CIMB FTSE ASEAN 40 MALAYSIA

QUARTERLY REPORT (UNAUDITED)

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2011 TO 31 DECEMBER 2011

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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.

INVESTOR LETTER (CONTINUED)

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.

Yours sincerely

Campbell Tupling

Chief Executive

CIMB-Principal Asset Management Berhad

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 as stated under the fund performance review.

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 / Equity / 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 31 December 2011?
RM 12.22 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

PERFORMANCE DATA

Details of portfolio composition of the Fund are as follows:

	31.12.2011 %	31.12.2010 %
Sector		
Underlying Fund	99.14	100.71
Liquid assets and others	0.86	(0.71)
	100.00	100.00

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

	31.12.2011	31.12.2010
Net Asset Value (RM million)	12.22	12.67
Units In circulation (Million)	8.10	8.10
Net Asset Value per Unit (RM)	1.5080	1.5639
Highest NAV per Unit (RM)	1.5691	1.6277
Lowest NAV per Unit (RM)	1.3692	1.5306
Market Price per Unit (RM)	1.4900	1.5950
Highest Market Price per Unit (RM)	1.5650	1.6400
Lowest Market Price per Unit (RM)	1.3950	1.5400
Total return (%) ^	4.24	2.24
-capital growth (%)	4.24	2.24
-income growth (%)	-	-
Management Expenses Ratio (%)	0.10	1.05
Portfolio Turnover Ratio (times) #	-	-

(Launch date : 9 July 2010)

The turnover ratio was nil during the period under review as the Fund was fully invested in the underlying fund during the quarter.

Period	Total return (%)	Annualised (%)
- Since inception (SI)^	8.75	5.84
- One Year	(3.58)	(3.58)
- Benchmark SI	8.72	5.82

	01.01.2011 to 31.12.2011 (%)	Since Inception to 31.12.2010 (%)
Annualised return^	(3.58)	28.52

^ based on NAV per unit

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 Consulting Actuaries, Mercer (Malaysia) Sdn. Bhd (253344-U)

MARKET REVIEW (1 OCTOBER 2011 TO 31 DECEMBER 2011)

The ASEAN markets rallied during the last quarter of 2011. Renewed optimism emerged from the Eurozone as EU leaders collaborated on ways to solve the debt turmoil in the region. ASEAN markets took cue from the better performance and continued to trend higher. However, some correction was seen in November, as most investors remained concern on the resurfacing of the Eurozone debt crisis and its contagion effect, pushing regional markets downwards. Most ASEAN bourses rebounded towards the end of the quarter in reaction to news that the International Monetary Fund (IMF) was deliberating on plans to help debt-ridden Italy through a USD 800 billion bailout. Investors took the move as a sign of intervention from the IMF and as an effort to tackle the European debt crisis. ASEAN markets continued on an uptrend on news of China's reserve requirement ratio cut and of an agreement among global central banks to make cheaper dollar loans accessible to the struggling European banks. ASEAN markets remained resilient even though the outcome of the European Summit was disappointing as the Eurozone members could not arrive at a unanimous decision. Despite the heavy flooding in Thailand which caused disruption to the agriculture and manufacturing industry, the SET remained resilient and closed in positive territory. Indonesia received positive news in December as Fitch Ratings upgraded the nation's sovereign debt rating to investment grade. In Philippines, the market took its cue from the strong US market and was boosted by the successful awarding of the first public private partnership (PPP) projects and expectations that the central bank may easy monetary policy in 2012 amid a benign inflation trend.

All ASEAN markets closed in positive territory for the quarter except for Singapore. The best performing market, in Ringgit terms, was Malaysia (+10.40%) followed by Thailand (9.50%), the Philippines (8.90%), and Indonesia (3.00%). Singapore was down 1.40% for the quarter. (Source: Bloomberg)

FUND PERFORMANCE

	3 months to 31.12.2011 (%)	1 year to 31.12.2011 (%)	Since Inception to 31.12.2011 (%)
Income	-	-	-
Capital ^	4.24	(3.58)	8.75
Total Return ^	4.24	(3.58)	8.75
Annualised Return ^	18.14	(3.58)	5.84
Underlying Fund^^	4.40	(4.00)	9.61
Benchmark (FTSE ASEAN 40 Index)	4.00	(3.56)	8.72
Market Price per Unit	3.83	(6.58)	7.19

^ Based on NAV per Unit

^^ Based on Last Published Market Price

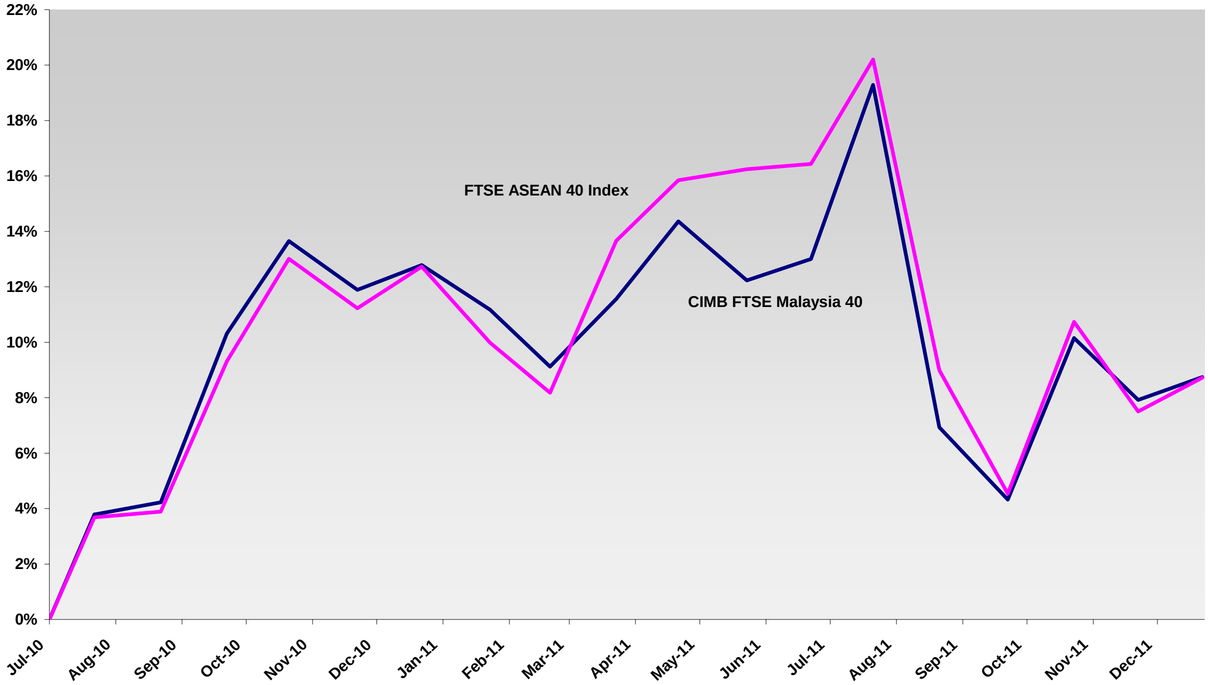
For the period under review, the Fund gained 4.24% in line with the Underlying Fund's performance which gained 4.40%. The benchmark gained 4.00% for the same reporting period.

The last available published market price of the Fund quoted on Bursa Malaysia was RM1.49, an increase of 3.83% for the period.

Changes in Net Asset Value ("NAV")

	31.12.2011	31.12.2010	% changes
Net Asset Value ("NAV") (RM Million)	12.22	12.67	(3.55)
NAV/unit (RM)	1.5080	1.5639	(3.57)

For the 1-year period, the total NAV fell by 3.55% while the NAV per unit fell by 3.57%. The fall in both the total NAV and NAV per unit were attributable to investment performance.



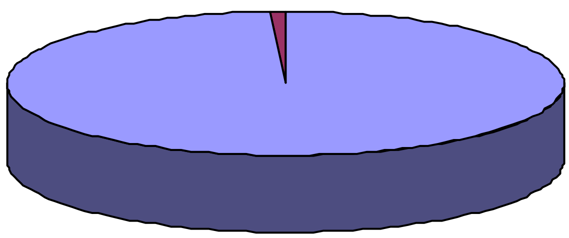
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures have been verified by Consulting Actuaries, Mercer (Malaysia) Sdn Bhd (253344-U).

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31.12.2011	31.12.2010
Underlying Fund	99.14	100.71
Liquid assets and others	0.86	(0.71)
TOTAL	**100.00**	**100.00**

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



MARKET OUTLOOK

We expect 2012 to remain a challenging year for global economies. The US economy is improving, led by production and investment while consumer spending held up. Hence, US Federal Reserve policy will stay unchanged but it is prepared to take action to support growth if the macro backdrop deteriorates. European Central Bank ("ECB") awaits the ratification of new European treaty. The key issues faced by ECB are the reliance of banks for its funding, the tightness in the interbank market, the pressure to purchase more sovereign bonds and the deleveraging of banks. China leadership change is a key macro event - Chinese government policies will likely turn from promoting stability to easing bias as inflation risk fades. Other Asian countries have shifted policy priority towards supporting growth. Money supply conditions have remained fairly stable, helped by central banks intervention.

MARKET OUTLOOK (CONTINUED)

In ASEAN, stock markets continue to be a relative oasis within the Asian markets. All ASEAN markets provided positive returns except Singapore. We believe this trend will continue, and the countries to focus on would be Thailand, with the rebuilding post-floods which could spur economy, and Indonesia, with the emergence of the middle class consumption story and the recent upgrade to investment grade. In the Philippines, market sentiment is lifted by potential public private partnership (“PPP”) projects. In Malaysia, rumblings of elections are in the air again. Although General elections are not due until mid-2013 but it will, in all likelihood, be called sometime in 2012. A victory by the National Front would be typically followed by a relief rally as the win would represent certainty and continuity in Malaysia. Inflation remains a concern in ASEAN, especially food inflation, in line with other developing countries in Asia. Hence policy makers are looking closely at food and staples prices to ensure that they do not get out of hand. As asset inflation abates with policy initiatives to manage property markets, this will allow ASEAN countries to keep their houses in order to better position themselves for investors.

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 31 December 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
	57	8.10	100.00

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 period 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

We, being the Directors of CIMB-Principal Asset Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 10 to 32 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 31 December 2011 and of its financial performance, changes in equity and cash flows of the Fund for the financial period ended on that date in accordance with Financial Reporting Standards.

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

John Campbell Tupling
Chief Executive Officer/Director

Datuk Noripah Kamso
Director

Kuala Lumpur

15 February 2012

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL PERIOD FROM 1 OCTOBER 2011 TO 31 DECEMBER 2011

	Note	31.12.2011 RM	31.12.2010 RM
INCOME			
Realised foreign currency exchange loss		(49,393)	-
Unrealised gain on financial assets at fair value through profit or loss	7	558,623	409,532
		509,230	409,532
LESS: EXPENSES			
Custodian's fee		793	947
Trustee's fee	5	4,538	4,537
Audit fee	4	6,301	10,284
Tax Agent fee	4	756	773
Administration expenses		6	116,677
		12,394	133,218
PROFIT BEFORE TAXATION		496,836	276,314
TAXATION	6	-	-
PROFIT AFTER TAXATION REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		496,836	276,314
Net profit after taxation is made up as follows:			
Realised amount		(61,787)	(133,218)
Unrealised amount		558,623	409,532
		496,836	276,314

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	31.12.2011 RM	31.12.2010 RM
CURRENT ASSETS			
Financial assets at fair value through profit or loss	7	12,110,608	12,757,562
Cash and cash equivalents	8	125,004	49,740
TOTAL ASSETS		12,235,612	12,807,302
CURRENT LIABILITIES			
Amount due to trustee		1,529	1,529
Other payables and accruals	9	18,915	138,365
TOTAL LIABILITIES		20,444	139,894
NET ASSET VALUE OF THE FUND	10	12,215,168	12,667,408
EQUITY			
Unitholders' capital		11,169,090	12,391,094
Retained earnings		1,046,078	276,314
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	10	12,215,168	12,667,408
Number of units in circulation	10	8,100,000	8,100,000
Net asset value per unit (RM)		1.5080	1.5639

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2011 TO 31 DECEMBER 2011

	Unitholders' capital RM	Retained earnings RM	Total RM
Balance as at 1 October 2011	11,169,090	549,242	11,718,332
Total comprehensive income for the financial period	-	496,836	496,836
Balance as at 31 December 2011	11,169,090	1,046,078	12,215,168
Balance as at 1 October 2010	12,391,094	-	12,391,094
Total comprehensive income for the financial period	-	276,314	276,314
Balance as at 31 December 2010	12,391,094	276,314	12,667,408

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

UNAUDITED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2011 TO 31 DECEMBER 2011

	Note	01.10.2011 to 31.12.2011 RM	01.10.2010 to 31.12.2010 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Trustee's fee paid		(4,488)	(4,488)
Payments for other fees and expenses		(28,549)	(2,953)
Net cash outflow from operating activities		(33,037)	(7,441)
CASH FLOW FROM FINANCING ACTIVITIES			
Cash proceeds from units created		-	-
Payments for cancellation of units		-	-
Net cash inflow from financing activities		-	-
Net decrease in cash and cash equivalents		(33,037)	(7,441)
Effect of unrealised foreign exchange		(698)	-
Cash and cash equivalents at the beginning of the financial period		158,739	57,181
Cash and cash equivalents at the end of the financial period	8	125,004	49,740

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2011 TO 31 DECEMBER 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. The Manager believes that the underlying assumptions are appropriate and the Fund’s financial statements therefore present the financial position results fairly. 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)

(a) Basis of preparation (continued)

(i) The amendments to published standards that are applicable and effective for the Fund’s financial period beginning or after 1 January 2011 are as follows:

- Amendments to FRS 7 “Financial instruments: Disclosures” and FRS 1 "First-time adoption of financial reporting standards" (effective 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.

(ii) 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:

- Financial year beginning on 1 January 2012

  In the financial year beginning on 1 January 2012, the Fund will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards (“MFRS”). MFRS 1 “First-time adoption of MFRS” provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters. There is significant impact to the Fund’s financial statements arising from the transition of existing FRSs to MRFSs.

- Financial year beginning on 1 January 2013

  - MFRS 9 “Financial instruments - classification and measurement of financial assets and financial liabilities” (effective from 1 January 2013) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

    The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss (“FVTPL”). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability’s credit risk directly in other comprehensive income (“OCI”). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

    The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply. The Fund will apply this standard when effective.

    This standard is not expected to have a significant impact on the Fund’s financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) 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 (continued):

- MFRS 13 “Fair value measurement” (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 “Financial instruments: Disclosures”, but apply to all assets and liabilities measured at fair value, not just financial ones. The Fund will apply this standard when effective.

  This standard is not expected to have a significant impact on the Fund’s financial statements.

(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.

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

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 profit or loss

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and liabilities (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.

Unrealised 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 within net gain or loss on financial assets at fair value through profit or loss 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)

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

Loans and receivables 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 statement of comprehensive income. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and liabilities (continued)

Recognition and measurement (continued)

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 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.

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 statement of comprehensive income, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Creation and cancellation of units (continued)

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.

(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) 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 profit and loss as expenses.

(i) Unitholders' capital

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments under the revised FRS 132 "Financial Instruments: Presentation".

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 obligation 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)

(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 respective financial are as follows:

	Loans and receivables RM	Financial assets at fair value through profit or loss RM	Total RM
As at 31.12.2011			
Financial assets at fair value through profit or loss (Note 7)	-	12,110,608	12,110,608
Cash and cash equivalents (Note 8)	125,004	-	125,004
	125,004	12,110,608	12,235,612
As at 31.12.2010			
Financial assets at fair value through profit or loss (Note 7)	-	12,757,562	12,757,562
Cash and cash equivalents (Note 8)	49,740	-	49,740
	49,740	12,757,562	12,807,302

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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

The preparation of financial statements in conformity with FRS 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, country risk, passive investment, tracking error 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 prospectus.

(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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Price risk (continued)

The Fund's overall exposures to price risk were confined to its investment in the Singapore Fund as follows:

	31.12.2011 RM	31.12.2010 RM
Financial asset at fair value through profit or loss	12,110,608	12,757,562

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of FTSE ASEAN 40 Index as at respective financial periods.

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 31 December 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 or 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	Market value	Change in net asset value
30.12.2011	**RM**	**RM**
+14.27%	13,838,792	1,728,184
0%	12,110,608	-
-14.27%	10,382,424	(1,728,184)
30.12.2010	**RM**	**RM**
+14.27%	14,578,066	1,820,504
0%	12,757,562	-
-14.27%	10,937,058	(1,820,504)

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments and its return will fluctuate because of changes in market interest rates.

Interest rate is a general economic indicator that will have an impact on the management of the Fund. The Fund's exposure to the interest rate risk is mainly confined to short term placements with financial institutions. The Manager overcomes the exposure by way of maintaining deposits on short term basis.

As at 31 December 2011, the Fund does not hold any financial instruments that expose it to interest rate risk.

(iii) 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 arising from the denomination of the Fund's financial instruments in foreign currency.

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Total
	RM	RM	RM
31.12.2011			
USD	12,110,608	110,545	12,221,153
31.12.2010			
USD	12,757,562	-	12,757,562

The table below summarises the sensitivity of the Fund's investments, cash and cash equivalent fair value to changes in foreign exchange movements. 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 31 December 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%.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Currency risk (continued)

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
31.12.2011			
USD	+6.41%	-	783,376
USD	-6.41%	-	(783,376)
31.12.2010			
USD	+6.41%	-	817,760
USD	-6.41%	-	(817,760)

(b) Credit risk

Credit risk refers to the risk that 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:

Industry	Cash and cash equivalents RM
31.12.2011	
Finance	125,004
31.12.2010	
Finance	49,740

All financial assets of the Fund as at 31 December 2011 and 31 December 2010 are neither past due nor impaired. All cash and cash equivalents are placed with Deutsche Bank in respective financial period.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 and cash equivalent 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.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
As at 31.12.2011			
Amount due to trustee	1,529	-	1,529
Other payables and accruals	-	18,915	18,915
Contractual cash out flows	1,529	18,915	20,444
As at 31.12.2010			
Amount due to trustee	1,529	-	1,529
Other payables and accruals	-	138,365	138,365
Contractual cash out flows	1,529	138,365	139,894

(d) Country risk

The Fund may invest in foreign markets. The foreign investment portion of the Fund may be affected by risk specific to the countries in which it invests. Such risks include changes in the country's economic fundamentals, social and political stability, currency movements and foreign investment policies. These factors may have an impact on the prices of the Fund's investment in that country and consequently may also affect the Fund's NAV and its growth.

(e) Passive Investment

The Fund is not actively managed. Accordingly, the Fund may be affected by a decline in the Underlying Index. The Fund invests substantially all its assets in the Singapore Fund, which in turn invests in the securities included in or reflecting its Underlying Index. The SF Manager does not attempt to select stocks individually or to take defensive positions in declining markets.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) 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.

(g) Tracking error risk

Changes in the SF NAV are unlikely to replicate the exact changes in the Underlying Index. This is due to, among other things, the fees and expenses payable by the Singapore Fund and transaction fees and stamp duty incurred in adjusting the composition of the Singapore Fund's portfolio because of changes in the Underlying Index and dividends received, but not distributed, by the Singapore Fund. In addition, as a result of the unavailability of Underlying Index Securities, the transaction costs in making an adjustment outweighing the anticipated benefits of such adjustment or for certain other reasons, there may be timing differences between changes in the Underlying Index and the corresponding adjustment to the shares which comprise the Singapore Fund's Portfolio.

During times when Underlying Index Securities are unavailable, illiquid or when the SF Manager determines it is in the best interests of the Singapore Fund to do so, the Singapore Fund may maintain a small cash position or invest in other securities until the Underlying Index Securities become available or liquid. Such costs, expenses, cash balances, timing differences or holdings could cause the SF NAV (and as a result the NAV of the Fund) to be lower or higher than the relative level of the Underlying Index. Regulatory policies may also affect the SF Manager's ability to achieve close correlation with the performance of the Underlying Index. The Singapore Fund's returns may therefore deviate from the Underlying Index and thus affecting the return of the Fund.

(h) 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.

(i) Fair value estimation

The fair value of financial assets and liabilities traded in active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Fair value estimation (continued)

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each period end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which market were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The Fund adopted the amendments to FRS 7, effective 1 January 2011. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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)

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Fair value estimation (continued)

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

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

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

The following table analyses within the fair value hierarchy the Fund’s financial assets (by class) measured at fair value at 31 December 2011:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial assets at fair value through profit or loss:				
- Collective investment scheme	12,110,608	-	-	12,110,608

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities, exchange traded funds and exchange traded derivatives. Investment in collective investment schemes, i.e. unit trust funds whose values are based on published prices in active markets is also classified within Level 1. 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).

4. MANAGEMENT FEE, AUDIT FEE AND TAX AGENT’S FEE

In accordance with Clause 15.1 of the Deed dated 19 April 2010, there will be no management fee charged at the fund level.

For the financial period ended 31 December 2011, no management fee is charged by the Manager on this Fund.

For financial period ended 31 December 2011, audit fee and tax agent fee are RM6,301 (31.12.2010: RM10,284) and RM756 (31.12.2010: RM773) respectively.

There will be no further liability to the Manager, auditor and tax agent other than amounts recognised above.

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 31 December 2011, the Trustee's fee is recognised at a rate of 0.08% per annum (31.12.2010: 0.08% per annum).

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

6. TAXATION

	1.10.2011 to 31.12.2011	1.10.2010 To 31.12.2010
Tax charge for the financial period:	RM	RM
Current taxation- foreign	-	-

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

	1.10.2011 to 31.12.2011	1.10.2010 To 31.12.2010
	RM	RM
Profit before taxation	496,836	276,314
Taxation at Malaysian statutory rate of 25%	124,209	69,078
Tax effects of:		
Income not subject to tax	-	-
Net realised gain on sale of investment not subject to tax	(127,308)	(102,383)
Expenses not deductible for tax purposes	3,099	33,305
Restriction on tax deductible expenses for exchange traded funds	-	-
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.12.2011 RM	31.12.2010 RM
Designated at fair value through profit or loss		
-Foreign collective investment scheme	12,110,608	12,757,562

	1.10.2011 to 31.12.2011 RM	1.10.2010 to 31.12.2010 RM
Net gain on financial assets at fair value through profit or loss		
- Change in unrealised fair value gain	558,623	409,532

As at 31.12.2011	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
Singapore				
CIMB FTSE ASEAN 40	400,000	11,773,214	12,110,608	99.14
EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES		169,272		
UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS		168,122		
TOTAL FINANCIAL ASSETS AT FAIR VALUE TROUGH PROFIT OR LOSS		**12,110,608**		

As at 31.12.2010	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
Singapore				
CIMB FTSE ASEAN 40	404,500	11,050,576	12,757,562	100.71
EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES		(479,045)		
UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS		2,186,031		
TOTAL FINANCIAL ASSETS AT FAIR VALUE TROUGH PROFIT OR LOSS		**12,757,562**		

8. CASH AND CASH EQUIVALENTS

	31.12.2011 RM	31.12.2010 RM
Bank balance in a licensed bank	125,004	49,740

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

	31.12.2011 RM	31.12.2010 RM
- Ringgit Malaysia	14,459	49,740
- US Dollar	110,545	-
	125,004	49,740

9. OTHER PAYABLES AND ACCRUALS

	31.12.2011 RM	31.12.2010 RM
Provision for audit fee	9,853	22,215
Provision for tax agent fee	4,512	-
Other accruals	4,550	116,150
	18,915	138,365

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

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

	Note	31.12.2011 RM	31.12.2010 RM
Unitholders' contribution	(a)	11,169,090	12,391,094
Retained earnings		1,046,078	276,314
		12,215,168	12,667,408

(a) UNITHOLDERS' CONTRIBUTION/ UNIT IN CIRCULATION

	31.12.2011		31.12.2010	
	No of units	RM	No of units	RM
At the beginning of the financial period	8,100,000	11,718,332	8,100,000	12,391,094
Add: Creations arising from application during the financial period	-	-	-	-
Less: Cancellation of units during the financial period	-	-	-	-
Total comprehensive income income for the financial period	-	496,836	-	276,314
At end of the financial period	8,100,000	12,215,168	8,100,000	12,667,408
Approved size of the Fund	500,000,000		500,000,000	

10. NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

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 31 December 2011, the number of units not yet issued is 491,900,000 (31.12.2010: 491,900,000).

11. MANAGEMENT EXPENSE RATIO ("MER")

	31.12.2011	**31.12.2010**
MER	0.10	1.05

MER is derived based on the following calculation:

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

A = Trustee's fee
B = Custodian's fee
C = Audit fee
D = Tax agent's fee
E = Other expenses
F = 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 12,071,832 (31.12.2010: RM12,752,135).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	31.12.2011	**31.12.2010**
PTR (times)	NIL	NIL

PTR is derived from the following calculation:

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

where:
total acquisition for the financial period = NIL (31.12.2010: NIL)
total disposal for the financial period = NIL (31.12.2010: NIL)

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

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

Related parties	Relationship
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.

In addition to related party disclosure mentioned elsewhere in the financial statements, there are no other significant related party transactions and balances.

14. TRANSACTIONS WITH BROKERS/DEALERS

There are no transactions with brokers/dealers for the financial period ended 31 December 2011 (31.12.2010 : NIL).

15. 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.

There are no changes in the reportable segments during the financial period.

DIRECTORY

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