

**CIMB FTSE ASEAN 40 MALAYSIA**

**UNAUDITED QUARTERLY REPORT**

**FOR THE FINANCIAL PERIOD ENDED 1 JANUARY 2014  
TO 31 MARCH 2014**

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**INVESTORS' LETTER**

Dear Valued Investors,

Firstly, thank you for your support and trust by investing in CIMB-Principal funds. Our commitment to you is to deliver consistent risk adjusted returns by combining sound investment and strong corporate governance. By placing clients at the heart of everything we do, we will continue to strive in delivering exemplary services and products that meet our clients' financial and investment needs.

Looks like we have a good start this first quarter of the year! We are pleased to share with you our achievements in **The Edge-Lipper Malaysia Fund Award 2014**. They are symbolic of the Company's achievements over the years and would not have happened without the continuous support shown by our valued investors. We have rewarded our investors' faith with improved fund performance. We swept eight individual fund awards at the prestigious event:

<b>Fund</b>	<b>Category</b>
CIMB-Principal Equity Fund	Equity Malaysia, 10 years
CIMB-Principal Equity Income Fund	Equity Asia Pacific Ex Japan, 3 years & 5 years
CIMB Islamic Equity Fund	Equity Asia Pacific Ex Japan (Islamic), 3 years & 5 years
CIMB-Principal Global Titans Fund	Equity Global, 3 years
CIMB-Principal Small Cap Fund	Equity Malaysia Small and Mid Caps, 3 years
CIMB Islamic DALI Equity Growth Fund	Equity Malaysia (Islamic), 10 years

We have also achieved yet another milestone in Private Retirement Scheme ("PRS") by being ranked top among the eight PRS providers in Malaysia in an awareness study commissioned by the Private Pension Administrator ("PPA"). As at end December 2013, we gained 26% of consumer awareness in survey size done among 3.5 million working population in the country. Overall, the survey found that the consumer PRS awareness level has increased from 18% to 25%.

With the increase in PRS awareness level, we are excited about welcoming the recent Budget 2014 proposal of a RM500 one-off incentive to the young PRS contributors. This incentive will be given to eligible contributors with a minimum cumulative contribution of RM1,000 within a year\*. As saving for retirement at an early age is a brilliant financial move, we highly encourage all eligible contributors to take advantage of this probable once-in-a-lifetime incentive. For parents with young adults, we urge you to encourage your children to enroll in CIMB-Principal PRS Plus or give them a head start by making an initial contribution towards their PRS Plus account.

Thank you once again for your continued support and I wish all of you a blessed and rewarding year ahead.

**Happy Investing!**



**Munirah Khairuddin**  
 Chief Executive Officer  
 CIMB-Principal Asset Management Berhad

\* Within any calendar year between 2014 to 2018 in a single PRS fund of a single Provider.

**MANAGER'S REPORT****FUND OBJECTIVE AND POLICY****What is the investment objective of the Fund?**

The Fund aims 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 gained 0.69% for the quarter while the Underlying Fund gained 1.06%. In the meantime, the Benchmark Index gained 2.81%.

**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 Unit holders 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 2014?**

RM 2.26 million (1.35 million units)

**What is the Fund's benchmark?**

The benchmark index is the FTSE/ASEAN 40 Index designed to represent the performance of the ASEAN region by measuring the eligible securities listed on the stock exchanges of Indonesia, Malaysia, The Philippines, Singapore and Thailand which consist of the largest 40 companies by full market value from the eligible markets that qualify as eligible for inclusion in the FTSE/ASEAN 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:

	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	%	%	%
<b>Sector</b>			
Underlying Fund	98.98	99.75	99.33
Cash and other net assets	1.02	0.25	0.67
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Net Asset Value (RM million)	2.26	14.20	13.16
Units In circulation (Million)	1.35	8.10	8.10
Net Asset Value per Unit (RM)	1.6758	1.7528	1.6249
Highest NAV per Unit (RM)	1.6940	1.7562	1.6249
Lowest NAV per Unit (RM)	1.5836	1.6502	1.4961
Market Price per Unit (RM)	1.7000	1.7550	1.5500
Highest Market Price per Unit (RM)	1.7000	1.7550	1.5700
Lowest Market Price per Unit (RM)	1.6400	1.6500	1.4900
Total return (%) ^	0.69	6.17	7.74
-capital growth (%)	0.69	6.17	7.74
-income growth (%)	-	-	-
Management Expenses Ratio (%)	0.49	0.15	0.11
Portfolio Turnover Ratio (times) #	0.02	-	-
(Launch date : 9 July 2010)			

# The portfolio turnover ratio for the Fund increased to 0.02 times for the quarter as there were more trading activities carried out for the Fund within the reporting period.

<b>Period</b>	<b>Total return (%)</b>	<b>Annualised (%)</b>
- Since inception (SI)^	27.56	6.74
- One Year	(2.45)	(2.45)
- Three Years	14.33	4.57
- Benchmark SI	<u>25.26</u>	<u>6.22</u>

	<b>01.04.2013 31.03.2014</b>	<b>01.04.2012 31.03.2013</b>	<b>01.04.2011 to 31.03.2012</b>	<b>Since inception 31.03.2011</b>
	(%)	(%)	(%)	(%)
Annual total return (%)	<u>(2.45)</u>	<u>11.60</u>	<u>5.02</u>	<u>13.66</u>

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

**MARKET REVIEW (1 JANUARY 2014 TO 31 MARCH 2014)**

Performance of the ASEAN markets for the first quarter of 2014 was mixed. Indonesia led the markets, gaining 18.39%, in MYR terms. The Philippines and Thailand performed closely with each other, gaining 6.84% and 6.17% respectively. Singapore was relatively flat, gaining 0.23%. Meanwhile, Malaysia registered negative returns of 0.95% over the same reporting period.

After a weak second half of 2013, Indonesia went on a strong rally, gaining 18.39% for the 3-month period ended 31 March 2014. Improving trade and Foreign Exchange ("FX") reserves data translated into foreign portfolio flows and a stronger currency. Foreign investors were net buyers, to the tune of approximately USD 1.5 billion for the quarter. Indonesia revised down its FY2014 growth outlook, due to a weak recovery in global economy and downside risks from easy monetary policy in developed countries. Gross Domestic Product ("GDP") is expected to expand 5-6%, down from the initial 6% forecast.

The Philippines gained 6.84% over the same reporting period. The market surge was largely driven by better than expected fourth quarter of 2013 corporate earnings, primarily in the property and consumer sectors. Foreigners posted net buying of USD 72 million in February, a reversal from the net foreign selling of USD 106 million in January. This provided a lift to the market for the first time in seven months. Turnover improved to USD 160 million/day in February from USD 132 million/day in January.

Thailand also registered positive gains in the 3-month period ended 31 March 2014, with local money providing big support. The combination of slow credit growth, low domestic deposit rates, and decent dividend yields for the market has encouraged the inflow of local money. On the other hand, the Year to Date ("YTD") foreign net flow was negative USD 629 million. The current account was in large surplus of USD 5.1 billion on the back of falling imports and strength in the invisibles component.

Singapore market posted marginal gains within the quarter. The government estimated that the 2013 fiscal surplus will be 1.1% of GDP. However, for 2014, it is forecasted to shift to a 0.3% of GDP deficit. The 2014 budget presented two clear messages: (1) the government will continue to focus on economic restructuring and boosting productivity of Singaporean workers and corporate while reducing dependence on foreign workers, and; (2) the government will continue to provide support to lower-income, disabled, elderly workers (especially the "pioneer" generation) to help address income disparities and to achieve a "fair and equitable society." The goals and thrusts of the FY14 budget are similar to and a continuation of those laid out in previous years.

In contrast, Malaysia edger lower, declining by 0.95% for the 3-month period ended 31 March 2014. Market sentiment was affected by concerns over the Russian-Ukraine military tension and weak economic data from China. The fiscal deficit was trimmed to 3.9% of GDP last year, after the government cut spending and state subsidies to avert a credit-rating downgrade. Malaysia aims to further reduce the budget deficit to 3.5% this year and to 3% in 2015, before achieving a balanced budget by 2020.

**FUND PERFORMANCE**

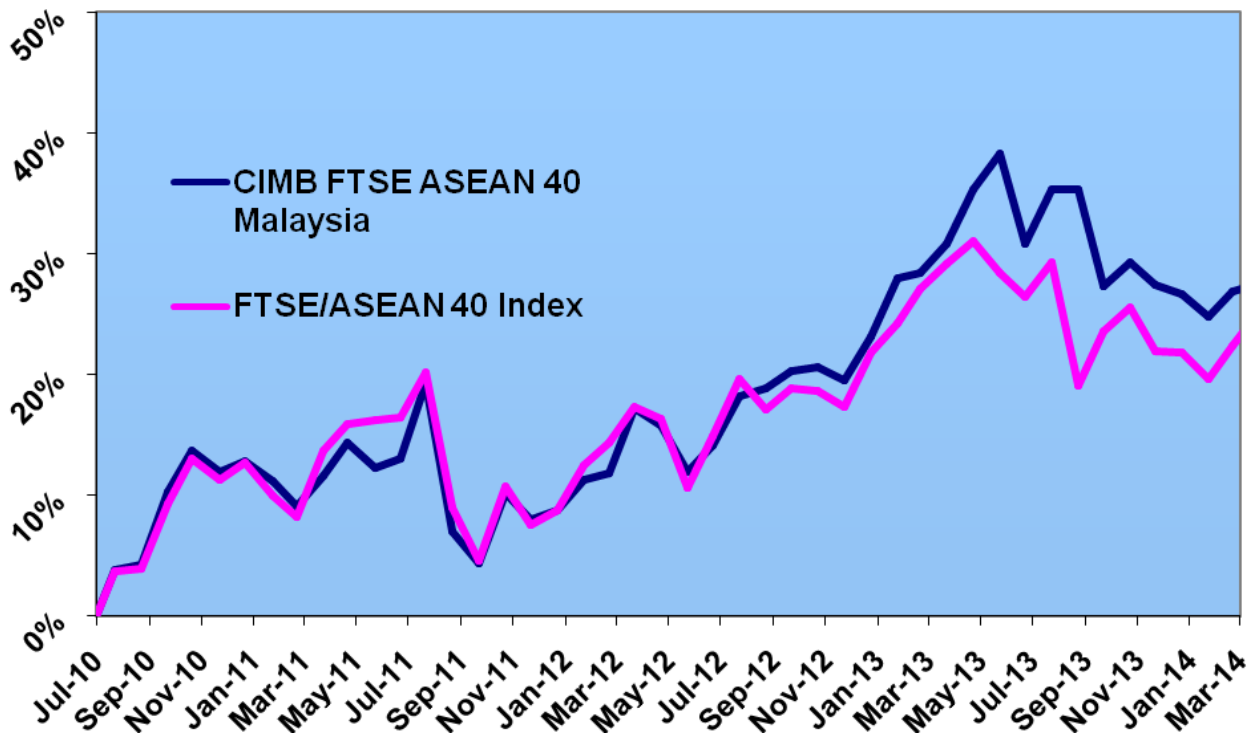
	<b>3 months to 31.03.2014 (%)</b>	<b>1 year to 31.03.2014 (%)</b>	<b>3 years to 31.03.2014 (%)</b>	<b>Since Inception to 31.03.2014 (%)</b>
Income	-	2.03	5.56	5.56
Capital <sup>^</sup>	0.69	(4.39)	8.31	20.84
Total Return <sup>^</sup>	0.69	(2.45)	14.33	27.56
Annualised Return <sup>^</sup>	2.80	(2.45)	4.57	6.74
Underlying Fund <sup>^^</sup>	1.06	-5.61	5.94	20.98
Benchmark (FTSE ASEAN 40 Index)	2.81	-3.02	9.98	25.26
Market Price per Unit	1.19	-3.13	4.94	22.30

<sup>^</sup> Based on NAV per Unit

<sup>^^</sup> Based on Last Published Market Price

For the period under review, the Fund gain 0.69%, while the Underlying Fund gained 1.06%. The benchmark recorded a return of 2.81% for the same reporting period.

The last available published market price of the Fund quoted on Bursa Malaysia was RM 1.70. This represents gains of 1.19% for the same reporting period.



**Changes in Net Asset Value (“NAV”)**

	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>% changes</b>
Net Asset Value (“NAV”) (RM Million)	2.26	14.20	(84.08)
NAV/Unit (RM)	1.6758	1.7528	(4.39)

For the 1-year period, total NAV fell by 84.08% while the NAV/unit decreased by 4.39%. The fall in the total NAV was due to unit redemptions while the decline in NAV/unit was due to investment performance of the combined ASEAN markets over the one-year period.

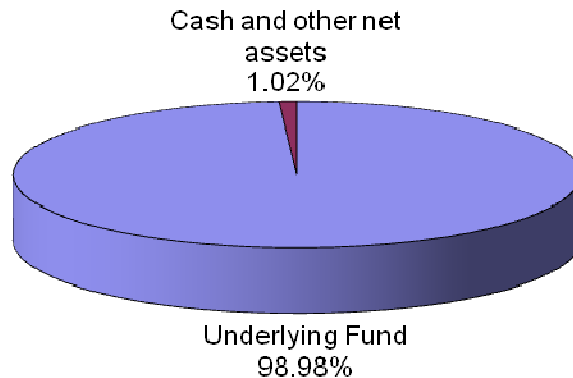
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance 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 extracted from Lipper.

**PORTFOLIO STRUCTURE**

**Asset allocation**

<b>(% of NAV)</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Underlying Fund</b>	98.98	99.75
<b>Cash and other net assets</b>	1.02	0.25
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

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**

Monetary policy normalisation is now back in focus in the US. In phase 2 of the US policy normalisation, the Federal Reserve (Fed) may start raising the interest rate in 2015. Although bond yields may be capped by subdued inflation expectations, additional monetary tightening is likely to constrain global growth and performance of risky assets. Under these circumstances, liquidity conditions in Asian countries will be further burdened with shrinking excess global liquidity and an improving global economy.

In ASEAN, although the longer term prospects of the region remain positive, the near term outlook may be capped as the market consolidates its recent gains. Valuations are not compelling. Key drivers in our view will be positive earnings momentum as the global recovery backdrop remains benign. We believe the worst of the downgrades may be behind us.

**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 HOLDINGS STATISTICS**

Breakdown of unit holdings by size as at 31 March 2014 are as follows:

<b>Size of unit holding</b>	<b>No of unit holders</b>	<b>No of units Held (million)</b>	<b>% of units held</b>
5,000 and below	47	0.08	5.93
5,001 to 10,000	3	0.02	1.48
10,001 to 50,000	9	0.19	14.07
50,001 to 500,000	3	0.32	23.70
500,001 and above	1	0.74	54.82
	<u>63</u>	<u>1.35</u>	<u>100.00</u>

**SOFT COMMISSIONS AND REBATES**

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

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

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014**

	Note	01.01.2014 to 31.03.2014 RM	01.01.2013 to 31.03.2013 RM
<b>INCOME</b>			
Net gain on financial assets at fair value through profit or loss	7	33,010	845,068
Net foreign exchange (loss)/gain		(6,573)	170
		<u>26,437</u>	<u>845,238</u>
<b>LESS: EXPENSES</b>			
Trustee and custodian fee	5	2,959	2,959
Audit fee		6,164	6,164
Tax agent fee		740	7,982
Administration expenses		993	3,392
		<u>10,856</u>	<u>20,497</u>
<b>PROFIT BEFORE TAXATION</b>		15,581	824,741
<b>TAXATION</b>	6	-	-
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME DURING THE FINANCIAL PERIOD</b>		<u>15,581</u>	<u>824,741</u>
Profit after taxation is made up as follows:			
Realised amount		(9,252)	(20,327)
Unrealised amount		24,833	845,068
		<u>15,581</u>	<u>824,741</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2014**

	Note	31.03.2014 RM	31.03.2013 RM
<b>CURRENT ASSETS</b>			
Financial assets at fair value through profit or loss	7	2,239,365	14,161,360
Cash and cash equivalents	8	53,075	55,606
<b>TOTAL ASSETS</b>		<u>2,292,440</u>	<u>14,216,966</u>
<b>CURRENT LIABILITIES</b>			
Amount due to trustee		1,020	1,019
Other payables and accruals	9	29,069	18,582
<b>TOTAL LIABILITIES</b>		<u>30,089</u>	<u>19,601</u>
<b>NET ASSET VALUE OF THE FUND</b>	10	<u>2,262,351</u>	<u>14,197,365</u>
<b>EQUITY</b>			
Unit holders' capital		155,115	11,169,090
Retained earnings		2,107,236	3,028,275
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	10	<u>2,262,351</u>	<u>14,197,365</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	10	<u>1,350,000</u>	<u>8,100,000</u>
<b>NET ASSET VALUE PER UNIT</b>		<u>1.6758</u>	<u>1.7528</u>

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 ENDED 31 MARCH 2014**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 January 2014</b>		155,115	2,091,655	2,246,770
Total comprehensive income for the financial period		-	15,581	15,581
<b>Balance as at 31 March 2014</b>	<b>10</b>	<u>155,115</u>	<u>2,107,236</u>	<u>2,262,351</u>
<b>Balance as at 1 January 2013</b>		11,169,090	2,203,534	13,372,624
Total comprehensive income for the financial period		-	824,741	824,741
<b>Balance as at 31 March 2013</b>	<b>10</b>	<u>11,169,090</u>	<u>3,028,275</u>	<u>14,197,365</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014**

	<b>Note</b>	<b>01.01.2014 to 31.03.2014 RM</b>	<b>01.01.2013 to 31.03.2013 RM</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Purchase of investment		(96,615)	-
Trustee fee paid		(2,959)	(2,959)
Payments for other fees and expenses		(993)	(13,791)
Net cash used in operating activities		<u>(100,567)</u>	<u>(16,750)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		-	-
Payments for cancellation of units		-	-
<b>Net cash inflow from financing activities</b>		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(100,567)	(16,750)
Effect of unrealised foreign exchange		-	170
Cash and cash equivalents at the beginning of the financial period		<u>153,642</u>	<u>72,186</u>
Cash and cash equivalents at the end of the financial period	<b>8</b>	<u>53,075</u>	<u>55,606</u>

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 ENDED 31 MARCH 2014****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 Securities Commission ("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 subsidiary of CIMB Group Sdn Bhd and regards CIMB Group Holdings Bhd as its ultimate holding company. The company is also an associate of Principal International (Asia) Limited, which is a subsidiary of Principal Financial Group Inc. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of preparation**

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

The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivatives instruments) at fair value through profit or loss.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(a) Basis of preparation (continued)**

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

- (i) 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 July 2014

Amendment to MFRS 132 “Financial instruments: Presentation” (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of ‘currently has a legally enforceable right of set-off’ that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. 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 July 2017

MFRS 9 “Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities” (effective no earlier than annual periods beginning on or after 1 January 2017) replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Fund will apply this standard when effective.

The adoption of the standard is not expected to have a significant impact on the results of the Fund.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(b) Financial assets and 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 MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

Quoted securities are valued at the bid prices quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

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

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.



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

### (b) Financial assets and liabilities (continued)

#### Recognition and measurement (continued)

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent 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 financial position.

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) 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

Profit income earned from deposits is recognised based on effective interest rate method on an accrual basis.

Dividend income is recognised on the ex-dividend date when the Fund's right to receive payments is established.

Realised gain or loss on disposal of quoted investments is calculated based on sales proceeds less cost of quoted investments which is 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 put back 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 if the unit holder exercises the right to put back 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.

**(f) Cash and cash equivalents**

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

**(g) Taxation**

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

Tax on dividend income from collective investment scheme is based on the tax regime of the respective countries that the Fund invests in.

**(h) Unit holders' capital**

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

The units in the Fund are puttable instruments which entitle the unit holders 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.

**(i) Distribution**

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

**(j) 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 unit holders can redeem the units from the Fund.

**(k) Transaction costs**

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

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

**(m) 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.

**(n) Realised and unrealised portions of profit 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.

**(o) Critical accounting estimates and judgments in applying accounting policies**

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission Guidelines on Exchange-Traded Funds.

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to provide investment results that, before expenses, closely correspond to the performance of the FTSE/ASEAN 40 Index, regardless of its performance. In line with its objective, the investment policy and strategy of the Fund is to invest at least 95% of its net asset value in the underlying fund, 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. 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 and currency risk), credit risk, liquidity 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 SC Guidelines on Exchange-Traded Funds and Prospectus.

#### (a) Market risk

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.

##### (i) Price risk

This is the risk that the fair value of equity securities in collective investment scheme held by the SF 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 price risk is managed through diversification and selection of securities and other financial instruments within specified limits according to the Deeds.

##### (ii) 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.

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(b) Credit risk**

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

The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. 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.

**(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 unit holders. 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 Fund has a policy of maintaining a minimum level of 2% of liquid assets at all times to reduce the liquidity risk.

**(d) 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)****(e) 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.

**(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) Capital risk management**

The capital of the Fund is represented by equity consisting of unit holders' 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 unit holders. The Manager will provide In-Kind Creation Basket which comprises a portfolio of the Benchmark Index shares in substantially the same composition and weighting as the Benchmark Index and cash component to be delivered by the Participating Dealer in the case of creations and to be transferred to the Participating Dealer in the case of cancellations. The Fund maintains sufficient quantity of shares and cash in proportion to the In-Kind Basket.

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

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

#### (h) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. Prior to 1 March 2013, the quoted market price used for financial assets held by the Fund was the current bid price; the quoted market price for financial liabilities was the current asking price. The Fund adopted MFRS 13, 'Fair Value Measurement', from 1 March 2013 and changed its fair valuation inputs to utilise the last traded market price for both financial assets and financial liabilities.

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

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. 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 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 fair value are based on the following methodology and assumptions:

- (i) Bank balance and deposits and placements with financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The carrying value of the financial assets and financial liabilities approximate their fair value due to their short term nature.

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

## (h) Fair value estimation (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The difference levels have been defined as follows:

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

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

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

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

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>31.03.2014</b>				
Financial assets at fair value through profit or loss				
- collective investment scheme	<u>2,239,365</u>	<u>-</u>	<u>-</u>	<u>2,239,365</u>
<b>31.03.2013</b>				
Financial assets at fair value through profit or loss				
- collective investment scheme	<u>14,161,360</u>	<u>-</u>	<u>-</u>	<u>14,161,360</u>

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes deposits in licensed financial institutions. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).



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

**(h) Fair value estimation (continued)**

The Fund has no other financial assets and liabilities at fair value through profit or loss as at each financial year end except deposits with a licensed financial institution of which the carrying value approximates their fair value due to their short-term nature.

**4. MANAGEMENT FEE**

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

**5. TRUSTEE'S FEE**

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. The Trustee has changed the minimum fees to RM12,000 per annum with effect from 1 June 2012.

For the financial period ended 31 March 2014, the Trustee's fee is recognised at a rate of 0.08% per annum (31.03.2013: 0.08% per annum).

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

**6. TAXATION**

	<b>01.01.2014 to 31.03.2014 RM</b>	<b>01.01.2013 to 31.03.2013 RM</b>
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:

	<b>01.01.2014 to 31.03.2014 RM</b>	<b>01.01.2013 to 31.03.2013 RM</b>
Net profit before taxation	15,581	824,741
Taxation at Malaysian statutory rate of 25% (31.03.2013: 25%)	3,895	206,185
Tax effects of:		
Income not subject to tax	(8,654)	(211,309)
Loss not deductible for tax purposes	2,044	-
Expenses not deductible for tax purposes	1,261	3,583
Restriction on tax deductible expenses for exchange traded funds	1,454	1,541
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.03.2014 RM	31.03.2013 RM
Designated at fair value through profit or loss		
-Foreign collective investment scheme	<u>2,239,365</u>	<u>14,161,360</u>
	01.01.2014 to 31.03.2014 RM	01.01.2013 to 31.03.2013 RM
Net gain on financial assets at fair value through profit or loss		
- Change in unrealised fair value gain	<u>33,010</u>	<u>845,068</u>

As at 31.03.2014	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>Singapore</b>				
CIMB FTSE ASEAN 40	<u>67,000</u>	2,035,784	<u>2,239,365</u>	<u>98.98</u>
<b>EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES</b>		60,871		
<b>UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>142,710</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><u>2,239,365</u></u>		
<b>As at 31.03.2013</b>				
<b>Singapore</b>				
CIMB FTSE ASEAN 40	<u>400,000</u>	11,773,214	<u>14,161,360</u>	<u>99.75</u>
<b>EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES</b>		(113,547)		
<b>UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>2,501,693</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><u>14,161,360</u></u>		

**8. CASH AND CASH EQUIVALENTS**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>RM</b>	<b>RM</b>
Bank balance	<u>53,075</u>	<u>55,606</u>

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

	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>RM</b>	<b>RM</b>
- Ringgit Malaysia	3,572	40,539
- United States Dollar	49,503	15,067
	<u>53,075</u>	<u>55,606</u>

**9. OTHER PAYABLES AND ACCRUALS**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>RM</b>	<b>RM</b>
Provision for audit fee	18,267	13,267
Provision for tax agent fee	6,253	765
Other accruals	4,549	4,550
	<u>29,069</u>	<u>18,582</u>

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

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

	<b>Note</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
		<b>RM</b>	<b>RM</b>
Unit holders' contribution		155,115	11,169,090
Retained earnings		2,107,236	3,028,275
	<b>(a)</b>	<u>2,262,351</u>	<u>14,197,365</u>

**(a) UNIT HOLDERS' CONTRIBUTION/ UNIT IN CIRCULATION**

	<b>31.03.2014</b>		<b>31.03.2013</b>	
	<b>No of units</b>	<b>RM</b>	<b>No of units</b>	<b>RM</b>
At the beginning of the financial period	1,350,000	2,246,770	8,100,000	13,372,624
Total comprehensive income income for the financial period	-	15,581	-	824,741
At end of the financial period	<u>1,350,000</u>	<u>2,262,351</u>	<u>8,100,000</u>	<u>14,197,365</u>
Approved size of the Fund	<u>500,000,000</u>		<u>500,000,000</u>	

In accordance with the Deed, the Manager may increase the size of the Fund from time to time with the approval of the Trustee and the Securities Commission. The maximum number of units that can be issued out for circulation of the Fund is 500,000,000. As at 31 March 2014, the number of units not yet issued is 498,650,000 (31.03.2013: 491,900,000).

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

	<b>31.03.2014</b>	<b>31.03.2013</b>
MER	0.49	0.15

MER is derived based on the following calculation:

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

- 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 RM2,237,053 (31.03.2013: RM13,843,673).

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

	<b>31.03.2014</b>	<b>31.03.2013</b>
PTR (times)	0.02	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 = RM 98,218 (31.03.2013: NIL)
- total disposal for the financial period = NIL (31.03.2013: NIL)

**13. UNITS HELD BY THE MANAGER AND RELATED PARTIES TRANSACTIONS AND BALANCES**

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

<u>Related parties</u>	<u>Relationship</u>
CIMB-Principal Asset Management 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.

**14. TRANSACTIONS WITH BROKERS/DEALERS**

<b>Brokers/dealers</b>	<b>Value of trades</b>	<b>Percentage of total trades</b>	<b>Brokerage fees</b>	<b>Percentage of total brokerage fees</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Credit Suisse (Hong Kong) Limited	98,218	100.00	98	100.00
	98,218	100.00	98	100.00

**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 chief operating decision maker for the fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and International Financial Reporting Standards. The chief operating decision maker is responsible for the performance of the fund and considers the business to have a single operating segment.

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

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

	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>RM</b>	<b>RM</b>
Total accumulated earnings of the Fund		
- Realised	1,903,656	640,129
- Unrealised	203,580	2,388,146
	<u>2,107,236</u>	<u>3,028,275</u>

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

**DIRECTORY**

**Head office of the Manager**

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