

CONTENTS	PAGE
INVESTOR LETTER	1
MANAGER'S REPORT	2 - 16
Fund objective and policy	
Trust Directory	
Corporate Directory	
Performance Data	
Market review	
Fund performance	
Portfolio structure	
Market outlook	
Additional Information	
Investment strategy	
Spread of unitholdings	
Soft commission and rebates	
STATEMENT BY MANAGER	17
TRUSTEE'S REPORT	18
INDEPENDENT AUDITOR REPORT	19 – 20
STATEMENT OF COMPREHENSIVE INCOME	21
STATEMENT OF FINANCIAL POSITION	22
STATEMENT OF CHANGES IN EQUITY	23
STATEMENT OF CASH FLOWS	24
NOTES TO THE FINANCIAL STATEMENTS	25 – 40
DIRECTORY	41

INVESTOR LETTER

Dear Valued Investors,

2011 was ushered in with a lot of optimism. Most analysts, if not all, were positive that the 2010 market rally would have spilt over into this year. However, it seems like the year may not be as predictable as we thought.

Nevertheless, as we all know the market is always cyclical. It goes up and comes down based on the current uncertainties. Ultimately, if you are a long-term investor, the best thing to do is to stay invested and not react emotionally by panic selling. What investors should do is to try to think forward with a plan and have a preferred asset allocation based on their risk tolerance. A well diversified portfolio is also important to mitigate risks in the long-term.

Usually, the source of market volatility is a mix of short and long-term causes. One of several immediate short-term causes has of course been the Standard and Poor's (S&P) ratings downgrade of long-term U.S. Government debt from AAA to AA+. The S&P downgrade had caused a massive downshift of investor's risk appetite that has been underway for several weeks.

We believe that once the current market turmoil subsides, we expect repercussions from the U.S. downgrade to be limited. Some fears that investors have, while certainly understandable in situation like this, are unsupported.

To be fair, here are some positive facts for the US:-

- US treasuries remain one of the safest investments even at AA+ rating;
- Over 60% of global allocated foreign exchange reserves are in USD and they are still highly in demand;
- US Treasuries are the most liquid securities traded in the world and it is hard to find alternatives or substitutes.
- Huge amounts of forced selling of US Treasures have yet to be seen

Overall, given the uncertainty in the markets, we still hold on to our view that the US will not go into a double dip recession. We will continue to remain positive on Asian Equities for second half of 2011 as we believe that strong fund flows into Asian fixed income markets may eventually have a positive spill over effect into the regional equity markets.

On another note, we are happy to announce that CIMB-Principal has garnered a total of 8 awards this year and will maintain our momentum of achievements in the industry for the best interest of our investors.

We are also happy to announce that CIMB-Principal Asset Management Berhad ("CIMB-Principal") is now GIPS-compliant.

GIPS or Global Investment Performance Standards are a set of standardized principles that provide guidance on how investment firms should calculate and report their investment results to prospective and current clients.

By being GIPS-compliant, investors can now have a greater level of confidence in the integrity of performance presentations as well as our general practices. We trust this will provide further assurance that the performance and reporting figures we cite are prepared to the highest standards.

With this, we at CIMB-Principal will strive to consistently provide investors with potential capital gains over the long-term and at the same time become the most reliable and trusted fund house in the industry. We look forward to supporting your journey through the interesting financial markets to come.

MANAGER'S REPORT**What is the investment objective of the Fund?**

To provide investment results that, before expenses, closely correspond to the performance of the Benchmark Index, regardless of its performance.

Has the Fund achieved its objective?

For the period under review, the Fund is in line with its stated objective.

What are the Fund investment policy and its strategy?

The Fund is a feeder exchange-traded fund (ETF) which aims to invest at least 95% of its NAV in the Underlying Fund which is the Singapore Fund (SF). The SF is an ETF listed on the Singapore Exchange Securities Trading Limited (SGX-ST) which aims at providing the SF Unitholders a return that closely corresponds to the performance of the FTSE/ASEAN 40 Index. Therefore, the Manager adopts a passive strategy in the management of the Fund.

Fund category/ type

Feeder ETF / Index Tracking

How long should you invest for?

Recommended 3 to 5 years

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

High

When was the Fund launched?

9 July 2010*

What was the size of the Fund as at 30 June 2011?

RM 12.69 million (8.10 million units)

What is the Fund's benchmark?

The FTSE/ASEAN 40 Index or such replacement index as may be determined by the SF Manager and / or the Manager.

What is the Fund distribution policy?

Annually, subject to the discretion of the Manager

* Listing date

Trust Directory

Manager

Registered Address

CIMB-Principal Asset Management Berhad
5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel: (03) 2093 0379

Business Address

Level 5, Menara Milenium
8 Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: (03) 2084 2000

Board of Directors

Dato' Charon Wardini bin Mokhzani
Datuk Noripah binti Kosmo
Dato' Mohd Shukri Hussin
Raja Noorma binti Raja Othman
Badlisyah bin Abdul Ghani
Peter William England
REX Auyeung
John Campbell Tupling
Ned Alan Byrmeister
Brig Gen (R) Dato' Arif bin Dato' Awang
Loong Chun Nee
Dato' Anwar bin Aji
Wong Joon Hian

Investment Committee

Raja Noorma binti Raja Othman
John Campbell Tupling
Badlisyah bin Abdul Ghani
Kim Teo Poh Jin
A.Huzaima bin Abdul Hamid
Fad'l bin Mohamed

Company Secretary

Datin Rossaya Mohd Nashir
LS 0007591
5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur

Investment Adviser

CIMB-Principal Asset Management (S) Pte Ltd
50 Raffles Place
Singapore Land Tower, #26-05
Singapore 048623
Tel: (+65) 6210 8488 Fax: (+65) 6210 8489

Corporate Directory

Fund Administration and Fund Accounting Service Provider Deutsche Bank (Malaysia) Berhad

Registered Address
Level 18, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur

Business Address
Level 18-20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur

Tel: (03) 2053 6788

Trustee
Deutsche Trustees Malaysia Berhad

Registered/Business Address
Level 20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur

Auditors of the Manager and of the Fund
PricewaterhouseCoopers Chartered Accountants

Tax Adviser
PricewaterhouseCoopers Taxation Services Sdn Bhd

PERFORMANCE DATA

Details of portfolio composition of the Fund are as follows:

	30.06.2011
	%
Sector	
Underlying Fund	99.01
Liquid assets and others	0.99
	<u>100.00</u>

Performance details of the Fund for the financial year are as follows:

	30.06.2011
Net Asset Value (RM million)	12.69
Units In circulation (Million)	8.10
Net Asset Value per Unit (RM)	1.5672
Highest NAV per Unit (RM)	1.6277
Lowest NAV per Unit (RM)	1.3868
Market Price per Unit (RM)	1.5800
Highest Market Price per Unit (RM)	1.6750
Lowest Market Price per Unit (RM)	1.3900
Total return (%) ^	13.01
-capital growth (%)	13.01
-income growth (%)	-
Management Expenses Ratio (%)	3.39
Portfolio Turnover Ratio (times) #	1.39

(Launch date : 9 July 2010)

^ based on NAV per unit

For the period under review, the portfolio turnover ratio was 1.39 times mostly attributable to funds creation and redemption.

Period	Total return (%)	Annualised (%)
- Since inception (SI)^	13.01	13.36
- Benchmark SI	16.43	16.88

	Since Inception to 30.06.2011 (%)
Annualised return^	13.36

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 data and figures have been verified by Mercer (Malaysia), Consulting Actuaries (35090-H)

MARKET REVIEW (9 JULY 2010 TO 30 JUNE 2011)

For the second half of 2010, regional markets performed well as confidence was restored among investors as well as strong foreign inflows. The release of better-than-expected corporate earnings in the United States pushed global markets higher and consequently drove regional markets northbound. Foreign investors have been pouring money into the region on the premise that economic growth in Asia will be stronger than that in the developed economies and Asian currencies will appreciate against the US dollar. Markets also benefitted from China’s optimistic outlook on the economy. The optimism received further boost when the Bank of Japan cut interest rates to encourage economic growth in the country. Positive results from the U.S. midterm elections and the Fed’s announcement to spend US\$ 600bn on bond repurchases to help stimulate the economy further spurred the rally. However, markets turned jittery in November as investors were worried over China’s policy tightening measures to control inflation and the news of an exchange of artillery fire between North and South Korea resulted in momentary panic.

Entering 2011, a series of global events put downward pressure on ASEAN markets. The earthquake and tsunami disaster in Japan followed by the nuclear accident, social unrest in Libya, and GCC’s efforts to minimize contagion in Bahrain, collectively increased risk aversion. The regional markets, however, received a boost as a few of the world’s largest economies came together to help alleviate Japan’s situation through intervention in the foreign-exchange markets. Easing nuclear concerns from Japan further raised confidence. The markets went to a more cautious mode towards the end of the period as Eurozone debt crisis continued to loom over investors after a series of downgrades across Europe. Inflationary pressure in China added to the downward pressure across the region. In addition, investors continued to remain vigilant in anticipation of further monetary tightening from China.

For the year, all ASEAN markets closed in positive territory led by Indonesia (+31.45%). The other gainers were the Philippines (+26.96%), Thailand (+26.25%), Malaysia (19.24%) and Singapore (+13.46%). (Source: Bloomberg, in Ringgit terms).

FUND PERFORMANCE

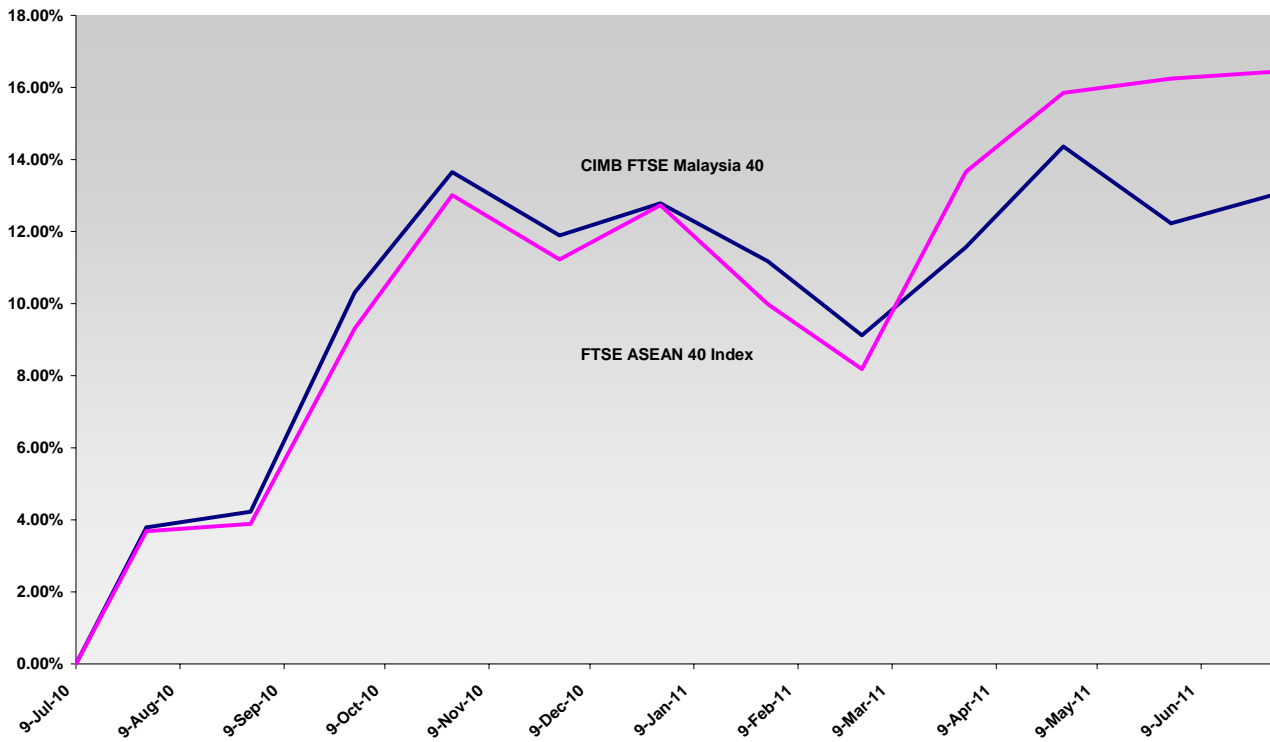
	Since Inception to 30.06.2011 (%)
Income	-
Capital ^	13.01
Total Return ^	13.01
Annualised Return ^	13.36
Underlying Fund^^	13.76
Benchmark (FTSE ASEAN 40 Index)	16.43
Market Price per Unit	13.67

^ Based on NAV per Unit

^^ Based on Last Published Market Price

For the period under review, the Fund gained 13.01% compared to the Underlying Fund which increased by 13.76% and the benchmark which increased by 16.43%. The underperformance was mainly attributable to the cost of establishment of the Fund.

The last available published market price of the Fund quoted on Bursa Malaysia was RM 1.5800, an increase of 13.67% for the period.



Changes in Net Asset Value (“NAV”)

	30.06.2011
Net Asset Value (“NAV”) (RM Million)	12.69
NAV/unit (RM)	1.5672

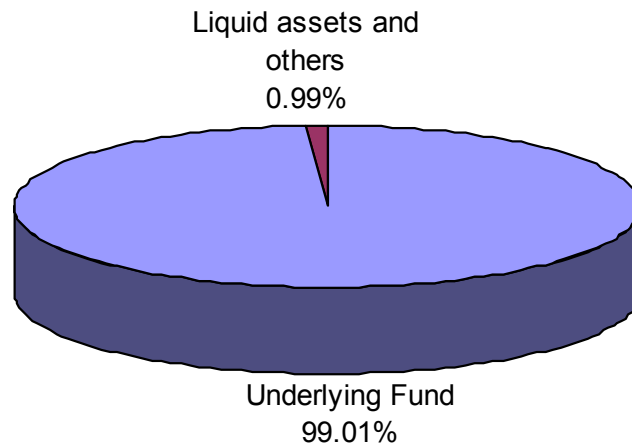
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance is 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 have been verified by Consulting Actuaries, Mercer (Malaysia) Sdn Bhd.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30 June 2011
Underlying Fund	99.01
Liquid assets and others	0.99
TOTAL	100.00

The Fund was almost fully invested during the period under review. A minimal level of liquid assets was maintained primarily for liquidity purposes.



MARKET OUTLOOK

We expect the global economic growth to slow in the second half of 2011 as US and Japan undergo a soft patch. Inflation expectation is moderating with the slowing global growth, the release of strategic oil reserves and the fall in soft commodity prices. The stalemate on US debt ceiling will be resolved before August. The Eurozone economy is set to stagnate as debt crisis linger on. Greece has survived the austerity vote; markets are expecting more bailout from IMF/ EU coming. A long term solution is required with a sovereign debt restructuring likely in 2013. Chinese premier has declared "victory" over inflation but short term inflation risks remain. We expect a temporary easing of tightening monetary conditions as growth softens in the near future.

Within Asia, growth is expected to be uneven across the different countries with core inflation worries remaining a risk through next year. We are bullish on ASEAN equities for the second half of 2011 as the domestic economies remain supported by "income friendly" policies e.g. Thaksinomics, 1Malaysia, and no fuel subsidies removal in Indonesia. Furthermore, inflation fears appear to be waning in the short term.

Additional Information

Key personnel of the Manager

The Board of CIMB-Principal plays an active role in the affairs of the Manager and is responsible for the overall management of CIMB-Principal. The Board has 13 members. Board meetings shall be held regularly (at least once every 2 months') and in accordance with the requirements of the ETF Guidelines, Deed and other applicable requirements.

With effect from 21 April 2010, Dato' Mohd Shukri Hussin has resigned as Alternate Director to Dato' Charon Wardini bin Mokhzani and appointed as Director. Dato' Charon Wardini bin Mokhzani has resigned as Director and appointed as Alternate Director to Dato' Mohd Shukri Hussin.

Details of the Directors of the management company are set out as below:

Name:	John Campbell Tupling
Designation:	Chief Executive Officer / Executive Director.
Qualifications:	Bachelor of Arts, University of Western Ontario, Canada.
Experience:	Has been an Alternate Director for CIMB-Principal since 22 March 2004 and was redesignated as a principal Director of CIMB-Principal since 22 August 2007 upon his move to Malaysia. He was appointed the Chief Executive Officer / Executive Director of CIMB-Principal on 1 November 2008. Has spent more than 11 years in various positions with Principal Financial Group including COO – Asia (based in Hong Kong), Co-Head of Institutional Pension Segment (based in USA) and Managing Director of Principal International Spain. Previous experience was 15 years with American International Group in various capacities including Managing Director of AIG Mexico and AIG La Tandilense (Argentina).
Name:	Dato' Charon Wardini bin Mokhzani
Designation:	Executive Director, CIMB Investment Bank Berhad. Non-Independent Non-Executive Director of CIMB-Principal.
Qualifications:	LLB. Hons. (The School of Oriental and African Studies, University of London); BA Hons. In Philosophy, Politics & Economics (Balliol College, University of Oxford).
Experience:	Has been a Director of CIMB-Principal since 23 November 2004. Currently the Deputy Chief Executive Officer, Corporate & Investment Banking of CIMB Group and Executive Director of CIMB Investment Bank Berhad, has previously served as an independent non-executive director of CIMB Berhad from 22 December 2002 to 11 July 2003. Prior to his current position, he was the Managing Partner of Malaysia's then largest law firm.

Additional Information (continued)

Name:	Datuk Noripah binti Kamso
Designation:	Non-Independent Non-Executive Director of CIMB-Principal.
Qualifications:	Bachelor in Business Administration (Northern Illinois University, Dekalb, Illinois, USA); Master in Business Administration (Marshall University, Huntington, West Virginia, USA).
Experience:	Joined CIMB-Principal in September 2004 and became its Director in February 2005. Has over 23 years experience in corporate credit and lending. Has 9 years in derivatives broking business as CEO of CIMB Futures. She has successfully overseen CIMB-Principal's further expansion into new regional South East Asia markets and institutional mandates. Is currently a Council Member of Federation of Investment managers Malaysia (FIMM) and a Board Member of CIMB-Principal (S) and President Commissioner of PT CIMB Principal Asset Management.
Name:	Dato' Mohd Shukri Hussin (Alternate Director to Dato' Charon Wardini bin Mokhzani)
Designation:	Executive Director of CIMB Group Holdings Berhad (formerly known as Bumiputra-Commerce Holdings Berhad). Non Independent Non-Executive Director of CIMB-Principal.
Qualifications:	Bachelor of Economics (Hons) degree from the University of Malaya and qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales.
Experience:	Dato' Shukri was previously the Chief Operating Officer of CIMB Group Holdings Berhad. He has held various senior positions within the CIMB Group including as Chief Executive Officer of Bank Muamalat Malaysia Berhad from 1999 to 2003 and Chief Executive Officer of CIMB Securities Sdn Bhd (now known as CIMBS Sdn Bhd) from 1992 to 1999. He was appointed as a Director of CIMB Group Holdings Berhad on 3 January 2006. On 8 May 2006 he was appointed as President Commissioner of PT Bank CIMB Niaga Tbk. He is also a director of CIMB Group, CIMB Bank, CIMB Islamic Bank, Commerce Capital (Labuan) Limited, CIMB Bank (Labuan) Limited, a Trustee of Yayasan Laporan Kewangan, Director and Chairman of CIMB Aviva Assurance Berhad and CIMB Aviva Takaful Berhad; Chairman of CIMB Wealth Advisors Berhad and Chief Executive Officer of the Board of Trustee of CIMB Foundation.

Additional Information (continued)

Name: **Raja Noorma binti Raja Othman**
Designation: Chief Executive Officer of CIMB-Mapletree Management Sdn. Bhd. and Director of the Group Asset Management arm of CIMB. Non-Independent Non-Executive Director of CIMB-Principal.
Qualifications: Bachelor of Business Administration degree from Ohio University, United States of America under a twinning programme with Institut Teknologi MARA.
Experience: Has been a Director of CIMB-Principal since 24 April 2007. Prior to joining CIMB Group in 2005, she was the Vice-President of Investment Banking for JP Morgan, a position she held for over 5 years. She was attached to JP Morgan's offices in Hong Kong, Singapore and Malaysia as both industry and client coverage banker. At JP Morgan, she originated and executed several transactions involving corporate advisory, equity and debt capital markets, private equity, cross border mergers and acquisitions as well as IPO transactions. She also has over 10 years experience in industry with Malaysia's largest telecommunications company, Telekom Malaysia Berhad, where the last post she held was Head of Corporate Finance.

Name: **Badlisyah bin Abdul Ghani (Alternate Director to Raja Noorma binti Raja Othman)**
Designation: Member of the Investment Committee. Group Head, Islamic Banking Division - CIMB Group. Executive Director and Chief Executive Officer, CIMB Islamic Bank Berhad. Non-Independent Non-Executive Director of CIMB-Principal.
Qualifications: Bachelor of Laws Degree from the University of Leeds.
Experience: Has been an Alternate Director of CIMB-Principal since 8 October 2008. Joined CIMB in 2002 and was attached to the Corporate Finance Division, prior to his appointment as Head of CIMB Group Islamic Banking Division. He was appointed as Executive Director/Chief Executive Officer of CIMB Islamic Bank Berhad in 2006. He is responsible for all Islamic banking and finance business of the CIMB Group.

Name: **Peter William England**
Designation: Head of Retail Banking - CIMB Bank Berhad. Non-Independent Non-Executive Director of CIMB-Principal.
Qualifications: Masters of Business Administration (MBA) University of Southern Queensland Australia (2004). Accounting Certificate (1988). Australian Higher School Certificate (1979).
Experience: Has been a Director of CIMB-Principal since 24 April 2007. 2006-current Head Retail Banking - CIMB Bank Berhad 2004-2005 Head Retail Banking - Hong Leong Bank 2001-2004 Head Retail Banking - RHB Bank Malaysia 2000 Securities Institute of Australia 1997-1999 HSBC Malaysia and Singapore 1979-1996 State Bank of NSW, Australia.

Additional Information (continued)

Name: **Rex Auyeung**
Designation: Senior Vice President of Principal Financial Group; President - Asia of Principal International, Hong Kong.
Qualifications: Non-Independent Non-Executive Director of CIMB-Principal. Bachelor of Environmental Studies (Honours) in Urban and Regional Planning, University of Waterloo, Canada.
Experience: Has been a Director of CIMB-Principal since 11 July 2003 and has over 30 years of experience in insurance industry in Canada and Hong Kong.

Name: **Ned Alan Burmeister**
Designation: Senior Vice President, Chief Operating Officer and Risk Manager, Principal International.
Qualifications: Non-Independent Non-Executive Director of CIMB-Principal. Bachelor's degree from Drake University, Des Moines, Iowa. Member of Society of Actuaries and the American Academy of Actuaries.
Experience: Appointed as a Director of CIMB-Principal on 30 November 2007. Has been with Principal Financial Group for more than 28 years in the area of actuarial and pension services.

Name: **Brig. Gen (R) Dato' Arif bin Dato' Awang**
Designation: Chief Executive Officer of Cybron Holdings Bhd. Also a Director of Geoprima (M) Sdn Bhd and Tenaga Tiub Sdn Bhd.
Qualifications: Independent Non-Executive Director of CIMB-Principal. Master of Science (Cranfield Institute of Technology); Advance Management Program (Harvard Business School).
Experience: Has been a Director of CIMB-Principal since 3 November 1995. Also spent 25 illustrious years in the Royal Malaysian Air Force from 1960 to 1984.

Name: **Loong Chun Nee**
Designation: Group Chief Investment and Performance Officer, Scomi Group Bhd.
Qualifications: Independent Non-Executive Director of CIMB-Principal. Bachelor of Arts in Economics and Social Studies, University of Manchester, England.
Experience: Has been a Director of CIMB-Principal since 6 May 2002. Also spent a total of 5 years with Puncak Niaga Group and 11 years in Renong Group.

Additional Information (continued)

Name: **Dato' Anwar bin Aji**
Designation: Chairman of Zelan Berhad, Independent Non-Executive Director of CIMB Islamic Bank Berhad, Director of SPJ Corporation Berhad and Director of SKS Refinery Sdn Bhd. Independent Non-Executive Director of CIMB-Principal.
Qualifications: Bachelor of Economics (Hons) from the University of Malaya (1973); Masters of Arts International Studies from the Ohio University, USA (1982).
Experience:

1973 – 1978	Assistant Director - Industries Division, Ministry of International Trade & Industry
1978 – 1980	Principal Assistant Secretary - Budget Division, Federal Treasury, Ministry of Finance
1980 – 1981	Principal Assistant Secretary - Economic and International Division, Federal Treasury, Ministry of Finance.
1982 – 1984	Principal Assistant Secretary - Foreign Investment Committee, Economic Planning Unit, Prime Minister Department
1984 – 1985	Principal Assistant Secretary - Investment Division of the Malaysian Tobacco Company Berhad under the British Malaysia Industry and Trade Association training scheme
1986 – 1991	Deputy Director - Petroleum Development Division, Prime Minister's Department
1991 – 1993	Principal Assistant Secretary - Finance Division, Federal Treasury, Ministry of Finance
1993 – 1994	Special Assistant - The Secretary General of Ministry of Finance
1994 – 2004	Managing Director - Khazanah Nasional Berhad
2001 – 2008	Chairman - Faber Group Berhad .
2008 – current	Chairman - Zelan Berhad.

Name: **Wong Joon Hian**
Designation: Independent Non-Executive Director of CIMB-Principal.
Qualifications: Member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales.
Experience: Has been an independent non-executive director of CIMB Principal since 22 August 2007. After qualifying as a Chartered Accountant in 1973, he joined Price Waterhouse & Co in England before returning to Malaysia in 1975. He has accumulated over 30 years of working experience in the areas of audit, accountancy, banking, financial services and corporate management. Currently, he is the Managing Director of Advance Synergy Capital Sdn Bhd since 22 September 1995 and serves as an independent non-executive director in Integrax Berhad, which is a public listed company and several other non-listed public companies namely SIBB Berhad, formerly known as Southern Investment Bank (non-executive director), CIMB Wealth Advisors Berhad (independent non-executive director) and SFB Auto Berhad (independent non-executive director). He is also a director in several other private limited companies.

The Investment Committee

As required by the ETF Guidelines, the Manager is required to establish an Investment Committee for the Fund whose role is to ensure that the investment management of the Fund is consistent with:

- (a) the Fund's investment objective;
- (b) the Deed;
- (c) the Prospectus;
- (d) the ETF Guidelines and other applicable laws;
- (e) internal investment restrictions and policies; and
- (f) acceptable and efficacious investment management practices within the industry.

The powers and duties of the Investment Committee include formulating and monitoring the implementation by the Manager of appropriate investment management strategies for the Fund and the measurement and evaluation of the performance of the Manager. The Investment Committee generally meets every month.

Accordingly, the Manager has appointed an Investment Committee for the Fund, comprising of 6 members.

The following table sets out information on the members of the Investment Committee:

Name:	Raja Noorma binti Raja Othman
Designation:	Member of the Investment Committee. Chief Executive Officer of CIMB-Mapletree Management Sdn. Bhd. and Director of the Group Asset Management arm of CIMB/ Non-independent Executive Director.
Qualifications:	Bachelor of Business Administration degree from Ohio University, United States of America under a twinning programme with Institut Teknologi MARA.
Experience:	Has been a Director of CIMB-Principal since 24 April 2007. Prior to joining CIMB Group in 2005, she was the Vice-President of Investment Banking for JP Morgan, a position she held for over 5 years. She was attached to JP Morgan's offices in Hong Kong, Singapore and Malaysia as both industry and client coverage banker. At JP Morgan, she originated and executed several transactions involving corporate advisory, equity and debt capital markets, private equity, cross border mergers and acquisitions as well as IPO transactions. She also has over 10 years experience in industry with Malaysia's largest telecommunications company, Telekom Malaysia Berhad, where the last post she held was Head of Corporate Finance.
Name:	John Campbell Tupling
Designation:	Chief Executive Officer / Executive Director.
Qualifications:	Bachelor of Arts, University of Western Ontario, Canada.
Experience:	Has been an Alternate Director for CIMB-Principal since 22 March 2004 and was redesignated as a principal Director of CIMB-Principal since 22 August 2007 upon his move to Malaysia. He was appointed the Chief Executive Officer / Executive Director of CIMB-Principal on 1 November 2008. Has spent more than 11 years in various positions with Principal Financial Group including COO – Asia (based in Hong Kong), Co-Head of Institutional Pension Segment (based in USA) and Managing Director of Principal International Spain. Previous experience was 15 years with American International Group in various capacities including Managing Director of AIG Mexico and AIG La Tandilense (Argentina).

The Investment Committee (continued)

Name: **Badlisyah bin Abdul Ghani (Alternate Director to Raja Noorma binti Raja Othman)**
Designation: Member of the Investment Committee.
 Group Head, Islamic Banking Division - CIMB Group.
 Executive Director and Chief Executive Officer, CIMB Islamic Bank Berhad.
 Non-Independent Non-Executive Director of CIMB-Principal.
Qualifications: Bachelor of Laws Degree from the University of Leeds.
Experience: Has been an Alternate Director of CIMB-Principal since 8 October 2008. Joined CIMB in 2002 and was attached to the Corporate Finance Division, prior to his appointment as Head of CIMB Group Islamic Banking Division. He was appointed as Executive Director/ Chief Executive Officer of CIMB Islamic Bank Berhad in 2006. He is responsible for all Islamic banking and finance business of the CIMB Group.

Name: **Kim Teo Poh Jin ***
Designation: Member of the Investment Committee.
 Executive Director and Chief Executive Officer, Boardroom Limited.
 Director, Marina Yacht Services Pte. Ltd.
Qualifications: Bachelor of Arts majoring in Economics from the Heriot-Watt University of Edinburgh.
Experience: He has about 25 years of experience in the finance industry, having worked in senior positions of major financial institutions.

Name: **A. Huzaim bin Abdul Hamid ***
Designation: Member of the Investment Committee.
 Independent Researcher.
Qualifications: Masters of Science in Financial Economics (Merit) from the School of Oriental and African Studies, University of London, United Kingdom; Bachelor of Science in Economics from Louisiana State University, United States of America.
Experience: Has over 19 years of experience in the finance industry including 12 years in asset management and 2 years as Dealer Representative.

Name: **Fad'l bin Mohamed ***
Designation: Member of the Investment Committee.
 Managing Director, Maestro Capital Sdn Bhd.
Qualifications: Bachelor of Laws (Hons) from the University of London; Certified Diploma in Accounting and Finance (Association of Chartered Certified Accountants).
Experience: Has more than 15 years exposure in the areas of law and finance.
 He is a holder of the Capital Markets Services Representative's Licence for corporate finance advisory and his previous experiences include working for an international investment bank and the Securities Commission.

*Independent member

INVESTMENT STRATEGY

As this is a feeder exchange-traded fund, the Fund will continue to remain fully invested in the Underlying Fund with minimal cash kept for liquidity purposes.

UNIT HOLDING STATISTICS

Breakdown of unit holdings by size as at 30 June 2011 are as follows:

Size of unit holding	No of unit holders	No of units Held (million)	% of units held
5,000 and below	39	0.07	0.86
5,001 to 10,000	9	0.08	0.99
10,001 to 50,000	4	0.08	0.99
50,001 to 500,000	3	0.67	8.27
500,001 and above	2	7.20	88.89
	<u>57</u>	<u>8.10</u>	<u>100.00</u>

SOFT COMMISSIONS AND REBATES

Dealings on investments of the Fund through brokers or dealers will be on terms which are best available for the Fund. Any rebates from brokers or dealers will be directed to the account of the Fund.

The Investment Manager may from time to time receive and retain soft commissions in the form of subscription for real-time services or advisory services that assist in the decision-making process relating to the Fund's investments from brokers or dealers.

During the financial year under review, the management company did not receive any rebates and soft commissions from brokers or dealers.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
CIMB FTSE ASEAN 40 MALAYSIA**

I, being the Director of CIMB-Principal Asset Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 21 to 40 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 June 2011 and of its financial performance, changes in equity and cash flows for the financial period then ended on that date in accordance with Financial Reporting Standards in Malaysia.

For and on behalf of the Manager
CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
(Company No.: 304078-K)

JOHN CAMPBELL TUPLING
Chief Executive Officer / Director

Kuala Lumpur
24 August 2011

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
CIMB FTSE ASEAN 40 MALAYSIA**

We have acted as Trustee for CIMB FTSE Asean 40 Malaysia (Fund) for the financial year ended 30 June 2011. To the best of our knowledge, for the period under review, CIMB-Principal Asset Management Berhad (Manager) has operated and managed the Fund in accordance with the following :-

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

For Deutsche Trustees Malaysia Berhad

Jacqueline William
Chief Executive Officer

Richard Lim
Head, Client Management
& Business Support

Date: 24 August 2011

Kuala Lumpur

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB FTSE ASEAN 40 MALAYSIA**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CIMB FTSE ASEAN 40 Malaysia in pages 21 to 40 which comprise the statement of financial position as at 30 June 2011 of the Fund, and the statements of comprehensive income, changes in equity and cash flows of the Fund for the financial period from 19 April 2010 to 30 June 2011, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 17.

The Manager's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation of financial statements that give a true and fair view 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 Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Fund as of 30 June 2011 and of its financial performance and cash flows for the period then ended.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB FTSE ASEAN 40 MALAYSIA (CONTINUED)**

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 17 on page 41 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Manager is responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

Kuala Lumpur
24 August 2011

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 19 APRIL 2010
(DATE OF CONSTITUTION) TO 30 JUNE 2011**

	Note	19.04.2010 (date of constitution) to 30.06.2011 RM
NET INVESTMENT INCOME		
Dividend income		317,653
Net gain on financial assets at fair value through profit or loss	8	1,696,695
Net foreign currency exchange loss		<u>(54,555)</u>
		<u>1,959,793</u>
EXPENSES		
Trustee's fee	5	17,627
Custodian fee		2,004
Transaction costs		8,928
Audit fee		25,000
Tax agent's fee		3,000
Other expenses	6	<u>377,474</u>
		<u>434,033</u>
PROFIT BEFORE TAXATION		1,525,760
Taxation	7	<u>(359)</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>1,525,401</u>
Profit after taxation is made up as follows:		
Realised amount		784,158
Unrealised amount		<u>741,243</u>
		<u>1,525,401</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Note	2011 RM
CURRENT ASSETS		
Financial assets at fair value through profit or loss	8	12,569,034
Bank balances in a licensed bank	9	165,700
TOTAL ASSETS		<u>12,734,734</u>
CURRENT LIABILITIES		
Amount due to Trustee		1,550
Other payables and accruals	10	38,693
TOTAL LIABILITIES		<u>40,243</u>
NET ASSET VALUE OF THE FUND	11	<u>12,694,491</u>
EQUITY		
Unitholders' capital		11,169,090
Retained earnings		<u>1,525,401</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	11	<u>12,694,491</u>
Number of units in circulation	11	<u>8,100,000</u>
Net asset value per unit (RM)		<u>1.5672</u>

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

STATEMENT OF CHANGES IN EQUITY

**FOR THE FINANCIAL PERIOD FROM 19 APRIL 2010
(DATE OF CONSTITUTION) TO 30 JUNE 2011**

	Unitholders' capital RM	Retained earnings RM	Total RM
Balance as at 19 April 2010	-	-	-
Movement in unitholders' contribution:			
Creation of units	23,656,860	-	23,656,860
Cancellation of units	(12,487,770)	-	(12,487,770)
Total comprehensive income for the financial period	-	1,525,401	1,525,401
Balance as at 30 June 2011	<u>11,169,090</u>	<u>1,525,401</u>	<u>12,694,491</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 19 APRIL 2010
(DATE OF CONSTITUTION) TO 30 JUNE 2011**

	Note	19.04.2010 (date of constitution) to 30.06.2011 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Proceeds from sales of investments		12,796,974
Purchase of investments		(23,669,314)
Dividends received		317,653
Trustee's fee paid		(16,077)
Custodian fee paid		(2,004)
Payments for other fees and expenses		(375,686)
Tax paid		(359)
Net cash outflow from operating activities		<u>(10,948,813)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash proceeds from units created		23,656,860
Payments for cancellation of units		<u>(12,487,770)</u>
Net cash inflow from financing activities		<u>11,169,090</u>
Net increase in cash and cash equivalents		220,277
Effect of unrealised foreign exchange		<u>(54,577)</u>
Cash and cash equivalents at the end of the financial period	9	<u><u>165,700</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 PERIOD
FROM 19 APRIL 2010 (DATE OF CONSTITUTION) TO 30 JUNE 2011****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY**

CIMB FTSE ASEAN 40 Malaysia (the "Fund") was constituted pursuant to the execution of a Deed dated 19 April 2010 and has been entered into between CIMB-Principal Asset Management Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The principal activity of the Fund is to invest at least 95% of its net assets value in CIMB FTSE ASEAN 40 (the "Singapore Fund"). The Singapore Fund is an exchange-traded fund listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") which aims at providing the Singapore Fund Unit holders a return that closely corresponds to the performance of the FTSE/ASEAN 40 Index (the "Underlying Index"). Therefore, the Manager adopts a passive strategy in the management of the Fund. All investments will be subjected to the SC Guidelines on Exchange Trade Funds, the Deed and the objective of the Fund.

The main objective of the Fund is to provide investment results that, before expenses, closely correspond to the performance of the Underlying Index, regardless of its performance. The Fund commenced operations on 9 July 2010 and will continue its operations until terminated by the Manager.

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. Its principal activities are the management of unit trusts 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 under the historical cost convention, in accordance with Financial Reporting Standards ("FRS") and the MASB approved accounting standards in Malaysia for entities other than private entities.

The preparation of financial statements in conformity with the FRS 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 financial period. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (i) The amendments and interpretations to published standards which are relevant to the Fund and have not been early adopted are:
- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective from 1 January 2011) requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.
 - IC Interpretation 17 "Distribution of non-cash assets to owners" (effective from 1 July 2010) provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. FRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.
 - IC Interpretation 19 "Extinguishing financial liabilities with equity instruments" (effective from 1 July 2011) provides clarification when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. A gain or loss, being the difference between the carrying value of the financial liability and the fair value of the equity instruments issued, shall be recognised in profit or loss. Entities are no longer permitted to reclassify the carrying value of the existing financial liability into equity with no gain or loss recognised in profit or loss.

(b) Financial assets and liabilities

Classification

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

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's loans and receivables comprise cash and cash equivalents. The Fund classifies amount due to Trustee, other payables and accruals as other financial liabilities.

Recognition and measurement

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

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

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

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Gains or losses from the changes in fair value of the investments including the effect of currency translation are presented in the statement of comprehensive income in the financial period in 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.

Collective investment scheme is valued based on the last published net asset value per unit or share of such collective investment schemes or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in selling in such selling price)

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

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

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

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

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.

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

Dividend income is recognised on the ex-dividend date.

Interest on deposits is recognised on accruals basis using the effective interest method.

Realised gain or loss on sale of collective investment schemes is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

(d) Foreign currencies**Functional and presentation currency**

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

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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

(e) Creation and cancellation of units

The Fund issues cancellable units, which are cancelled upon accepted redemption applications submitted by Participating Dealer to the Manager in accordance with the terms of a Participating Dealer Agreement and the Deed, and are classified as equity. Cancellable units can be returned to the Fund at any Dealing Day for cash equal to a proportionate share of the Fund’s net asset value (“NAV”). The outstanding units are carried at the redemption amount that is payable at the statement of financial position date if the unitholder exercises the right to return the unit to the Fund.

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

The units in the Fund are puttable instruments which entitle the unitholders to a pro-rata share of the net asset of the Fund. The units are subordinated and have identical features. There is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units in the Fund over the life of the units are based on the change in the net asset of the Fund.

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

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

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period. Tax on dividend income from foreign quoted investments is based on the tax regime of the respective countries that the Fund invests in.

(h) Amount due from/to Manager of Collective Investment Scheme

Amounts due from/to manager of Collective Investment Scheme represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

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

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(i) Transaction costs

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Segmental information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographic segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment Committee of the Fund's manager that undertakes strategic decisions for the Fund.

(k) Financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the date of the statement of financial position.

Financial instruments as at 30 June 2011 are as follows:

	Loans and receivables RM	Financial assets at fair value through profit or loss RM	Total RM
Financial assets at fair value through profit or loss (Note 8)	-	12,569,034	12,569,034
Cash and cash equivalents (Note 9)	165,700	-	165,700
	165,700	12,569,034	12,734,734

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

(l) Realised and unrealised portions of net income after tax

The analysis of realised and unrealised net income after tax as presented on the statement of comprehensive income is prepared in accordance with Securities Commission Guidelines on Exchange Traded Funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The preparation of financial statements in conformity with FRS and the SC Guidelines on Exchange Traded Funds requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported financial period. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results may differ from those estimates.

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.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is a feeder exchange-traded fund (ETF) which aims to invest at least 95% of its NAV in the Underlying Fund which is the Singapore Fund (SF). The SF is an ETF listed on the Singapore Exchange Securities Trading Limited (SGX-ST) which aims at providing the SF Unitholders a return that closely corresponds to the performance of the FTSE/ASEAN 40 Index. Therefore, the Manager adopts a passive strategy in the management of the Fund.

The Fund is exposed to a variety of risks which include market risk (price risk, interest rate risk and currency risk), credit risk, liquidity risk, single issuer risk, non-compliance risk and capital risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated by the SC Guidelines on Exchange Traded Fund.

(a) Market risk

(i) Price risk

The Fund is exposed to equity securities price risk arising from investments held by the Singapore Fund for which prices in the future are uncertain. The very nature of an exchange traded fund, however, helps mitigate this risk because the Singapore Fund would generally hold a well-diversified portfolio of securities from different market sectors so that the collapse of any one security or any one market sector would not impact too greatly on the value of the fund.

As at 30 June 2011, the Fund's overall exposures to price risk were confined to its investment in the Singapore Fund as follows:

	2011 RM
Financial asset at fair value through profit and loss	12,569,034

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Market risk (continued)

(i) Price risk (continued)

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of FTSE/ASEAN 40 Index as at 30 June 2011.

The analysis is based on the assumptions that the Underlying Index fluctuates by 14.27%, which is the standard deviation of the daily fluctuation of the Underlying Index from the date of constitution of the Fund to 30 June 2011, with all other variables held constant, and that the fair value of the investments moved in the same quantum with the fluctuation in the Index.

This represents management's best estimate of a reasonable possible shift in the fair value through profit and loss, having regard to the historical volatility of the prices.

The Underlying Index is used as the Fund is designed to provide investment results that closely correspond to the performance of the Underlying Index.

% Change in underlying index	Underlying index	Market value RM	Change in net asset value RM
-14.27%	9,297	10,775,433	(1,793,601)
0.00%	10,845	12,569,034	-
14.27%	12,393	14,362,635	1,793,601

(ii) Currency risk

The Fund's investments are denominated in foreign currencies. 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 Ringgit Malaysia 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 of the Fund as at 30 June 2011 arising from the denomination of the Fund's financial instruments in foreign currency.

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Total RM
USD	12,569,034	105,361	12,674,395

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Market risk

(ii) Currency risk (continued)

The table below summarises the sensitivity of the Fund's investments, cash and cash equivalent fair value to changes in foreign exchange movements as at 30 June 2011. The analysis is based on the assumption that the foreign exchange rate fluctuates by 6.41%, which is the standard deviation of the daily fluctuation of the exchange rate of USD against MYR from the date of constitution of the Fund to 30 June 2011, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any fluctuation in foreign exchange rate will result in a corresponding increase/decrease in the net assets attributable to unit holders by approximately 6.41%.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate	Impact on net income before tax	Impact on net asset value
	%	RM	RM
USD	6.41	812,429	812,429

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The major classes of financial assets of the Fund are cash and cash equivalents.

The following table sets out the credit risk concentrations of the Fund as at 30 June 2011:

Industry	Cash and cash equivalents
	RM
Finance	165,700

All financial assets of the Fund as at 30 June 2011 are neither past due nor impaired. As at 30 June 2011, all cash and cash equivalents are placed with Deutsche Bank.

(c) Liquidity risk

Liquidity risk is the risk that investments cannot be readily sold at or near its actual value without taking a significant discount. This will result in lower net asset value of the Fund. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

(c) Liquidity risk (continued)

At 30 June 2011	Less than 1 month RM	Less than 1 year RM	Total RM
Amount due to trustee	1,550	-	1,550
Other payables and accruals	-	38,693	38,693
	<u>1,550</u>	<u>38,693</u>	<u>40,243</u>

(d) Single issuer risk

Any major price fluctuation of a particular collective investment scheme invested by the Fund may affect the Fund's net asset value and thus the prices of units.

The single issuer risk is managed by adhering to the investment limits as specified in the SC Guidelines on Exchange Traded Funds.

(e) Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund do not follow the rules set out in the Fund's constitution, or the law that govern the Fund, or act fraudulently or dishonestly. It also includes the risk of the Manager not complying with internal control procedures. The non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the manager.

(f) Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of shareholders.

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 for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

4. MANAGEMENT FEE

In accordance with Clause 15.1 of the Deed, there is no management fee charged at the Fund level.

5. TRUSTEE'S FEES

In accordance with Clause 15.2 of the Deed, the Trustee is entitled to a fee not exceeding a maximum 0.20% per annum, calculated based on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum, excluding foreign sub-custodian fees and charges.

For the financial period ended 30 June 2011, the Trustee's fee is recognised at a rate of 0.08% per annum. The Trustee's fee for the financial period ended 30 June 2011 is calculated prorata based on the minimum fees of RM 18,000 per annum.

There will be no further liability to the Trustee in respect of trustee fee other than the amounts recognised above.

6. OTHER EXPENSES

	19.04.2010 (date of constitution) to 30.06.2011 RM
Professional fees	277,668
Printing costs	26,070
Listing fee	25,000
Other expenses	48,736
	<u>377,474</u>

7. TAXATION

	19.04.2010 (date of constitution) to 30.06.2011 RM
Current taxation- foreign	<u>359</u>

7. TAXATION (CONTINUED)

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

	19.04.2010 (date of constitution) to 30.06.2011 RM
Net profit before taxation	<u>1,525,760</u>
Taxation at Malaysian statutory rate of 25%	381,440
Tax effects of:	
Investment income not subject to tax	(489,949)
Expenses not deductible for tax purposes	102,259
Restriction on tax deductible expenses for unit trust funds	6,250
Effect of foreign tax on foreign taxable income	<u>359</u>
Taxation	<u><u>359</u></u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2011 RM
Designated at fair value through profit or loss at inception	
-Foreign collective investment scheme	<u>12,569,034</u>
Net gain on financial assets at fair value through profit or loss	
- Realised gain on disposals	900,875
- Change in unrealised fair value gain	<u>795,820</u>
	<u><u>1,696,695</u></u>

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

30 June 2011	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
Singapore				
CIMB FTSE ASEAN 40	<u>400,000</u>	11,773,214	<u>12,569,034</u>	99.01
EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES		(390,709)		
UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,186,529</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>12,569,034</u></u>		

9. CASH AND CASH EQUIVALENTS

	2011 RM
Bank balances in a licensed bank	<u>165,700</u>

The currency profile of cash and cash equivalents is as follows:

	2011 RM
- Ringgit Malaysia	60,339
- United States Dollar	105,361
	<u>165,700</u>

10. OTHER PAYABLES AND ACCRUALS

	2011 RM
Provision for audit fee	25,000
Provision for tax agent fee	3,000
Other accruals	10,693
	<u>38,693</u>

11. NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Net Asset Value (NAV) attributable to unit holders is represented by:

	Note	2011 RM
Unit holders' contribution	(a)	11,169,090
Retained earnings		1,525,401
		<u>12,694,491</u>

(a) UNIT HOLDERS' CONTRIBUTION/ UNIT IN CIRCULATION

	No. of units	2011 RM
At beginning of the financial period	-	-
Created during the financial period	16,200,000	23,656,860
Cancelled during the financial period	(8,100,000)	(12,487,770)
Total comprehensive income for the financial period	-	1,525,401
		<u>12,694,491</u>
At end of the financial period	<u>8,100,000</u>	<u>12,694,491</u>
Approved size of Fund	<u>500,000,000</u>	

In accordance with the Deed, the Manager may increase the size of the Fund from time to time with the approval of the Trustee and the Securities Commission. The maximum number of units that can be issued out for circulation of the Fund is 500,000,000. As at 30 June 2011, the number of units not yet issued is 491,900,000.

The Manager, CIMB-Principal Asset Management Berhad, did not hold any units in the Fund as at 30 June 2011.

12. MANAGEMENT EXPENSE RATIO ("MER")

	2011 %
MER	<u>3.39</u>

MER is derived based on the following calculation:

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

A	=	Trustee's fee
B	=	Custodian fee
C	=	Audit fee
D	=	Transaction costs
E	=	Tax agent's fee
F	=	Other expenses
G	=	Average net asset value of the Fund calculation on a daily basis

The average net asset value of the Fund for the financial period calculated on daily basis is RM 12,811,894.

13. PORTFOLIO TURNOVER RATIO (“PTR”)

2011

PTR (times) 1.39

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period = RM 23,669,314
 total disposal for the financial period = RM 11,896,099

14. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

<u>Related parties</u>	<u>Relationship</u>
CIMB-Principal Asset Management Berhad	The Manager
CIMB-Principal Asset Management (S) Pte. Ltd.	Investment Adviser of the Fund
CIMB Group Sdn Bhd	Holding company of the Manager
CIMB Group Holdings Berhad ("CIMB")	Ultimate holding company of the Manager
CIMB FTSE ASEAN 40	Target Fund
Subsidiaries and associates of CIMB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

Units held by the Manager and parties related to the Manager

There were no units held by the Manager and parties related to the Manager as at the end of the financial period.

Significant related party transactions

There are no significant related party transactions during the financial period.

Significant related party balances

**2011
RM**

Investment in collective investment scheme
 - CIMB FTSE ASEAN 40 12,569,034

15. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with all brokers for the financial period ended 30 June 2011 are as follows:

Brokers/dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
State Street Brokerage Services	25,280,025	69.32	3,952	44.27
CIMB GK Securities Limited #	11,186,263	30.68	4,976	55.73
	<u>36,466,288</u>	<u>100.00</u>	<u>8,928</u>	<u>100.00</u>

Included in transactions by the Fund are trades conducted on normal terms with CIMB GK Securities Limited, a fellow subsidiary to the Manager, amounting to RM 11,186,263.

16. SEGMENT INFORMATION

The Fund is designed to provide investment results that, before expenses, closely correspond to the performance of the FTSE/ASEAN 40 Index, regardless of its performance. In managing the Fund, the Manager attempts to achieve a high positive correlation and a low tracking error between the Net Asset Value of the Fund's portfolio and the Underlying Index. The internal reporting provided to the CEO for the fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of FRS. The CEO is responsible for the performance of the fund and considers the business to have a single operating segment.

17. SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealized retained earnings at the legal entity level is prepared in accordance with Bursa Malaysia Securities Berhad's Listing Requirements and the Guidance on Special Matter No.1, "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements", as issued by the Malaysian Institute of Accountants whilst the disclosure is based on the prescribed format by Bursa Malaysia Securities Berhad.

	2011 RM
Total retained earnings of the Fund	
- Realised	338,872
- Unrealised	<u>1,186,529</u>
	<u><u>1,525,401</u></u>

The analysis between realised and unrealized retained earnings above is prepared on a different basis as compared to the analysis of realised and unrealised retained earnings as disclosed in the statement of comprehensive income.

DIRECTORY

Head office of the Manager

CIMB-Principal Asset Management Berhad (Company No.: 304078-K)
Level 5, Menara Milenium,
8, Jalan Damanlela,
Bukit Damansara,
50490 Kuala Lumpur MALAYSIA

Postal address

CIMB-Principal Asset Management Berhad (Company No.: 304078-K)
P. O. Box 10571
50718 Kuala Lumpur MALAYSIA

Internet site

www.cimb-principal.com.my

E-mail address

service@cimb-principal.com.my

General investment enquiries

(03) 2084 2200

Trustee for the CIMB FTSE ASEAN 40 MALAYSIA

Deutsche Trustees Malaysia Berhad (Co. No. 763590-H)
Level 20, Menara IMC,
8, Jalan Sultan Ismail,
50250 Kuala Lumpur, MALAYSIA

Auditors of the Trusts and of the Manager

PricewaterhouseCoopers (No. AF: 1146)
Level 10, 1 Sentral,
Jalan Travers, Kuala Lumpur Sentral,
PO Box 10192, 50706 Kuala Lumpur, MALAYSIA

Consulting Actuaries

Mercer Zainal Consulting Sdn Bhd. (35090-H)
1702 Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur
MALAYSIA