CIMB FTSE ASEAN 40 MALAYSIA

UNAUDITED QUARTERLY REPORT

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

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INVESTOR LETTER

Dear Valued Investors,

We invite you to celebrate with us!

CIMB-Principal Asset Management has won the **Overall Group Category Award from The *Edge*-Lipper Malaysia Fund Awards 2012.** This is a wonderful recognition and acknowledgement of our overall investment performance across our entire fund family over the last 3 years. In addition the following funds also won their respective categories for the year ended December 31, 2011:

1. **Winner, Equity Malaysia, 3 years** - CIMB-Principal Equity Fund
2. **Winner, Equity Malaysia, 10 years** - CIMB-Principal Equity Fund
3. **Winner, Equity Asia Pacific ex-Japan (Islamic), 3 years** - CIMB Islamic Equity Fund
4. **Winner, Equity Asia Pacific ex-Japan, 3 years** - CIMB Islamic Equity Fund
5. **Winner, Mixed Asset MYR Balance – Malaysia (Islamic), 3 years** - CIMB Islamic Balanced Growth Fund
6. **Winner, Mixed Asset MYR Balance – Malaysia (Islamic), 10 years** - CIMB Islamic Balanced Fund

These awards are important because it means that the consistent investment process we have in place, supported by strong portfolio risk management and oversight practices, has yielded top-performing investment results for our loyal investors.

In addition Asia Asset Management from Hong Kong, has just recognised CIMB-Principal as "**ETF Manager of the Year**" and honoured me with "**CEO of the Year**" award, however it is my firm belief that this latter award is really a reflection of the hardworking and talented people at the Company.

Our focus on becoming ASEAN's most valued investment manager has been recognized by the industry with the Company being named

- "Asset Management Company of the Year, Southeast Asia" by The Asset Triple A Investment Awards
- "Best Asset Manager in Southeast Asia" by Alpha Southeast Asia

We are also emerging within Asia's investment industry, having being named to the **2011 Asia Manager Power 50 List**. That being said, we also continue to receive recognition from regional publications for our continued excellence in Malaysia. Last year AsianInvestor awarded us **"Best Onshore Fund House".** The CIMB Islamic Enhanced Sukuk Fund was also recognised as **"Best Islamic Bond Fund"** by the Islamic Finance News Awards in its Islamic Investor Poll 2011.

INVESTOR LETTER (CONTINUED)

At the end of the day, the industry accolades we received are incidental to our reason for being: to grow and manage the money you have entrusted with us responsibly, with the appropriate risk management controls in place. I'm happy to share that, 80% of our total AUM for unit trust funds are in the top 50% of their respective fund categories[1].

The investment team performed admirably in an uncertain and volatile 2011, with an average 3.95% return across our domestic conventional equity funds[2], outperforming the FTSE Bursa Malaysia KLCI by a significant 3.17% last year.

Our domestic Shariah equity funds[3] did even better, with an average return of 8.01%, outperforming the FTSE Bursa Malaysia EMAS Shariah Index by 5.6%. In particular, the CIMB-Principal Equity Fund and CIMB Islamic DALI Equity Growth Fund both outperformed their respective index by 4.6% and 6.5% in 2011.

We have also revamped our website to better position ourselves as a regional asset manager. Investors can now access different country websites in a single regional site at www.cimb-principal.com. This website has been improved to make it easier for investors to search for specific funds across different categories and asset classes.

Taking a longer-term investment view over the last 3 years, I'm happy to share that the ASEAN markets have proven resilient with a performance growth of 97.3%, relative to the United States at 34.6% and Europe at 13.9%[4]. ASEAN equities are trading at 12.6x price-to-earnings ratio ("P/E") versus 10x P/E in for Asia ex-Japan. This valuation premium continues to persist as investors believe that ASEAN provides better earnings certainty. That said, we expect consolidation in the coming months which will give us an opportunity to buy quality stocks, when earnings forecasts are adjusted to more realistic levels.

Happy Investing!

Campbell Tupling
Chief Executive
CIMB-Principal Asset Management Berhad

Source:

1. *Lipper Hindsight as at end Dec 2011. 80% of Assets Under Management of CIMB-Principal Unit Trust Funds in the Top 2 Quartiles*
2. *CIMB-Principal Equity Aggressive Fund 3, CIMB-Principal Equity Aggressive Fund 1, CIMB-Principal Equity Fund, CIMB-Principal Equity Fund 2, CIMB-Principal Wholesale Equity Fund*
3. *CIMB Islamic Equity Aggressive Fund, CIMB Islamic DALI Equity Theme Fund, CIMB Islamic DALI Equity Growth Fund*
4. *FTSE/ASEAN Index, FTSE United States of America Index, FTSE Europe Index (Cumulative growth 31 Jan 09 - 31 Jan 12)*

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 Underlying 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 / 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 March 2012?
RM 13.16 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:

	31.03.2012	31.03.2011
	%	%
Sector		
Underlying Fund	99.33	101.81
Liquid assets and others	0.67	(1.81)
	100.00	100.00

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

	31.03.2012	31.03.2011
Net Asset Value (RM million)	13.16	12.53
Units In circulation (Million)	8.10	8.10
Net Asset Value per Unit (RM)	1.6249	1.5472
Highest NAV per Unit (RM)	1.6249	1.5813
Lowest NAV per Unit (RM)	1.4961	1.4225
Market Price per Unit (RM)	1.5500	1.6200
Highest Market Price per Unit (RM)	1.5700	1.6200
Lowest Market Price per Unit (RM)	1.4900	1.5150
Total return (%) ^	7.74	(1.08)
-capital growth (%)	7.74	(1.08)
-income growth (%)	-	-
Management Expenses Ratio (%)	0.11	1.11
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)^	17.17	9.60
- One Year	5.02	5.02
- Benchmark SI	17.29	9.66

	31.03.2011 to 31.03.2012 (%)	Since inception to 31.03.2011 (%)
Annual total return (%)	5.02	16.27

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 JANUARY 2012 TO 31 MARCH 2012)

ASEAN markets continued its upward momentum in the first quarter of 2012. The strong US corporate earnings and upbeat trade data emerging from China helped boost investors' confidence at the beginning of the year. Sentiments were further uplifted across the globe on the back of a successful Italian and Spanish bond auction. Unfortunately, sentiments were dampened after S&P downgraded nine European nations which brought back jitters to global markets. ASEAN markets were quick to bounce back after China released better-than-expected economic growth data in the final quarter of 2011 and a successful French bond sale. In February, slower-than-expected growth in the US and uncertainty about a tentative deal to resolve Greece's debt crisis weighed on investors' sentiment. Markets bounced back after jobs and factory data pointed to a healthier US economy. Sentiments were further uplifted after People's Bank of China (PBoC) implemented policy easing with a 50bps cut to banks' reserve requirement ratio. An agreement was reached that Greece would receive EUR130 billion from its 17-nation EU partners and the International Monetary Fund (IMF). However, markets took a slight turn as Eurozone finance ministers were slightly cautious and apprehensive on whether the bailout package was sufficient to pull Greece out of the debt crisis that they are facing. In March, investors began to turn optimistic on the Eurozone on hopes of progress in Greece at the same time crude oil prices jumped to a 9-month high of USD110 per barrel. Markets continued to trend higher ahead of another European Central Bank (ECB) financing operation aimed at avoiding further deterioration of the debt crisis. Investors' sentiments were put off on news that China is expecting economic growth to slowdown this year, with the Chinese Premier targeting growth of 7.50% in 2012. Fortunately, sentiments were overturned as optimism grew on the Greece debt restructuring and upbeat jobs data from the US. The second bailout plan for Greece was finally settled and consequently avoided a massive default which would have impacted global markets. The rally continued as regional markets took cue from Wall Street, which hit a 4-year high on the back of upbeat news from the US Federal Reserve on the recovery to the economy.

Thailand was the best performer in the quarter backed by an increasingly robust V-shaped Industrial Production (IP) recovery and Foreign Direct Investment (FDI) resurgence. The Philippines was the next best performer buoyed by robust macroeconomic news flow that the government will increase spending and push Public-Private Partnership (PPP) projects, easy monetary policy environment, and increased foreign flows into the equity market. The Philippine central bank cut policy rates by 25bps in March as inflation outlook remains benign. The fiscal deficit in January hit PHP15.9 billion, a reversal from a surplus position same month last year as the government is increasing spending to boost economic growth. Singapore market also rose strongly with Purchasing Market Index (PMI) showed an expansion in February at 50.4 after seven months of contraction. In Malaysia, the KLCI Index continued to play catch up to its regional and global peers in March and came close to its all time intra-day highs of 1,597 pts twice during the month. But concerns about general elections being called early held back the market's ascent. In Indonesia, the government canceled plans to increase subsidized fuel prices in April. Consumer price index inflation in March remained benign at 3.97% y-o-y.

Overall, all ASEAN markets closed in positive territory for the first quarter 2012. The best performing market, in Ringgit terms, was Thailand (+15.64%) followed by the Philippines (14.89%), Singapore (13.42%), Malaysia (+4.29%) and Indonesia (4.01%). (Source: Bloomberg)

FUND PERFORMANCE

	3 months to 31.03.2012 (%)	1 year to 31.03.2012 (%)	Since Inception to 31.03.2012 (%)
Income	-	-	-
Capital ^	7.74	5.02	17.17
Total Return ^	7.74	5.02	17.17
Annualised Return ^	34.44	5.02	9.60
Underlying Fund^^	7.95	3.61	18.32
Benchmark (FTSE ASEAN 40 Index)	7.88	3.19	17.29
Market Price per Unit	4.03	(4.32)	11.51

^ Based on NAV per Unit
^^ Based on Last Published Market Price

For the period under review, the Fund gained 7.74% in line with the Underlying Fund's performance which gained 7.95%. The benchmark gained 7.88% for the same reporting period.

The last available published market price of the Fund quoted on Bursa Malaysia was RM 1.55, an increase of 4.03% for the period.

Changes in Net Asset Value ("NAV")

	31.03.2012	31.03.2011	% changes
Net Asset Value ("NAV") (RM Million)	13.16	12.53	5.03
NAV/Unit (RM)	1.6249	1.5472	5.02

For the 1-year period, the total NAV and NAV per unit increased by 5.02%. The increased in both the total NAV and NAV per unit were attributable to the positive investment performance as described in the Market Review section.

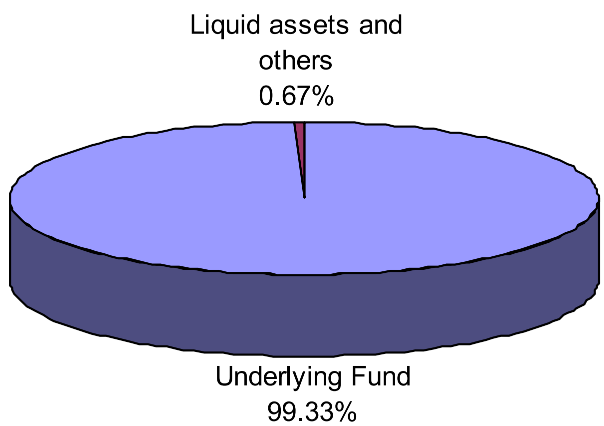
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance 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)	31.12.2012	31.12.2011
Underlying Fund	99.33	101.81
Liquid assets and others	0.67	(1.81)
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

The upward momentum in ASEAN equity markets has slowed, as continued strong inflows into emerging markets was offset somewhat by heavy equity issuance. Within ASEAN, the inflation headwinds propelled by rising oil prices are being most clearly felt in Indonesia. The President in Indonesia recently endorsed an upward adjustment in retail fuel prices, the first change since January 2009. In Thailand, we foresee tumultuous days ahead for the export sector as developed economies remain mired in debt and deficit issues, uncertain global oil prices could detract from external demand, and Asia's growth engine is widely expected to slow. We foresee export growth of 8.50% in 2012 (16.40% in 2011). In Malaysia, domestic demand will anchor the growth, underpinned by private consumption and total investment. The key risks to the domestic growth outlook are weaker exports and the second-round effects of the oil price spike which could throw a damper on consumer spending. Overall, ASEAN markets have shifted from being cyclically-driven to a fundamentally-driven following the slowing price momentum. We believe worries over economy slowdown and political uncertainty in China may adversely affect the ASEAN markets.

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.

UNITHOLDING STATISTICS

Breakdown of unit holdings by size as at 31 March 2012 are as follows:

Size of unit holding	No of unit holders	No of units Held (million)	% of units held
5,000 and below	35	0.06	0.74
5,001 to 10,000	8	0.06	0.74
10,001 to 50,000	5	0.07	0.86
50,001 to 500,000	3	0.47	5.80
500,001 and above	2	7.44	91.86
	53	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 34 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 March 2012 and of its financial performance, changes in equity and cash flows of the Fund for the financial period ended 31 March 2012 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 May 2012

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR FINANCIAL PERIOD ENDED 31 MARCH 2012

	Note	01.01.2012 to 31.03.2012 RM	01.01.2011 to 31.03.2011 RM
INCOME			
Net gain on financial assets at fair value through profit or loss	8	1,354,451	203,044
Net foreign exchange loss	4	(395,805)	(201,281)
Other income		2,000	-
		960,646	1,763
LESS: EXPENSES			
Trustee and custodian fee	6	5,107	5,070
Audit fee		6,233	1,392
Tax Agent fee		748	756
Administration expenses		2,254	129,763
		14,342	136,981
PROFIT BEFORE TAXATION		946,304	(135,218)
TAXATION	7	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME DURING THE FINANCIAL PERIOD		946,304	(135,218)
Profit after taxation is made up as follows:			
Realised amount		(15,972)	(136,981)
Unrealised amount		962,276	1,763
		946,304	(135,218)

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Note	31.03.2012 RM	31.03.2011 RM
CURRENT ASSETS			
Financial assets at fair value through profit or loss	8	13,072,884	12,759,325
Cash and cash equivalents	9	116,013	42,212
TOTAL ASSETS		13,188,897	12,801,537
CURRENT LIABILITIES			
Amount due to trustee		1,529	1,529
Other payables and accruals	10	25,896	267,818
TOTAL LIABILITIES		27,425	269,347
NET ASSET VALUE OF THE FUND	11	13,161,472	12,532,190
EQUITY			
Unitholders' capital		11,169,090	11,058,930
Retained earnings		1,992,382	1,473,260
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	11	13,161,472	12,532,190
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	8,100,000	8,100,000
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION)		1.6249	1.5472

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL PERIOD ENDED 31 MARCH 2012

	Note	Unitholders' capital RM	Retained earnings RM	Total RM
Balance as at 1 January 2012		11,169,090	1,046,078	12,215,168
Total comprehensive income for the financial period		-	946,304	946,304
Balance as at 31 March 2012	11	11,169,090	1,992,382	13,161,472
Balance as at 1 January 2011		11,058,930	1,608,478	12,667,408
Total comprehensive income for the financial period		-	(135,218)	(135,218)
Balance as at 31 March 2011	11	11,058,930	1,473,260	12,532,190

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

UNAUDITED STATEMENT OF CASH FLOWS
FOR FINANCIAL PERIOD ENDED 31 MARCH 2012

	Note	01.01.2012 to 31.03.2012 RM	01.01.2011 to 31.03.2011 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Trustee fee paid		(4,488)	(4,439)
Payments for other fees and expenses		(2,873)	(3,090)
Net cash outflow from operating activities		(7,361)	(7,529)
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		(7,361)	(7,529)
Effect of unrealised foreign exchange		(1,630)	-
Cash and cash equivalents at the beginning of the financial period		125,004	49,740
Cash and cash equivalents at the end of the financial period	9	116,013	42,211

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

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012

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.

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.

All investments will be subject to the SC Guidelines on Exchange Traded Funds, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager, a company incorporated in Malaysia, is a wholly-owned subsidiary of CIMB Group Sdn. Bhd. and regards CIMB Group Holdings Bhd as its ultimate holding company. Its principal activities are the establishment and the management of unit trust funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied 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”) in Malaysia, the MASB approved accounting standards in Malaysia for entities other than private entities and the SC Guidelines on Exchange Traded Funds.

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 revenue 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(n).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(i) The amendments to published standards that are applicable and effective for Fund’s financial year beginning on 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. This amendment does not have any impact on the classification and valuation of the Fund’s financial statements.

(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/after 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 MFRSs.

- Financial year beginning on/after 1 January 2013

  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.

- Financial year beginning on/after 1 January 2015

  MFRS 9 “Financial instruments - classification and measurement of financial assets and financial liabilities” (effective from 1 January 2015) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(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: (continued)

- Financial year beginning on/after 1 January 2015 (continued)

  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.

(b) Financial assets and liabilities

<u>Classification</u>

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 financing and loans comprise cash and cash equivalents.

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

The Fund classifies amount due to trustee and other payables and accruals as financial liabilities.

<u>Recognition and measurement</u>

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and liabilities

Recognition and measurement (continued)

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the period which they arise.

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

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 and other financial liabilities 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) Functional and presentation currency

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in 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.

(d) 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.

(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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 investments is based on the tax regime of the respective countries that the Fund invests in.

(h) Distribution

Distributions are at the discretion of the Fund Manager. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the period in which it is approved by the Board of Directors of the Manager.

(i) Proceeds and payments on creation and cancellation of units

The net asset value per unit is computed for each dealing day. The price at which units are created or cancelled is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day. Units in the Fund are classified as equity in the statement of financial position and are stated at fair value representing the price at which unitholders can redeem the units from the Fund.

(j) 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.

(k) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, 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 of the Fund are as follows:

	Financial assets at fair value through profit or loss	Loans and receivables	Total
As at 31.03.2012	**RM**	**RM**	**RM**
Financial assets at fair value through profit or loss (Note 8)	13,072,884	-	13,072,884
Cash and cash equivalents (Note 9)	-	116,013	116,013
	13,072,884	116,013	13,188,897
As at 31.03.2011			
Financial assets at fair value through profit or loss (Note 8)	12,759,325	-	12,759,325
Cash and cash equivalents (Note 9)	-	42,212	42,212
	12,759,325	42,212	12,801,537

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

(m) 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.

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

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

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 (inclusive of 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 in the prospectus and the SC Guidelines on Exchange Traded Fund.

(a) Market risk

(i) Price risk

This is the risk that the fair value of equity securities in collective investment scheme held by the Singapore Fund will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The value of securities may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's net asset value and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

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.

The price risk is managed through diversification and selection of securities and other financial instruments within specified limits according to the Deeds.

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

	31.03.2012 RM	31.03.2011 RM
Collective investment scheme designated as financial asset at fair value through profit or loss	13,072,884	12,759,325

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 at the end of each reporting period.

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 March 2012, 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	Market value RM	Change in net asset value RM
As at 31.03.2012		
+14.27%	14,938,385	1,865,501
-14.27%	11,207,383	(1,865,501)
As at 31.03.2011		
+14.27%	14,580,081	1,820,756
-14.27%	10,938,569	(1,820,756)

(ii) Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment in collective investment schemes 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 exposure to interest rate fluctuations is minimal.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Malaysian based investor should be aware that if the Malaysian Ringgit appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the NAV of the fund and vice versa. Investors should note any gains or losses arising from the movement of foreign currencies against its home currency may therefore increase/decrease the capital gains of the investment. Nevertheless, investors should realise that currency risk is considered as one of the major risks to investments foreign assets due to the volatile nature of the foreign exchange market. The Manager or its fund management delegate could utilise two pronged approaches in order to mitigate the currency risk; firstly by spreading the investments across different currencies (i.e. diversification) and secondly, by hedging the currencies when its deemed necessary.

The following table sets out the foreign currency risk concentrations of the Fund at the end of each reporting period:

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Total
As at 31.03.2012	**RM**	**RM**	**RM**
USD	13,072,884	106,914	13,179,798
As at 31.03.2011			
USD	12,759,325	42,212	12,801,537

The table below summarises the sensitivity of the Fund's investments and cash and cash equivalent's fair value to changes in foreign exchange movements at the end of each reporting period. 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 March 2012, 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 asset value / net profit before tax
As at 31.03.2012	**%**	**RM**
USD	+6.41%	844,483
USD	-6.41%	(844,483)
As at 31.03.2011		
USD	+6.41%	820,578
USD	-6.41%	(820,578)

(b) Credit risk

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

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Exchange Traded Funds.

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

	Cash and cash equivalents	
	31.03.2012	31.03.2011
Industry	**RM**	**RM**
Finance	116,013	42,212

All financial assets of the Fund as at 31 March 2012 are neither past due nor impaired. As at 31 March 2012, all cash and cash equivalents are placed with Deutsche Bank.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk can be defined as the ease with which a security can be sold at or near its fair value depending on the volume traded in the market. If a security encounters a liquidity crunch, the security may need to be sold at a discount to the market fair value of the security. This in turn would depress the NAV and/or growth of the Fund. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the fund manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The 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 bank balance, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 business days.

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
As at 31.03.2012			
Amount due to trustee	1,529	-	1,529
Other payables and accruals	-	25,896	25,896
Contractual cash out flows	1,529	25,896	27,425
As at 31.03.2011			
Amount due to trustee	1,529	-	1,529
Other payables and accruals	-	267,818	267,818
Contractual cash out flows	1,529	267,818	269,347

(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. To mitigate these risks, the Manager will select securities that spread across countries in an attempt to reduce the impact from such events.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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.

(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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(h) Foreign security risks

The Fund invests entirely within or relates within or relates to the equity markets of a single country. These markets are subject to special risks associated with foreign investment including market fluctuations caused by factors affected by political and economic development. The principal risk factors, which could decrease the value of the investor's investment, are listed and described below:

- less liquid and less efficient securities markets;
- greater price volatility;
- exchange rate fluctuations and exchange controls;
- less publicly available information about issuers;
- higher transaction and custody costs and delays and risks of loss attendant in settlement procedures;
- difficulties in enforcing contractual obligations;
- lesser levels of regulation of the securities markets;
- different accounting, disclosure and reporting requirements;
- more substantial government involvement in the economy;
- higher rates of inflations; and
- greater social, economic, and political uncertainty and the risk of nationalisation or expropriation of assets and risk of war or terrorism.

(i) 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 unitholders. 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 unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(j) 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 last published net asset value per unit or share of such collective investment schemes; the appropriate quoted market price for financial liabilities is the current asking price.

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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(j) Fair value estimation (continued)

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 recognized 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 period. 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)

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(j) Fair value estimation (continued)

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

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

The following table analyses within the fair value hierarchy the Fund’s financial assets (by class) measured at fair value at 31 March 2012:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial assets at fair value through profit or loss:				
- Collective investment scheme	13,072,884	-	-	13,072,884

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. NET FOREIGN EXCHANGE LOSS

Breakdown of net foreign exchange loss for the financial period was as follows;

	01.01.2012 to 31.03.2012 RM	01.01.2011 to 31.03.2011 RM
Realised foreign exchange loss	(3,630)	-
Unrealised foreign exchange loss	(392,175)	(201,281)
	(395,805)	(201,281)

5. MANAGEMENT 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 March 2012, no management fee is charged by the Manager on this Fund (31.03.2011 : Nil) .

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

6. TRUSTEE AND CUSTODIAN 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 March 2012, the trustee's fee is recognised at a rate of 0.08% per annum (31.03.2011 : 0.08% per annum).

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

7. TAXATION

	01.01.2012 to 31.03.2012 RM	01.01.2011 to 31.03.2011 RM
Tax charged for the financial period:		
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:

	01.01.2012 to 31.03.2012 RM	01.01.2011 to 31.03.2011 RM
Net profit before taxation	944,304	(135,218)
Taxation at Malaysian statutory rate of 25% (31.03.2011: 25%)	236,076	(33,804)
Tax effects of:		
Net (gain) on investments not deductible for tax purposes/(not subject for tax)	(239,661)	(406)
Expenses not deductible for tax purposes	2,305	33,897
Restriction on tax deductible expenses for exchange traded funds	1,280	313
Taxation	-	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.03.2012 RM	31.03.2011 RM
Designated at fair value through profit or loss		
-Foreign collective investment scheme	13,072,884	12,759,325

	01.01.2012 to 31.03.2012 RM	01.01.2011 to 31.03.2011 RM
Net gain on financial assets at fair value through profit or loss		
- Change in unrealised fair value gain	1,354,451	203,044

As at 31.03.2012	**Quantity Units**	**Aggregate cost RM**	**Market value RM**	**Percentage of net asset value %**
Singapore				
CIMB FTSE ASEAN 40	400,000	11,773,214	13,072,884	99.33
EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES		(222,903)		
UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS		1,522,573		
TOTAL FINANCIAL ASSETS AT FAIR VALUE TROUGH PROFIT OR LOSS		**13,072,884**		
As at 31.03.2011				
Singapore				
CIMB FTSE ASEAN 40	404,500	11,050,576	12,759,325	101.81
EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES		(680,327)		
UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS		2,389,076		
TOTAL FINANCIAL ASSETS AT FAIR VALUE TROUGH PROFIT OR LOSS		**12,759,325**		

9. CASH AND CASH EQUIVALENTS

	31.03.2012 RM	31.03.2011 RM
Bank balance	116,013	42,212

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

	31.03.2012 RM	31.03.2011 RM
- USD	106,914	42,212

10. OTHER PAYABLES AND ACCRUALS

	31.03.2012 RM	31.03.2011 RM
Provision for audit fee	16,085	23,608
Provision for tax agent fee	5,261	2,235
Other accruals	4,550	241,975
	25,896	267,818

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

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

	Note	31.03.2012 RM	31.03.2011 RM
Unitholders' contribution		11,169,090	11,058,930
Retained earnings		1,992,382	1,473,260
	(a)	13,161,472	12,532,190

(a) UNIT HOLDERS' CONTRIBUTION/ UNIT IN CIRCULATION

	31.03.2012		31.03.2011	
	No of units	RM	No of units	RM
At the beginning of the financial period	8,100,000	12,215,168	8,100,000	12,667,408
Total comprehensive income income for the financial period	-	946,304	-	(135,218)
At end of the financial period	8,100,000	13,161,472	8,100,000	12,532,190
Approved size of the Fund	500,000,000		500,000,000	

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 March 2012, the number of units not yet issued is 491,900,000 (31.03.2011: 491,900,000).

12. MANAGEMENT EXPENSE RATIO ("MER")

	31.03.2012	31.03.2011
MER	0.11	1.11

MER is derived based on the following calculation:

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

A = Trustee and custodian fee
B = Audit fee
C = Tax agent fee
D = Other expenses
E = 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 RM12,674,420 (31.03.2011: RM12,345,800).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	31.03.2012	31.03.2011
PTR (times)	NIL	NIL

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 = NIL (31.03.2011: NIL)
total disposal for the financial period = NIL (31.03.2011: NIL)

14. UNITS HELD BY THE MANAGER AND RELATED PARTIES TRANSACTIONS AND BALANCES

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

15. TRANSACTIONS WITH BROKERS/DEALERS

There are no transactions with brokers/dealers for the financial period ended 31 March 2012 and 31 March 2011.

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 chief operating decision maker for the fund’s assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of FRS. The chief operating decision maker is responsible for the performance of the fund and considers the business to have a single operating segment located in Malaysia. The Committee’s asset allocation decisions are based on a single, integrated investment strategy and the Fund’s performance is evaluated on an overall basis.

The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of profit and dividend income earned from investments and gains on the appreciation in the value of investments

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

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 (Malaysia) Sdn Bhd (253344-U)
1702 Kenanga International,
Jalan Sultan Ismail,
50250 Kuala Lumpur, MALAYSIA.