

**CIMB FTSE ASEAN 40 MALAYSIA**

**UNAUDITED QUARTERLY REPORT**

**FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2015  
TO 31 DECEMBER 2015**

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## INVESTORS' LETTER

Dear Valued Investors,

Firstly, let me wish you a very Happy New Year for 2016. Looking back to 2015, we were not spared from volatility both in the global and regional markets as well as on home ground. Nevertheless, in the face of many obstacles, we have never wavered and remain focused on bottom-up stock picking and quality fundamental research whilst exploring pockets of opportunities. This has allowed us to give our investors increased access to diversification in different types of asset classes, the potential for capital appreciation and long-term returns and future inflation protection. Our local presence, ground knowledge and ability to generate innovative investment ideas will continue to transform high quality information into opportunities, without compromising our focus on risk management and performance for our investors.

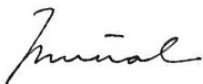
We are pleased to share that CIMB-Principal Asset Management Berhad ("CIMB-Principal") concluded the year 2015 with RM46.9 billion in Asset Under Management ("AUM") and the Group's AUM has increased by 24% to RM62.8 billion, for a 1-year period ending 31 December 2015. We would like to take this opportunity to thank you for your trust and confidence in us, which enabled us to deliver superior investment performance and the best customer experience for you.

Our Private Retirement Scheme ("PRS") business is also taking centre-stage and there is an increased awareness for personal responsibility in one's retirement readiness. Our AUM for this segment has increased to RM280 million from RM164.3 million with a growth of 70% as at 31 December 2015. We managed to achieve this result with considerable efforts in creating public awareness about the importance of additional retirement funds for a better lifestyle during our golden years.

We would like to express our gratitude for your efforts and support in bringing CIMB-Principal to where it is today. We have achieved prestigious recognitions such as The Edge-Lipper Malaysia Fund Awards and Morningstar Awards, supporting our strategic goal of becoming a leader among Malaysia's most preferred investment institutions. CIMB-Principal also won the Best Asset Manager in Southeast Asia award from Alpha Southeast Asia for the 6<sup>th</sup> year in a row and the Asset Management Company of the Year, Malaysia from The Asset Triple A Investor Awards 2015. These awards are the culmination of our experience and perspectives that allowed us to perform beyond industry benchmarks and produce consistent results to meet your expectations.

In order to serve you better, CIMB-Principal is currently carrying out an exercise of updating our customers' information. As such, we appreciate your assistance to update your personal information (such as your current mailing address) and you may contact our consultants or Customer Care Centre at 03-7718 3100\*. We will remain dedicated and well positioned to provide the best in both services and products to our investors. Do continue to diversify, and portfolios need not just be geographically diversified, but they should also be varied across asset classes in order to manage risks and volatility. Happy investing and look forward to a rewarding 2016.

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



**Munirah Khairuddin**  
Chief Executive Officer/Executive Director

\* Should you have any query in relation to this exercise or how we handle your personal information, you may contact the Customer Care Centre as well.

## 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 Financial Times Stock Exchange ("FTSE")/ASEAN 40 Index (the "Underlying Index"), regardless of its performance.

#### Has the Fund achieved its objective?

For the financial period under review, the Fund gained 3.29%, while the CIMB FTSE ASEAN 40 (the "Singapore Fund" or "Underlying Fund") gained 4.09%. In the mean time, the Underlying Index gained 3.32%.

#### What are the Fund investment policy and its strategy?

The Fund is a feeder Exchange-Traded Fund ("ETF") listed on the main market of Bursa Securities which aims to invest at least 95% of its Net Asset Value ("NAV") in the Singapore Fund. The Singapore Fund is an ETF 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 Underlying Index. Therefore, the Manager adopts a passive strategy in the management of the Fund.

#### Fund category/type

Feeder ETF/Equity/Index Tracking

#### How long should you invest for?

Recommended three (3) to five (5) years

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

High

#### When was the Fund launched?

9 July 2010\*

\* Listing date

#### What was the size of the Fund as at 31 December 2015?

RM2.27 million (1.35 million units)

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

The benchmark index, namely the FTSE/ASEAN 40 Index is 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 consists of the 40 largest companies by full market value listed on the stock exchange of Indonesia, Malaysia, the Philippines, Singapore and Thailand that qualify for inclusion in the FTSE/ASEAN Index or such replacement index as may be determined by the Singapore Fund Manager and/or the Manager.

#### What is the Fund distribution policy?

Annually, subject to the discretion of the Manager.

#### What was the net income distribution for the financial period from 1 October 2015 to 31 December 2015?

There was no distribution made for the financial period from 1 October 2015 to 31 December 2015.

**PERFORMANCE DATA**

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

	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
	%	%	%
Collective investment scheme	97.92	100.00	94.19
Cash and other net assets	2.08	-	5.81
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
Total asset value (RM Million)	2.32	2.45	2.27
NAV (RM Million)	2.27	2.43	2.25
Units in circulation (Million)	1.35	1.35	1.35
NAV per Unit (RM)	1.6813	1.8013	1.6643
	<b>01.10.2015</b>	<b>01.10.2014</b>	<b>01.10.2013</b>
	to	to	to
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
Highest NAV per Unit (RM)	1.7710	1.8142	1.7083
Lowest NAV per Unit (RM)	1.6210	1.6765	1.6106
Market Price per Unit (RM)	1.6700	1.7850	1.6800
Highest Market Price per Unit (RM)	1.7700	1.7850	1.7200
Lowest Market Price per Unit (RM)	1.6300	1.6900	1.6300
Total return (%) ^	3.29	3.23	(0.52)
- Capital growth (%)	3.29	3.23	(0.52)
- Income distribution (%)	-	-	-
Management Expense Ratio ("MER") (%) *	0.49	0.57	0.15
Portfolio Turnover Ratio ("PTR") (times) #	-	-	0.50

^ based on NAV per unit

\* The Fund's MER decreased from 0.57% to 0.49% mainly due to the decrease in expenses during the financial period.

# The Fund's PTR is zero as there was no transaction made for the financial period from 1 October 2015 to 31 December 2015.

	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>Since inception to 31.12.2011</b>
	%	%	%	%	%
Annual total return	(3.30)	11.40	2.86	13.25	8.75

(Listing date : 9 July 2010)

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 have been extracted from Lipper.

**MARKET REVIEW (1 OCTOBER 2015 TO 31 DECEMBER 2015)**

The month of October 2015 saw gains across the board for The Association of Southeast Asian Nations ("ASEAN") markets after a few torrid months of declines. This was despite the International Monetary Fund's ("IMF") statement that the slowdown in emerging market growth is leading the global economy into its softest expansion since the financial crisis. The IMF lowered its forecast for emerging markets to 4.00% growth in 2015, down from 4.20%. Market sentiment was also lifted by comments from the European Central bank ("ECB") that it may provide additional stimulus for the Eurozone area. The Chinese central bank also cut interest rates for the 6<sup>th</sup> time in 2015.

The Philippines economy expanded a firm 6.00% year-on-year ("y-o-y") in third quarter of 2015, accelerating from 5.80% y-o-y in second quarter of 2015, bringing growth for the nine-months period ended September 2015 to 5.60%. Singapore's Intellectual Property ("IP") rose 2.50% month-on-month ("m-o-m") in October 2015, leaving output at -5.40% y-o-y. Technology output fell 4.60% m-o-m, the worst performing sector in October 2015. Domestic activity in October 2015 for Indonesia continued to stabilize. Private demand indices were mixed but momentum appeared to be accelerating through fourth quarter of 2015. Private consumption was virtually flat m-o-m but the underlying trend was improving. Private investment increased 1.00% m-o-m – the largest rise in a year – reflecting a large increase in capital goods imports. The highlight for this month was a solid increase in budget disbursement of the central government.

November 2015 saw the downtrend in ASEAN markets as sentiment was led by oil prices which lingered below US Dollar ("USD") 42 per barrel, while copper futures traded near a 6-year low amid concerns over China's slowdown. Divergent signals on global monetary policy also dominated with the US Federal Reserve (the "Fed") officials talking up the case for policy tightening, while ECB Chief Mario Draghi hinted at more stimulus. In USD terms, Singapore was the worst performing market, down -5.40%, while Malaysia bucked the trend, posting a +1.40% gain.

The month of December 2015 continued to be weak for ASEAN equity markets as investors' anxiety grew over the Fed interest rate decision. The US interest rates were eventually raised as the Federal Open Market Committee ("FOMC") unanimously voted to set the new target range for the Fed Funds rate at between 0.25 to 0.50%. Elsewhere, oil prices slid to levels last seen during the Global Financial Crisis as Organisation of the Petroleum Exporting Countries ("OPEC") effectively abandoned production limits to defend market share, fuelling a record surplus.

The Philippines exports dropped 10.80% y-o-y to USD4.6 billion, bringing 10 months exports down 6.20% y-o-y to USD48.9 billion. Lingering sluggish global demand, the slack in industrial activity in the US, and the recent economic adjustments in China brought down the country's exports. The central bank kept the policy and Special Deposit Account ("SDA") rates unchanged at 4.00% and 2.50%, respectively. The reserve requirement was also left unchanged at 20.00%. The Indonesian government announced packages number seven and eight to stimulate the economy. The seventh package focused on: 1) tax incentive to labour intensive industry to prevent layoffs; and 2) easier administration for street vendors to obtain land certificate. The eighth package focused on: 1) Incentives to promote acceleration of construction of refineries; 2) A "One Map" policy to guide spatial planning and development; and 3) Elimination of import tariffs for airline spare parts. Domestic stability in Thailand persisted in November 2015. Private consumption was up 0.70% m-o-m, in part reflecting strong auto sales ahead of an expected tax hike in 2016. Private investment rose 0.80% m-o-m, equally reflecting a bounce in commercial auto sales. This rise in car sales was mirrored in automotive output, which accelerated 11.60% through November 2015. While overall manufacturing production slipped, the underlying trend remained healthy. External demand remained a key drag. Exports fell and looked set to end the year down about 5.00%, the third consecutive year of contraction. This fall in exports combined with the rise in imports left the trade balance in a narrower surplus.

**FUND PERFORMANCE**

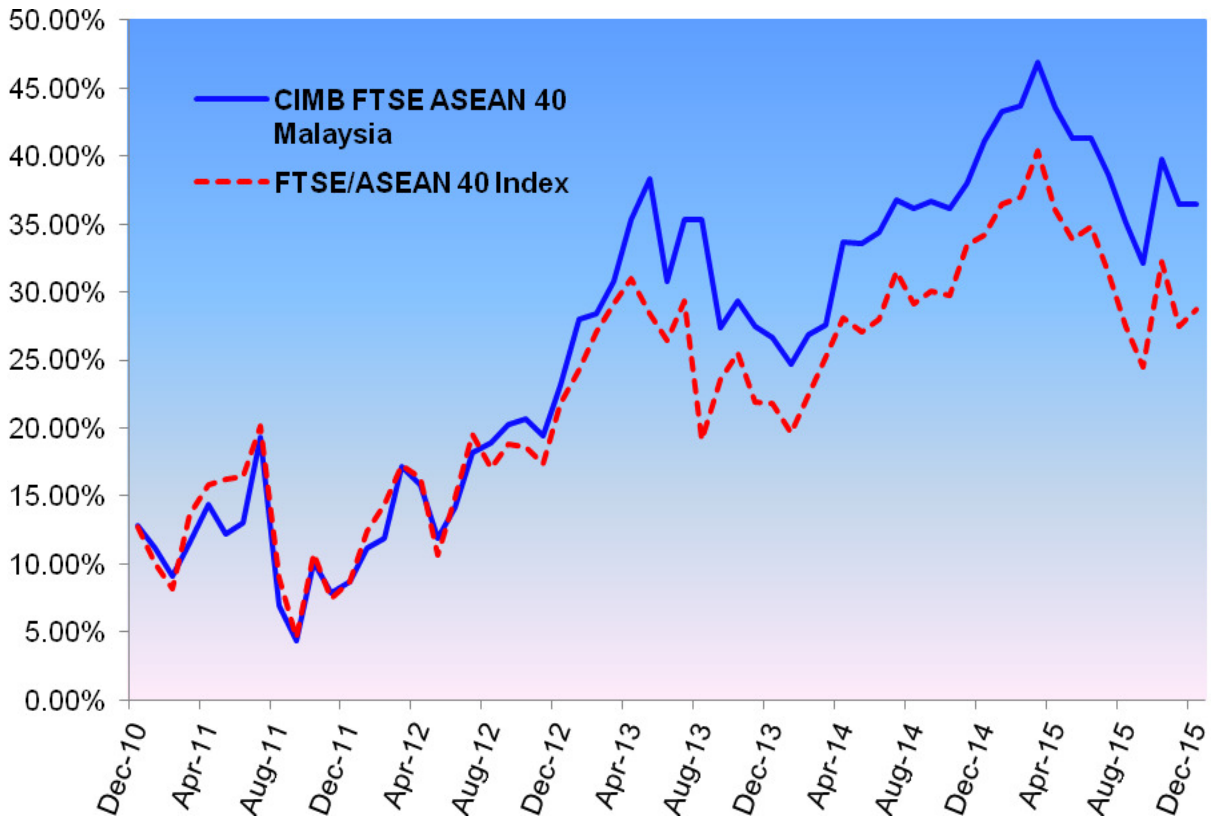
	3 months to 31.12.2015 %	6 months to 31.12.2015 %	1 year to 31.12.2015 %	3 years to 31.12.2015 %	5 years to 31.12.2015 %	Since inception to 31.12.2015 %
Income	-	-	3.44	8.44	12.19	12.19
Capital ^	3.29	(3.41)	(6.66)	1.84	7.49	21.24
Total Return ^	3.29	(3.41)	(3.30)	10.81	21.02	36.47
Average Total Return ^	N/A	N/A	(3.30)	3.48	3.89	5.84
Underlying Fund ^^	4.09	(2.99)	(1.99)	7.04	12.99	29.01
Benchmark (Underlying Index)	3.32	(4.56)	(4.12)	5.63	14.05	28.67
Changes in Market Price per Unit	0.60	(4.02)	(6.44)	0.60	4.70	20.14

^ Based on NAV per Unit

^^ Based on Last Published Market Price

For the financial period under review, the Fund gained 3.29%, while the Underlying Fund gained 4.09%. In the mean time, the Underlying Index gained 3.32%.

The last available published market price of the Fund quoted on Bursa Malaysia was RM1.6700. This represents a positive change of 0.60% for the same financial period.



**FUND PERFORMANCE (CONTINUED)****Changes in NAV**

	31.12.2015	31.12.2014	Changes %
NAV (RM Million)	2.27	2.43	(6.58)
NAV per Unit (RM)	1.6813	1.8013	(6.66)

For the 1-year period, total NAV fell by 6.58%, while the NAV per unit fell by 6.66%. The fall in the total NAV and NAV per 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 for the financial period have been extracted from Lipper.

**PORTFOLIO STRUCTURE****Asset allocation**

(% of NAV)	31.12.2015	31.12.2014
Collective investment scheme	97.92	100.00
Cash and other net assets	2.08	-
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

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

**MARKET OUTLOOK\***

Foreign direct investment into ASEAN may continue to hold up in 2016 with contribution from China increasing more significantly, particularly in infrastructure projects. The setting up of the China-led Asia Infrastructure Investment Bank will likely accelerate China's growing presence in ASEAN.

In the Philippines, Gross Domestic Products ("GDP") growth is likely to remain the most robust amongst its neighbours, but may be constrained by a slower pace of public spending, weaker farm output due to El Niño and softening export growth.

Incoming data reports from Thailand seem to suggest that domestic activity has stabilised and recent domestic demand indicators have demonstrated continued recovery in activity. We look for more signs of a sustained rise in disbursement of the central government budget.

Tangible signs of a pickup in infrastructure investment in Indonesia are expected, as reflected in government capital expenditure realisation. Exports will likely remain weak, given low export commodity prices and a lackluster global growth environment.

Malaysia is confronted with renewed concerns over its fiscal deficit to widen if oil prices continue to move south. While the weak Malaysian Ringgit ("MYR") will cushion growth as manufacturing is the key growth engine, consumer spending remains weak.

Singapore needs to relax its macro prudential measures and provide more fiscal support as growth risk is sliding to the lower end of the government targets.

\*This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of CIMB-Principal or based on data obtained from sources believed to be reliable by CIMB-Principal. Whilst every care has been taken in preparing this, CIMB-Principal makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.



**INVESTMENT STRATEGY**

As this is a feeder ETF, 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 December 2015 are as follows:

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
Less than 100	4	0.00	0.00
100 to 1,000	24	0.01	0.74
1,001 to 10,000	37	0.13	9.63
10,001 to 100,000	14	0.42	31.11
100,001 to less than 5% of approved fund size	2	0.79	58.52
5% and above the approved fund size	-	-	-
<b>Total</b>	<b>81</b>	<b>1.35</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

CIMB-Principal Asset Management Berhad (the “Manager”) and the Trustee (including their officers) 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 Manager and the Trustee did not receive any rebates from the brokers or dealers but have retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2015 TO 31 DECEMBER 2015**

	Note	01.10.2015 to 31.12.2015 RM	01.10.2014 to 31.12.2014 RM
<b>INVESTMENT INCOME</b>			
Net gain/(loss) on financial assets at fair value through profit or loss	7	85,450	(49,754)
Net foreign exchange (loss)/gain		(1,868)	139,062
		<u>83,582</u>	<u>89,308</u>
<b>EXPENSES</b>			
Trustee's fee	5	3,017	3,025
Audit fee		6,284	6,302
Tax agent's fee		1,156	756
Other expenses		740	3,292
		<u>11,197</u>	<u>13,375</u>
<b>PROFIT BEFORE TAXATION</b>		72,385	75,933
Taxation	6	-	-
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>72,385</u>	<u>75,933</u>
Profit after taxation is made up as follows:			
Realised amount		(13,065)	125,687
Unrealised amount		85,450	(49,754)
		<u>72,385</u>	<u>75,933</u>

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

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	Note	Year-to-date 31.12.2015 RM	Year-to-date 31.12.2014 RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Net (loss)/gain on financial assets at fair value through profit or loss	7	(69,723)	138,726
Net foreign exchange gain		11,713	1,211
		<u>(58,010)</u>	<u>139,937</u>
<b>EXPENSES</b>			
Trustee's fee	5	6,037	6,050
Audit fee		12,576	12,602
Tax agent's fee		2,314	1,512
Other expenses		1,231	3,675
		<u>22,158</u>	<u>23,839</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(80,168)	116,098
Taxation	6	-	-
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD</b>		<u>(80,168)</u>	<u>116,098</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		(10,445)	(22,628)
Unrealised amount		(69,723)	138,726
		<u>(80,168)</u>	<u>116,098</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 DECEMBER 2015**

		31.12.2015	30.06.2015
	Note	RM	Audited RM
<b>CURRENT ASSETS</b>			
Financial assets at fair value through profit or loss	7	2,222,615	2,292,338
Cash and cash equivalents	8	94,220	89,745
<b>TOTAL ASSETS</b>		<u>2,316,835</u>	<u>2,382,083</u>
<b>CURRENT LIABILITIES</b>			
Amount due to Trustee		1,016	986
Other payables and accruals	9	46,042	31,152
<b>TOTAL LIABILITIES</b>		<u>47,058</u>	<u>32,138</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>2,269,777</u>	<u>2,349,945</u>
<b>EQUITY</b>			
Unit holders' capital		1,312,065	1,312,065
Retained earnings		957,712	1,037,880
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>2,269,777</u>	<u>2,349,945</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	10	<u>1,350,000</u>	<u>1,350,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.6813</u>	<u>1.7407</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 FROM 1 OCTOBER 2015 TO 31 DECEMBER 2015**

	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 October 2015</b>	1,312,065	885,327	2,197,392
Total comprehensive income for the financial period	-	72,385	72,385
<b>Balance as at 31 December 2015</b>	<u>1,312,065</u>	<u>957,712</u>	<u>2,269,777</u>
<b>Balance as at 1 October 2014</b>	1,312,065	1,043,836	2,355,901
Total comprehensive income for the financial period	-	75,933	75,933
<b>Balance as at 31 December 2014</b>	<u>1,312,065</u>	<u>1,119,769</u>	<u>2,431,834</u>

**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 July 2015</b>	1,312,065	1,037,880	2,349,945
Total comprehensive loss for the financial period	-	(80,168)	(80,168)
<b>Balance as at 31 December 2015</b>	<u>1,312,065</u>	<u>957,712</u>	<u>2,269,777</u>
<b>Balance as at 1 July 2014</b>	1,312,065	1,003,671	2,315,736
Total comprehensive income for the financial period	-	116,098	116,098
<b>Balance as at 31 December 2014</b>	<u>1,312,065</u>	<u>1,119,769</u>	<u>2,431,834</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 FROM 1 OCTOBER 2015 TO 31 DECEMBER 2015**

	<b>01.10.2015 to 31.12.2015 RM</b>	<b>01.10.2014 to 31.12.2014 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net realised foreign exchange (loss)/gain	(1,869)	313
Trustee's fee paid	(2,984)	(2,991)
Payments for other fees and expenses	(736)	(28,292)
<b>Net cash used in operating activities</b>	<u>(5,589)</u>	<u>(30,970)</u>
Net decrease in cash and cash equivalents	(5,589)	(30,970)
Cash and cash equivalents at the beginning of the financial period	99,809	47,073
Cash and cash equivalents at the end of the financial period	<u>94,220</u>	<u>16,103</u>

**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	<b>Year-to-date 31.12.2015 RM</b>	<b>Year-to-date 31.12.2014 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net realised foreign exchange gain	11,714	313
Trustee's fee paid	(6,007)	(6,017)
Payments for other fees and expenses	(1,232)	(28,673)
<b>Net cash generated from/(used in) operating activities</b>	<u>4,475</u>	<u>(34,377)</u>
Net increase/(decrease) in cash and cash equivalents	4,475	(34,377)
Effects of foreign exchange differences	-	898
Cash and cash equivalents at the beginning of the financial period	89,745	49,582
Cash and cash equivalents at the end of the financial period	<u>94,220</u>	<u>16,103</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 FROM 1 OCTOBER 2015 TO 31 DECEMBER 2015****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 (the “Deed”), made between CIMB-Principal Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund aims 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 the date of termination in accordance with the provisions of the Deed.

The principal activity of the Fund is to invest at least 95% of its NAV in the Singapore Fund. The Singapore Fund is an ETF listed on the SGX-ST which aims at providing the Singapore Fund unit holders a return that closely corresponds to the performance of the Underlying Index. Therefore, the Manager adopts a passive strategy in the management of the Fund.

All investments will be subjected to the Securities Commission Malaysia (“SC”) Guidelines on ETFs, SC requirements, the Deed, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager, a company incorporated in Malaysia, is a subsidiary of CIMB Group Sdn Bhd and regards CIMB Group Holdings Berhad as its ultimate holding company. The Manager is also an associate of Principal International (Asia) Limited, which is a subsidiary of Principal Financial Group Inc. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the 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 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. 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(k).

Standards, amendments to published standards and interpretations to existing standards that are effective:

The Fund has applied the following amendments for the first time for the financial year beginning 1 January 2015:

- Annual Improvements to MFRS 2010 – 2012 Cycle
- Annual Improvements to MFRS 2011 – 2013 Cycle

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

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

#### (i) Financial year beginning on/after 1 July 2017

- Amendments to MFRS 101 “Presentation of financial statements - Disclosure Initiative” (effective from 1 January 2016) provide clarifications on a number of issues, including:

Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

Disaggregation and subtotals – line items specified in MFRS 101 may need to be disaggregated where this is relevant to an understanding of the entity’s financial position or performance. There is also new guidance on the use of subtotals.

Notes – confirmation that the notes do not need to be presented in a particular order.

Other comprehensive income (“OCI”) arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss.

Each group should then be presented as a single line item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in MFRS 108 regarding the adoption of new standards/accounting policies are not required for these amendments.



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

### (a) Basis of preparation (continued)

#### (i) Financial year beginning on/after 1 July 2017 (continued)

- Annual Improvements to MFRS 2012 – 2014 Cycle (effective from 1 January 2016)

As these amendments merely clarify the existing requirements, they do not affect the Fund's accounting policies or any of the disclosures.

#### (ii) Financial year beginning on/after 1 July 2017

MFRS 15 'Revenue from Contracts with Customers' (effective from 1 January 2017) replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund's financial statements.

#### (iii) Financial year beginning on/after 1 July 2018

MFRS 9 "Financial Instruments" (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through OCI. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with a irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main 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.

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

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

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's loans and receivables comprise cash and cash equivalents.

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

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

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

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 expired.

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

Collective investment scheme is valued based on the last published NAV per unit or share of such collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(b) Financial assets and financial liabilities (continued)**Impairment for assets carried at amortised costs

For assets carried at amortised cost, the Fund assesses at the end of the reporting 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 is reduced and the amount of the loss is recognised in statement of comprehensive income. If 'loans and receivables' 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 statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

**(c) Foreign 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 ("RM"), which is the Fund's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

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

### (d) Income recognition

Realised gain or loss on disposal of collective investment scheme 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 Deeds, 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 NAV. The outstanding units are carried at the redemption amount that is payable at the statement of financial position date if the unit holder 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 bank balances 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.

### (h) Unit holders' capital

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments under 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) Segment information

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

### (j) 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 SC Guidelines on ETFs.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(k) Critical accounting estimates and judgments in applying accounting policies**

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

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

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 SC Guidelines on ETFs.

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund aims to provide investment results that, before expenses, closely correspond to the performance of the Underlying Index, regardless of its performance.

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

**(a) Market risk****(i) Price risk**

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

The very nature of an ETF, however, helps mitigate this risk because a 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.

**(ii) Currency risk**

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

### 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 ETFs.

#### (c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balance, which are capable of being converted into cash within 7 business days. The Fund's investments are considered readily realisable as they are quoted. 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.

#### (d) Fair value estimation

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

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

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

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

#### Fair value hierarchy

(i) The table in the following page analyses financial instruments carried at fair value. The different levels have been defined as follows:

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

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

## (d) Fair value estimation (continued)

Fair value hierarchy (continued)

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

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

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

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

	Level 1	Level 2	Level 3	Total
<b>31.12.2015</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>2,222,615</u>	<u>-</u>	<u>-</u>	<u>2,222,615</u>

	Level 1	Level 2	Level 3	Total
<b>30.06.2015</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Audited</b>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>2,292,338</u>	<u>-</u>	<u>-</u>	<u>2,292,338</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment scheme. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

**4. MANAGEMENT FEE**

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

**5. TRUSTEE'S FEE**

In accordance with the Deed, the Trustee is entitled to a fee not exceeding a maximum of 0.20% per annum, calculated daily based on the NAV of the Fund, subject to a minimum fee of RM12,000 per annum, excluding foreign sub-custodian fees and charges.

For the financial period ended 31 December 2015, the Trustee's fee is recognised at a rate of 0.08% per annum (31.12.2014: 0.08% per annum).

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

**6. TAXATION**

	<b>01.10.2015 to 31.12.2015 RM</b>	<b>01.10.2014 to 31.12.2014 RM</b>
Tax charged for the financial period:		
- Current taxation	-	-

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

	<b>01.10.2015 to 31.12.2015 RM</b>	<b>01.10.2014 to 31.12.2014 RM</b>
Profit before taxation	72,385	75,933
Taxation at Malaysian statutory rate of 25% (31.12.2014: 25%)	18,096	18,983
Tax effects of:		
Investment income not subject to tax	(20,895)	(34,766)
Expenses not deductible for tax purposes	1,162	3,345
Restriction on tax deductible expenses for ETFs	1,637	12,438
Taxation	-	-
	<b>Year-to-date 31.12.2015 RM</b>	<b>Year-to-date 31.12.2014 RM</b>
Tax charged for the financial period:		
- Current taxation	-	-



**6. TAXATION (CONTINUED)**

A numerical reconciliation between the (loss)/profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

	<b>Year-to-date 31.12.2015 RM</b>	<b>Year-to-date 31.12.2014 RM</b>
(Loss)/Profit before taxation	<u>(80,168)</u>	<u>116,098</u>
Taxation at Malaysian statutory rate of 25% (31.12.2014: 25%)	(20,042)	29,024
Tax effects of:		
Investment loss not deductible for tax purposes/(Investment income not subject to tax)	14,502	(47,423)
Expenses not deductible for tax purposes	2,330	4,543
Restriction on tax deductible expenses for ETFs	<u>3,210</u>	<u>13,856</u>
Taxation	<u>-</u>	<u>-</u>

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>31.12.2015 RM</b>	<b>30.06.2015 Audited RM</b>
Designated at fair value through profit or loss at inception: - Collective investment scheme	<u>2,222,615</u>	<u>2,292,338</u>
	<b>01.10.2015 to 31.12.2015 RM</b>	<b>01.10.2014 to 31.12.2014 RM</b>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Unrealised fair value gain/(loss)	<u>85,450</u>	<u>(49,754)</u>
	<b>Year-to-date 31.12.2015 RM</b>	<b>Year-to-date 31.12.2014 RM</b>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Unrealised fair value (loss)/gain	<u>(69,723)</u>	<u>139,936</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.12.2015</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
<b>SINGAPORE</b>				
CIMB FTSE ASEAN 40	<u>64,600</u>	<u>1,962,860</u>	<u>2,222,615</u>	<u>97.92</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b><u>64,600</u></b>	<b><u>1,962,860</u></b>	<b><u>2,222,615</u></b>	<b><u>97.92</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>259,755</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>2,222,615</u>		
<b>30.06.2015</b>				
<b>Audited</b>				
<b>COLLECTIVE INVESTMENT SCHEME</b>				
<b>SINGAPORE</b>				
CIMB FTSE ASEAN 40	<u>64,600</u>	<u>1,962,860</u>	<u>2,292,338</u>	<u>97.55</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b><u>64,600</u></b>	<b><u>1,962,860</u></b>	<b><u>2,292,338</u></b>	<b><u>97.55</u></b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>329,478</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>2,292,338</u>		

**8. CASH AND CASH EQUIVALENTS**

	<b>31.12.2015</b>	<b>30.06.2015</b>
	<b>RM</b>	<b>Audited RM</b>
Bank balances	94,220	89,745

**9. OTHER PAYABLES AND ACCRUALS**

	<b>31.12.2015</b>	<b>30.06.2015</b>
	<b>RM</b>	<b>Audited RM</b>
Provision for audit fee	37,577	25,000
Provision for tax agent's fee	6,914	4,600
Other accruals	1,551	1,552
	<u>46,042</u>	<u>31,152</u>

**10. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>01.10.2015 to 31.12.2015</b>	<b>01.07.2014 to 30.06.2015</b>
	<b>No of units</b>	<b>Audited No of units</b>
At the beginning/end of the financial period/year	<u>1,350,000</u>	<u>1,350,000</u>

**11. MANAGEMENT EXPENSE RATIO ("MER")**

	<b>01.10.2015 to 31.12.2015</b>	<b>01.10.2014 to 31.12.2014</b>
	<b>%</b>	<b>%</b>
MER	<u>0.49</u>	<u>0.57</u>

MER is derived from the following calculation:

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

- A = Trustee's fee
- B = Audit fee
- C = Tax agent's fee
- D = Other expenses
- E = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM2,299,156 (31.12.2014: RM2,358,555).

**12. PORTFOLIO TURNOVER RATIO ("PTR")**

	<b>01.10.2015 to 31.12.2015</b>	<b>01.10.2014 to 31.12.2014</b>
PTR (times)	-	-

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period = Nil (31.12.2014: RM Nil)  
 total disposal for the financial period = Nil (31.12.2014: RM Nil)

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

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

<u>Related parties</u>	<u>Relationship</u>
CIMB-Principal Asset Management Bhd	The Manager
CIMB-Principal Asset Management (S) Pte. Ltd.	Investment Adviser of the Fund
CIMB Group Sdn Bhd	Holding company of the Manager
CIMB Group Holdings Bhd ("CIMB")	Ultimate holding company of the Manager
CIMB FTSE ASEAN 40	Underlying 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, Directors and parties related to the Manager as at the end of the financial period.

Significant related party transactions

There were no other significant related party transactions during each of the financial period.

Significant related party balances

	<b>31.12.2015</b>	<b>30.06.2015</b>
	<b>RM</b>	<b>Audited RM</b>
Investment in collective investment scheme:		
- CIMB FTSE ASEAN 40	2,222,615	2,292,338

**14. SEGMENT INFORMATION**

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The 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. 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 dividend income earned from investments and gains on the appreciation in the value of investments, which is derived from an ETF listed on the SGX-ST, Singapore.

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

**15. SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S 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>31.12.2015</b>	<b>30.06.2015</b>
	<b>RM</b>	<b>Audited RM</b>
Total accumulated retained earnings of the Fund:		
- Realised	697,958	646,350
- Unrealised	259,754	391,530
	<u>957,712</u>	<u>1,037,880</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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### Trustee for the CIMB FTSE ASEAN 40 MALAYSIA

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