,962</u></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.

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

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of RM718,609,592 (2017: RM1,067,299,951). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

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

(d) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2018				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	621,831,886	-	-	621,831,886
2017				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted securities	1,026,898,549	-	-	1,026,898,549

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

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

4. PROFIT INCOME

	2018	2017
	RM	RM
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions	<u>2,705,829</u>	<u>3,228,683</u>

5. MANAGEMENT FEE

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

For the financial year ended 30 November 2018, the management fee is recognised at a rate of 1.50% per annum (2017: 1.50% per annum).

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

6. TRUSTEE'S FEE

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.07% per annum calculated daily based on the NAV of the Fund. The Trustee's fee includes local/custodian fee but excludes foreign sub-custodian fees and charges.

For the financial year ended 30 November 2018, the Trustee's fee is recognised at a rate of 0.05% per annum (2017: 0.05% per annum).

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

7. FINANCE COST

Distribution to unit holders is derived from the following sources:

	2018	2017
	RM	RM
Class MYR	55,891,254	35,291,790
Class SGD	2,085	680
Total net distribution for the year	<u>55,893,339</u>	<u>35,292,470</u>

	2018	2017
	RM	RM
<u>Class MYR</u>		
Dividend income	10,672,389	13,538,718
Profit income	627,741	1,554,439
Net realised gain on disposal of Shariah-compliant investments	13,905,863	30,455,669
Prior financial year's realised gain/(loss)	<u>32,157,185</u>	<u>(7,252,365)</u>
	57,363,178	38,296,461
Less:		
Expenses	(1,465,185)	(2,989,951)
Taxation	<u>(6,739)</u>	<u>(14,720)</u>
Net distribution amount	<u>55,891,254</u>	<u>35,291,790</u>

7. FINANCE COST (CONTINUED)

	2018 RM	2017 RM
<u>Class SGD</u>		
Dividend income	391	159
Profit income	25	14
Net realised gain on disposal of Shariah-compliant investments	585	565
Prior financial year's realised gain/(loss)	1,140	(21)
	2,141	717
Less:		
Expenses	(56)	(37)
Taxation	-	-
Net distribution amount	2,085	680
 <u>Distribution on 24.07.2018</u>		
	2018	2017
Gross/Net distribution per unit (sen)		
- Class MYR	2.00	-
- Class SGD	10.36	-
 <u>Distribution on 27.10.2017</u>		
Gross/Net distribution per unit (sen)		
- Class MYR	-	1.05
- Class SGD	-	9.00

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

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

During the financial year ended 30 November 2018, the Fund incurred unrealised losses of RM97,299,457 (2017: RM23,174,851).

8. TAXATION

	2018	2017
	RM	RM
Tax charged for the financial year:		
- Withholding tax	<u>11,141</u>	<u>19,749</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:

	2018	2017
	RM	RM
(Loss)/Profit before taxation	<u>(91,034,347)</u>	<u>73,226,669</u>
Taxation at Malaysian statutory rate of 24% (2017: 24%)	(21,848,243)	17,574,401
Tax effects of:		
- Investment loss not deductible for tax purposes/(Investment income not subject to tax)	17,462,390	(24,080,887)
- Expenses not deductible for tax purposes	965,163	1,586,601
- Restriction on tax deductible expenses for Unit Trust Funds	3,420,690	4,919,885
Investment income subject to withholding tax	<u>11,141</u>	<u>19,749</u>
Taxation	<u>11,141</u>	<u>19,749</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018	2017
	RM	RM
Designated at fair value through profit or loss at inception:		
- Shariah-compliant quoted securities	<u>621,831,886</u>	<u>1,026,898,549</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(6,518,531)	51,042,530
- Unrealised fair value (loss)/gain	<u>(97,300,750)</u>	<u>15,130,095</u>
	<u>(103,819,281)</u>	<u>66,172,625</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	4,765,300	5,246,090	2,096,732	0.29
Gabungan AQRS Bhd	4,412,700	6,903,646	3,618,414	0.50
Gabungan AQRS Bhd - Warrant	1,103,175	-	259,246	0.04
IJM Corporation Bhd	2,654,040	8,567,338	4,326,085	0.60
MGB Bhd	6,629,300	10,663,168	5,237,147	0.73
Muhibbah Engineering (M) Bhd	3,372,100	9,272,635	9,138,391	1.27
Sunway Construction Group Bhd	1,232,700	2,940,704	1,898,358	0.26
	24,169,315	43,593,581	26,574,373	3.69
Consumer Products & Services				
Bermaz Auto Bhd	4,740,000	10,606,662	9,954,000	1.39
DRB-Hicom Bhd	1,183,600	2,889,463	2,189,660	0.31
MBM Resources Bhd	5,856,200	15,085,297	11,068,218	1.54
Nestle (Malaysia) Bhd	60,700	8,689,601	9,068,580	1.26
Padini Holdings Bhd	2,213,900	11,576,200	10,626,720	1.48
Petronas Dagangan Bhd	693,900	17,415,050	17,902,620	2.49
Sime Darby Bhd	4,362,705	10,254,803	9,990,594	1.39
Sime Darby Plantation Bhd	4,400,105	24,596,587	20,680,493	2.88
Sime Darby Property Bhd	5,218,305	7,827,458	5,192,213	0.72
UMW Holdings Bhd	2,180,400	13,389,706	11,011,020	1.53
	30,909,815	122,330,827	107,684,118	14.99
Energy				
Dialog Group Bhd	3,614,930	10,724,083	11,459,328	1.59
Serba Dinamik Holdings Bhd	1,929,000	6,443,372	6,944,400	0.97
Yinson Holdings Bhd	1,892,400	6,399,611	8,137,320	1.13
	7,436,330	23,567,066	26,541,048	3.69
Financial Services				
BIMB Holdings Bhd	5,105,400	21,303,218	19,451,574	2.71
BIMB Holdings Bhd - Warrant	458,300	-	84,786	0.01
	5,563,700	21,303,218	19,536,360	2.72

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT				
QUOTED SECURITIES				
(CONTINUED)				
Health Care				
CCM Duopharma Biotech Bhd	4,620,900	6,017,854	4,805,736	0.67
Hartalega Holdings Bhd	934,100	4,788,261	5,978,240	0.83
IHH Healthcare Bhd	2,254,100	13,793,577	12,104,517	1.68
Kossan Rubber Industries Bhd	3,252,800	13,883,533	13,987,040	1.95
KPJ Healthcare Bhd	2,934,000	3,187,882	3,080,700	0.43
Top Glove Corporation Bhd	2,046,200	10,462,346	12,215,814	1.70
	16,042,100	52,133,453	52,172,047	7.26
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	2,661,900	11,146,090	8,518,080	1.19
Chemical Company of Malaysia Bhd	922,000	2,033,136	1,631,940	0.23
Cypark Resources Bhd	3,584,100	9,362,836	8,924,409	1.24
Petronas Chemicals Group Bhd	4,584,200	38,402,758	42,174,640	5.87
SKP Resources Bhd	6,183,300	9,584,972	6,987,129	0.97
Sunway Bhd	13,711,900	21,895,493	20,019,374	2.79
Sunway Bhd - Warrant	1,794,600	-	484,542	0.07
Uchi Technologies Bhd	4,048,000	11,030,733	11,658,240	1.62
UEM Edgenta Bhd	2,218,400	6,716,015	5,568,184	0.77
V.S. Industry Bhd	2,824,700	4,883,027	4,491,273	0.62
	42,533,100	115,055,060	110,457,811	15.37
Plantation				
FGV Holdings Bhd	4,425,300	8,542,755	3,916,391	0.55
Genting Plantations Bhd	458,400	4,361,612	4,354,800	0.61
IOI Corporation Bhd	4,294,300	20,281,886	18,250,775	2.54
Kuala Lumpur Kepong Bhd	531,100	12,548,186	13,011,950	1.81
	9,709,100	45,734,439	39,533,916	5.51

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Property				
LBS Bina Group Bhd	10,296,160	8,962,791	7,207,312	1.00
SP Setia Bhd	2,567,266	8,296,619	5,519,622	0.77
SP Setia Bhd - Preferred Shares A	2,767,920	2,767,920	2,491,128	0.35
SP Setia Bhd - Preferred Shares B	218,600	192,368	155,206	0.02
	15,849,946	20,219,698	15,373,268	2.14
REITs				
KLCCP Stapled Group	725,700	5,434,481	5,573,376	0.78
Technology				
Frontken Corporation Bhd	11,309,100	5,464,189	9,160,371	1.27
Globetronics Technology Bhd	925,700	2,255,098	1,934,713	0.27
Inari Amertron Bhd	3,830,400	8,580,804	6,320,160	0.88
Pentamaster Corporation Bhd	1,644,200	4,378,457	5,031,252	0.70
Unisem (M) Bhd	3,275,900	10,476,928	10,482,880	1.46
	20,985,300	31,155,476	32,929,376	4.58
Telecommunications & media				
Axiata Group Bhd	6,541,754	33,934,867	23,746,567	3.30
Digi.com Bhd	3,586,700	17,256,419	15,207,608	2.12
Time Dotcom Bhd	1,575,720	11,549,019	12,684,546	1.77
	11,704,174	62,740,305	51,638,721	7.19
Transportation & Logistics				
Lingkar Trans Kota Holdings Bhd	1,138,100	5,647,826	4,484,114	0.62
Malaysian Resources Corporation Bhd	2,873,600	2,063,532	1,910,944	0.27
MISC Bhd	1,840,300	13,513,422	11,317,845	1.57
Pos Malaysia Bhd	4,201,400	20,345,217	8,654,884	1.20
Tasco Bhd	4,421,300	10,100,980	4,553,939	0.63
	14,474,700	51,670,977	30,921,726	4.29

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Utilities				
Gas Malaysia Bhd	1,481,100	3,900,731	4,161,891	0.58
Malakoff Corporation Bhd	4,876,300	4,781,776	3,925,422	0.55
Petronas Gas Bhd	974,000	20,154,662	18,447,560	2.57
Ranhill Holdings Bhd	8,417,400	6,693,212	10,016,706	1.39
Taliworks Corporation Bhd	7,797,500	6,999,931	6,354,963	0.88
Tenaga Nasional Bhd	4,212,725	59,171,262	59,989,204	8.35
	<u>27,759,025</u>	<u>101,701,574</u>	<u>102,895,746</u>	<u>14.32</u>
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>227,862,305</u>	<u>696,640,155</u>	<u>621,831,886</u>	<u>86.53</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(74,808,269)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>621,831,886</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2017				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Econpile Holdings Bhd	1,834,200	5,480,720	5,814,414	0.54
Fajarbaru Builder Group Bhd	4,076,100	3,949,165	3,464,685	0.32
Gamuda Bhd	3,437,300	16,747,711	16,808,397	1.57
IJM Corporation Bhd	10,258,540	33,532,000	31,698,889	2.97
Mitrajaya Holdings Bhd	7,594,900	10,464,929	6,569,589	0.62
Muhibbah Engineering (M) Bhd	3,696,500	10,086,764	10,350,200	0.97
Pintaras Jaya Bhd	1,973,700	7,814,745	7,500,060	0.70
Sunway Construction Group Bhd	2,252,400	5,239,813	5,405,760	0.51
WCT Holdings Bhd	5,925,059	13,051,359	9,124,591	0.85
	<u>41,048,699</u>	<u>106,367,206</u>	<u>96,736,585</u>	<u>9.05</u>
Finance				
BIMB Holdings Bhd	5,337,200	22,361,345	22,949,960	2.15
BIMB Holdings Bhd - Warrant	1,529,880	-	420,717	0.04
	<u>6,867,080</u>	<u>22,361,345</u>	<u>23,370,677</u>	<u>2.19</u>
Industrials				
Cahaya Mata Sarawak Bhd	5,640,500	23,618,287	22,392,785	2.10
Hartalega Holdings Bhd	567,800	5,246,442	5,428,168	0.51
Lafarge Malaysia Bhd	1,230,200	8,193,071	8,439,172	0.79
Mieco Chipboard Bhd	2,265,400	2,478,384	2,163,457	0.20
MGB Bhd	5,229,500	8,142,183	8,994,740	0.84
Pecca Group Bhd	3,073,900	4,930,376	4,487,894	0.42
Petronas Chemicals Group Bhd	7,581,000	52,045,012	56,099,400	5.26
Petronas Gas Bhd	941,000	19,611,766	14,943,080	1.40
SKP Resources Bhd	8,179,100	12,031,694	16,767,155	1.57
Top Glove Corporation Bhd	944,200	6,372,190	6,354,466	0.60
Uchi Technologies Bhd	3,322,400	9,700,420	11,628,400	1.09
V.S. Industry Bhd	4,222,100	9,309,760	13,341,836	1.25
	<u>43,197,100</u>	<u>161,679,585</u>	<u>171,040,553</u>	<u>16.03</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2017 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
IPC				
Digi.Com Bhd	3,033,600	15,768,649	14,075,904	1.32
Lingkarans Trans Kota Holdings Bhd	568,500	3,357,363	3,382,575	0.32
Time dotCom Bhd	1,184,020	7,262,543	10,833,783	1.02
	<u>4,786,120</u>	<u>26,388,555</u>	<u>28,292,262</u>	<u>2.66</u>
Plantation				
Felda Global Ventures Holdings Bhd	4,390,400	8,060,096	7,990,528	0.75
Genting Plantations Bhd	2,094,200	21,728,224	21,989,100	2.06
IOI Corporation Bhd	8,589,100	40,566,133	38,307,386	3.59
Kuala Lumpur Kepong Bhd	1,267,600	29,525,062	30,904,088	2.90
Sime Darby Plantation Bhd	9,612,005	53,731,108	48,156,145	4.51
	<u>25,953,305</u>	<u>153,610,623</u>	<u>147,347,247</u>	<u>13.81</u>
Properties				
Malaysian Resources Corporation Bhd	5,303,000	5,404,345	5,674,210	0.53
Sime Darby Property Bhd	9,612,005	14,418,008	11,534,406	1.08
SP Setia Bhd-Ordinary	72,866	-	61,207	0.01
SP Setia Bhd- Rights	218,600	-	-	-
SP Setia Bhd-Preferred Shares	2,767,920	2,767,920	2,961,674	0.28
	<u>17,974,391</u>	<u>22,590,273</u>	<u>20,231,497</u>	<u>1.90</u>
REITs				
KLCCP Stapled Group	881,900	6,293,271	7,055,200	0.66

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2017 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Technology				
Inari Amertron Bhd	6,407,500	16,227,966	20,760,300	1.95
Malaysian Pacific Industries Bhd	693,900	7,741,393	8,979,066	0.84
	<u>7,101,400</u>	<u>23,969,359</u>	<u>29,739,366</u>	<u>2.79</u>
Trading/Services				
Aeon Co. (M) Bhd	2,968,200	7,093,924	5,372,442	0.50
Axiata Group Bhd	12,087,254	62,673,979	64,425,064	6.04
Bermaz Auto Bhd	3,196,000	6,961,924	6,551,800	0.61
Cypark Resources Bhd	887,300	2,420,530	2,298,107	0.22
Dialog Group Bhd	17,929,530	34,002,210	43,210,167	4.05
Frontken Corp Bhd	5,476,600	2,217,275	2,135,874	0.20
Gas Malaysia Bhd	4,100,700	10,649,848	11,030,883	1.03
IHH Healthcare Bhd	3,788,000	23,357,194	21,364,320	2.00
MBM Resources Bhd	6,468,200	16,661,781	13,712,584	1.28
MISC Bhd	3,593,200	26,385,553	25,332,060	2.37
My Eg Services Bhd	7,707,950	14,885,282	16,340,854	1.53
Petronas Dagangan Bhd	445,900	10,406,348	10,790,780	1.01
Pos Malaysia Bhd	5,096,900	25,057,717	27,013,570	2.53
Sapura Energy Bhd	15,330,400	28,952,551	19,163,000	1.80
Sime Darby Bhd	13,948,505	25,788,879	32,778,987	3.07
Sunway Bhd	12,965,200	20,560,861	21,133,276	1.98
Sunway Bhd-Warrant	1,794,600	-	1,040,868	0.10
Taliworks Corp Bhd	3,997,100	6,067,413	4,276,897	0.40
Tasco Bhd	4,605,100	10,520,893	10,407,526	0.98
Telekom Malaysia Bhd	5,178,474	33,933,269	31,226,198	2.93
Tenaga Nasional Bhd	6,803,125	86,083,701	105,176,313	9.85
UEM Edgenta Bhd	2,218,400	6,716,014	5,878,760	0.55
Yinson Holdings Bhd	5,839,800	19,748,705	22,424,832	2.09
	<u>146,426,438</u>	<u>481,145,851</u>	<u>503,085,162</u>	<u>47.12</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2017 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
TOTAL SHARIAH- COMPLIANT QUOTED SECURITIES	<u>294,236,433</u>	1,004,406,068	<u>1,026,898,549</u>	<u>96.21</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>22,492,481</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,026,898,549</u>		

10. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	2018 RM	2017 RM
Shariah-compliant deposits with licensed Islamic financial institutions	86,693,110	36,068,452
Bank balances	<u>82,814</u>	<u>298,726</u>
	<u><u>86,775,924</u></u>	<u><u>36,367,178</u></u>

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

	2018 %	2017 %
Shariah-compliant deposits with licensed Islamic financial institutions	<u>3.41</u>	<u>3.14</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average maturity of 6 days (2017: 4 days).

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2018	2017
	No. of units	No. of units
Class MYR (i)	2,633,716,220	3,274,080,765
Class SGD (ii)	23,194	14,000
	<u>2,633,739,414</u>	<u>3,274,094,765</u>
(i) Class MYR		
At the beginning of the financial year	3,274,080,765	4,231,097,876
Add: Creation of units from applications	84,739,890	189,241,661
Add: Creation of units from distribution	168,070,796	94,276,984
Less: Cancellation of units	<u>(893,175,231)</u>	<u>(1,240,535,756)</u>
At the end of the financial year	<u>2,633,716,220</u>	<u>3,274,080,765</u>
(ii) Class SGD		
At the beginning of the financial year	14,000	1,060
Add: Creation of units from applications	33,569	12,873
Add: Creation of units from distribution	20	67
Less: Cancellation of units	<u>(24,395)</u>	<u>-</u>
At the end of the financial year	<u>23,194</u>	<u>14,000</u>

12. MANAGEMENT EXPENSE RATIO ("MER")

	2018	2017
	%	%
MER	<u>1.62</u>	<u>1.66</u>

MER is derived from the following calculation:

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

A = Management fee

B = Trustee's fee

C = Audit fee

D = Tax agent's fee

E = Other expenses excluding Goods and Services Tax ("GST") on transaction costs

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 RM909,028,080 (2017: RM1,279,054,393).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2018	2017
PTR (times)	<u>0.75</u>	<u>0.95</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 = RM527,310,897 (2017: RM1,104,131,877)

total disposal for the financial year = RM827,748,679 (2017: RM1,326,914,045)

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

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

<u>Related parties</u>	<u>Relationship</u>
CIMB-Principal Asset Management Bhd	The Manager
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 Investment Bank Bhd	Fellow related party to the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager

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

Units held by the Manager and parties related to the Manager

	2018		2017	
	No. of units	RM	No. of units	RM
Manager				
CIMB-Principal Asset Management Bhd				
- Class MYR	307,237	83,814	241,832	78,813
- Class SGD	513	1,240	1,127	3,168

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

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

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

	2018 RM	2017 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions:		
- CIMB Islamic Bank Bhd	305,367	472,326
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed Islamic financial institutions:		
- CIMB Islamic Bank Bhd	11,146,221	8,000,668
<u>Cash placement with financial institutions</u>		
Shariah-compliant deposits with licensed Islamic financial institutions:		
- CIMB Islamic Bank Bhd	467,862,000	2,790,624,000

15. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Capital Securities (Malaysia) Sdn Bhd	265,526,882	19.62	555,643	19.38
RHB Investment Bank Bhd	161,712,177	11.95	373,100	13.01
Credit Suisse (M) Sdn Bhd	131,208,128	9.69	275,899	9.62
Maybank Investment Bank Bhd	124,668,219	9.21	270,170	9.42
JP Morgan Securities (M) Sdn Bhd	123,718,687	9.14	261,866	9.13
KAF Seagroats & Campbell Securities Sdn Bhd	108,348,271	8.00	222,810	7.77
CIMB Investment Bank Bhd #	101,758,212	7.52	203,685	7.10
CLSA Securities (M) Sdn Bhd	98,946,150	7.31	202,875	7.07
Affin Hwang Investment Bank Bhd	72,859,426	5.38	153,209	5.34
Citigroup Global Markets Malaysia Sdn Bhd	48,940,880	3.62	100,331	3.50
Others	115,979,862	8.56	248,006	8.66
	<u>1,353,666,894</u>	<u>100.00</u>	<u>2,867,594</u>	<u>100.00</u>

15. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Capital Securities (Malaysia) Sdn Bhd	321,492,288	13.22	667,328	14.14
CIMB Investment Bank Bhd #	291,679,443	12.00	561,086	11.89
Maybank Investment Bank Bhd	256,714,951	10.56	502,711	10.65
Credit Suisse (M) Sdn Bhd	246,555,991	10.14	511,220	10.83
RHB Investment Bank Bhd	246,536,826	10.14	572,638	12.13
JP Morgan Securities (M) Sdn Bhd	232,496,972	9.56	491,148	10.41
CLSA Securities (M) Sdn Bhd	156,075,602	6.42	327,196	6.93
Hong Leong Investment Bank Bhd	139,371,798	5.73	293,568	6.22
KAF Seagroatt & Campbell Securities Sdn bhd	128,263,192	5.28	275,607	5.84
UBS Securities (M) Sdn Bhd	62,684,455	2.58	128,444	2.72
Others	179,208,227	7.95	388,307	8.24
	<u>2,261,079,745</u>	<u>100.00</u>	<u>4,719,253</u>	<u>100.00</u>

Included in transactions are trades conducted with CIMB Investment Bank Bhd, fellow related party of the Manager amounting to RM101,758,212 (2017: RM291,679,443) 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.

16. 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 Fund aims to provide investors with medium to long-term capital appreciation through investments in securities of Malaysian companies that will benefit from prevailing investment themes and that conform with Shariah principles. 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 profit income and dividend income earned from Shariah-compliant investments and gains on the appreciation in the value of Shariah-compliant investments, which are derived from Ringgit-denominated Shariah-compliant deposits with licensed Islamic financial institutions in Malaysia and Shariah-compliant quoted securities listed on the Bursa Securities, Malaysia.

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

17. APPROVAL OF FINANCIAL STATEMENTS

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

DIRECTORY

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