

CIMB FTSE ASEAN 40 MALAYSIA

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

CONTENTS	PAGE(S)
INVESTORS' LETTER	1
MANAGER'S REPORT	2 - 25
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Unit Holdings Statistics	
Soft Commissions and Rebates	
Additional Information	
STATEMENT BY MANAGER	26
TRUSTEE'S REPORT	27
INDEPENDENT AUDITORS' REPORT	28 - 29
STATEMENT OF COMPREHENSIVE INCOME	30
STATEMENT OF FINANCIAL POSITION	31
STATEMENT OF CHANGES IN EQUITY	32
STATEMENT OF CASH FLOWS	33
NOTES TO THE FINANCIAL STATEMENTS	34 - 53
DIRECTORY	54 - 56
Trust Directory	
Corporate Directory	

INVESTORS' LETTER

Dear Valued Investors,

Thank you for investing in CIMB-Principal Asset Management Berhad ("CIMB-Principal") funds. At CIMB-Principal, we are dedicated to provide the best service and guidance to our valued customers. We believe this will ensure your relationship with us is a long and satisfying one. We will continuously strive for customer satisfaction in the products we deliver and service we provide.

We are also pleased to share the wonderful news that CIMB-Principal has won more awards. These awards are important because it means that the consistent investment process we have in place, supported by strong portfolio risk management and oversight practices, has yielded top-performing investment results for our loyal investors.

AsianInvestor Asset Management Awards 2016

- Best Fund House in Malaysia

The Asset Triple A Asset Servicing, Fund Management and Investors Awards 2016

- Asset Management Company of the Year

Alpha Southeast Asia, Southeast Asia's 10th Annual Best Financial Institutions Awards 2016

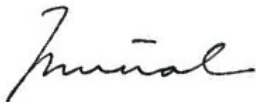
- Best Asset & Fund Manager (2007-2016) in Malaysia

We thank you for your ongoing support that plays an integral part to drive us to where we are now. This industry achievement will further boost our Southeast Asia's aspirations to be the most valued investment manager offering total asset management solutions and further strengthen our investment capabilities with sound track record.

Moving forward, we are committed to deliver a **better customer experience** to you. Hence, we are taking the next step to know you better. For your information, we have started a **customer information update** exercise through e-mails, phone and registered mail so that we can interact better with you in the future. We would like to thank those who have updated their latest information with us. For those who have not updated their information, our friendly Customer Service Officers will be in touch with you soon. Alternatively, you are also strongly encouraged to contact our **Customer Care Centre** directly at **03-7718 3100** or your **Consultant** to update your latest information.

I wish all of you a blessed and rewarding year ahead. Happy investing!

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



Munirah Khairuddin
Chief Executive Officer/Executive Director

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")/Association of Southeast Asian Nations ("ASEAN") 40 Index (the "Underlying Index"), regardless of its performance.

Has the Fund achieved its objective?

For the financial year under review, the Fund was negative 1.87%, while the CIMB FTSE ASEAN 40 (the "Singapore Fund" or "Underlying Fund") was negative 3.30%. Meanwhile, the Underlying Index was negative 2.22%. Nevertheless, the Fund's total return outperformed the benchmark by 0.35%. Hence, the Fund's investment objective is still in place.

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 Malaysia Securities Bhd 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 30 June 2016?

RM2.22 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 year ended 30 June 2016?

The Fund distributed a total net income of RM0.09 million to all unit holders for the financial year ended 30 June 2016. As a result, the NAV per unit dropped from RM1.6812 to RM1.6156 on 3 June 2016.

PERFORMANCE DATA

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

	30.06.2016	30.06.2015	30.06.2014
	%	%	%
Sector			
Collective investment scheme	99.39	97.55	99.17
Cash and other net assets	0.61	2.45	0.83
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	30.06.2016	30.06.2015	30.06.2014
Total asset value (RM Million)	2.25	2.38	2.35
NAV (RM Million)	2.22	2.35	2.32
Units in circulation (Million)	1.35	1.35	1.35
NAV per unit (RM)	1.6426	1.7407	1.7154
Highest NAV per unit (RM)	1.7710	1.9059	1.7803
Lowest NAV per unit (RM)	1.5563	1.6765	1.5836
Market Price per unit (RM)	1.6400	1.7400	1.7100
Highest market price per unit (RM)	1.7700	1.8900	1.7850
Lowest market price per unit (RM)	1.5550	1.6900	1.6300
Total return (%) ^	(1.87)	5.14	2.73
- Capital growth (%)	(5.56)	1.48	(0.02)
- Income distribution (%)	3.60	3.44	2.75
Management Expense Ratio ("MER") (%) *	2.38	2.00	0.65
Portfolio Turnover Ratio ("PTR") (times) #	-	0.02	0.71

^ based on NAV per unit

* The Fund's MER increased from 2.00% to 2.32% due to a lower average NAV during the financial year.

The Fund's PTR is zero as there was no transaction made for the financial year ended 30 June 2016.

Date of distribution	03.06.2016	15.06.2015	22.05.2014
Gross distribution per unit (sen)	6.56	6.26	5.03
Net distribution per unit (sen)	6.56	6.26	5.00

PERFORMANCE DATA (CONTINUED)

	30.06.2016	30.06.2015	30.06.2014	30.06.2013	30.06.2012
	%	%	%	%	%
Annual total return	(1.87)	5.14	2.73	14.62	1.00

(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 year have been extracted from Lipper.

MARKET REVIEW (1 JULY 2015 TO 30 JUNE 2016)

ASEAN markets continued to trend downwards in July 2015. Other than reaction to the selloff in the Chinese equity markets and the Greek no vote referendum results, news flow was generally weak. The Thai stock market was hit by banks' deteriorating asset quality and expectation of slow second quarter of 2015 earnings of non-financial companies which could lead to downward revision of earnings coupled with the collapse of global oil prices, sluggish July 2015 economic data and expectation of a bleak outlook for second quarter of 2015 Gross Domestic Product ("GDP").

The month of August 2015 was equally challenging as global markets reacted to China's decision to devalue the Chinese Yuan Renminbi ("CNY") to combat a slowdown in its domestic economy. The People's Bank of China ("PBOC") cuts its daily reference rate by 1.90%, triggering the CNY's biggest one-day drop since China unified official and market exchange rates in 1994. This was compounded by weak Chinese manufacturing data fuelling China's growth concerns. Terrorism also reared its ugly head when a bomb blast occurred in Bangkok on 17 August 2015.

Moody's and the Asian Development Bank cut Asia's growth forecasts in September 2015 citing slower growth prospects. The Asian Development Bank had cut Asian growth to 5.80% in 2015 and 6.00% in 2016. They also expect China to slow to 6.80% in 2015, down from an initial forecast of 7.20%. The International Monetary Fund ("IMF") followed suit by cutting projections for global growth to 3.10% (from 3.30%) in 2015. The US Federal Reserve (the "Fed") signaled the possibility of an increase in interest rates at its December 2015 meeting prompting another round of market weakness. Markets had a reprieve in October 2015 on the back of comments by the President of the European Central Bank ("ECB"), Mario Draghi that additional stimulus for the Eurozone would be considered if needed.

The final two months of the year saw more downside for the ASEAN markets as oil prices continued their downward trend. Divergent trends on global monetary policy continued to dominate the financial markets with the Fed officials talking up the case for policy tightening, while the ECB hinted at more stimulus. December 2015 was another volatile month as markets fretted over the Fed's interest rate decision and Organisation of the Petroleum Exporting Countries ("OPEC") move to effectively abandon production limits to defend market share, fuelling a record surplus. The Fed eventually raised rates on 17 December 2015, voting unanimously to set the new target range for the Fed's Fund rate at between 0.25% to 0.50%.

Emerging Markets ("EM") tumbled the most at the start of 2016, with a rout in mainland China shares triggering a trading halt as weak data and escalating tension in the Middle East sapped demand for riskier assets. The Caixin December 2015 Manufacturing Purchasing Managers' Index ("PMI") came in at 48.2 which was the 10th consecutive month of contraction. Oil dropped to the lowest level in 12 years as turmoil in China's markets pushed crude oil prices closer to United States Dollar ("USD") 30 per barrel on concern that the economic slowdown in China is worsening. ASEAN markets had a reprieve in February 2016 despite volatile oil prices which gyrated to below USD30 per barrel. Saudi Arabia, Qatar, Russia and Venezuela announced they would hold output steady at January 2016 levels but Iran did not agree, saying it would not abandon its share. The Fed comments that they will not rush to raise interest rates in the face of global market turmoil failed to stem a selloff in risk assets from bank shares to crude oil and Emerging Market ("EM") currencies.

MARKET REVIEW (1 JULY 2015 TO 30 JUNE 2016) (CONTINUED)

ASEAN markets continued to deliver negative returns in May 2016 with markets finishing down on anticipation of an interest rate rise by the Fed and as the resurgence in commodity prices waned on the back of a stronger USD. Chinese equities declined over the month with disappointing trade data dashing hopes of a potential bounce in both domestic and global demand after encouraging March 2016 data. Indonesia stocks declined on worries over the Fed's rate hike as its stock market and currency came under selling pressure. The Philippines market finished up as a relief rally took hold on hopes that newly elected populist President Rodrigo Duterte would maintain the current administration's investor-friendly economic policies once in office.

ASEAN markets were positive in June 2016. ASEAN currencies also generally strengthened against USD. The expectation of the Fed's rate hike was significantly reduced over the course of the month of June 2016 after a weak US nonfarm payroll in early June 2016 and a surprise outcome from the United Kingdom ("UK") referendum in late June 2016 voting in favor of leaving the European Union ("EU").

FUND PERFORMANCE

	1 year to 30.06.2016 %	3 years to 30.06.2016 %	5 years to 30.06.2016 %	Since inception to 30.06.2016 %
Income	3.60	10.10	16.23	16.23
Capital ^	(5.56)	(4.35)	4.90	18.55
Total Return ^	(1.87)	5.98	22.69	38.65
Average Total Return ^	(1.87)	1.96	4.17	5.62
Underlying Fund ^^	(3.30)	3.07	13.05	28.60
Benchmark (Underlying Index)	(2.22)	4.26	13.09	31.84
Changes in Market Price per Unit	(5.75)	(4.27)	3.70	12.71

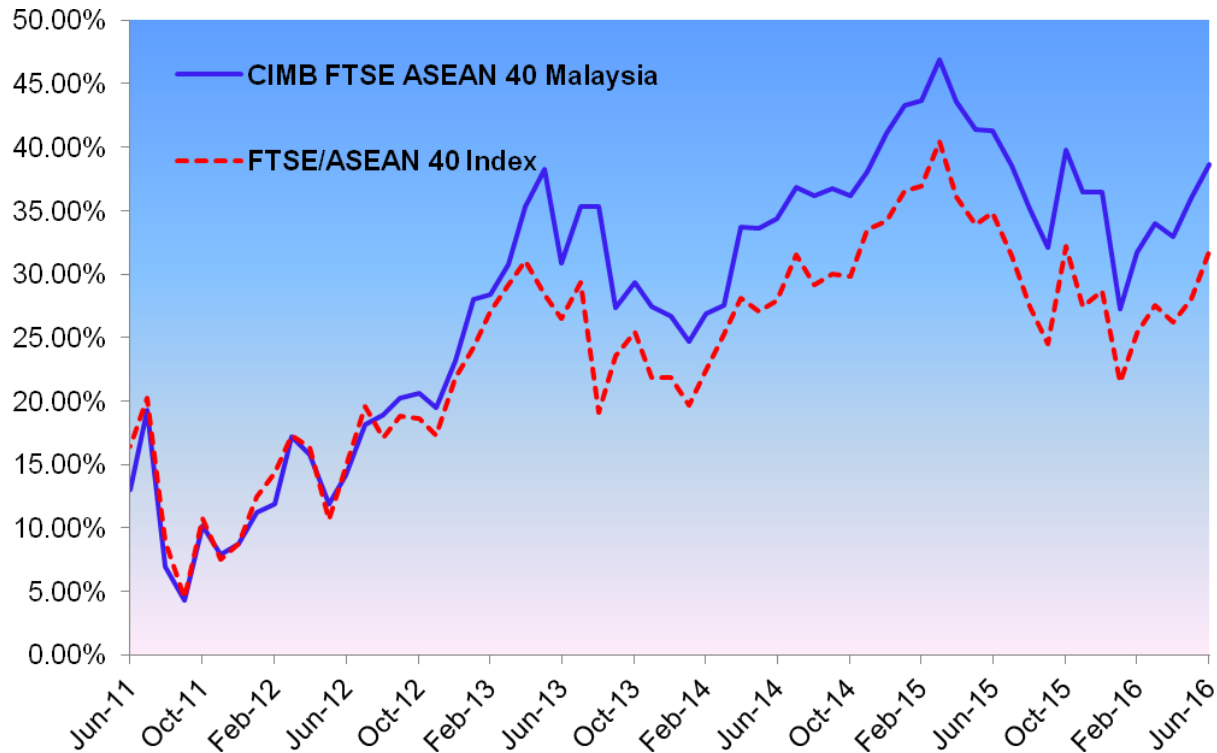
^ Based on NAV per Unit

^^ Based on Last Published Market Price

For the financial year under review, the Fund's total return was negative 1.87%, while the Singapore Fund's total return was negative 3.30%. Meanwhile, the Underlying Index's total return was negative 2.22%.

The last available published market price of the Fund quoted on Bursa Malaysia was RM1.6400. This represents a negative change of 5.75% for the same reporting period.

FUND PERFORMANCE (CONTINUED)



Changes in NAV

	30.06.2016	30.06.2015	Changes %
NAV (RM Million)	2.22	2.35	(5.53)
NAV per unit (RM)	1.6426	1.7407	(5.64)

As at 30 June 2016, total NAV fell by 5.53%, while the NAV per unit fell by 5.64%. The fall in the total NAV and NAV per unit were 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 year have been extracted from Lipper.

PORTFOLIO STRUCTURE**Asset allocation**

(% of NAV)	30.06.2016	30.06.2015
Collective investment scheme	99.39	97.55
Cash and other net assets	0.61	2.45
TOTAL	100.00	100.00

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

MARKET OUTLOOK*

The surprising result of the UK's referendum on 23 June 2016 sent shockwaves across the globe, rattling financial markets and casting a shadow on the outlook for the global economy. Reverberations from the historic vote were felt in the economies in ASEAN countries as a knee jerk reaction by financial markets caused stock markets to plummet and investors to flock into risk-averse assets. While it is difficult to anticipate the full effects that Brexit will have on the ASEAN region—the outcome of negotiations between the EU and the UK are critical—waves of contagion from Brexit are expected to hit the region through trade, financial and investment channels.

In addition, an increase in external headwinds to the region's growth outlook will increase pressure on policy makers to mitigate the adverse effects and could pave the way for additional fiscal or monetary stimulus. Bank Negara Malaysia ("BNM") was the first in the region to react following the Brexit vote when it delivered a surprise cut to the policy rate on 13 July 2016.

Spillover effects from heightened volatility in global financial markets will likely impact the region. Investors flocking to safe-haven assets following the vote has increased demand for the USD and put a number of the region's currencies under pressure. In addition, high global uncertainty could dampen confidence levels and investment in the region. However, the ASEAN economy has become more resilient to macroeconomic shocks in recent years, thanks to larger foreign exchange reserves and stronger financial systems. On the upside, the uncertain economic outlook will likely force the Fed to postpone its tightening cycle, thereby taking some pressure off the ASEAN's financial markets and allowing central banks in the region to adopt a more accommodative monetary policy.

*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 AS AT 30 JUNE 2016

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
Less than 100	8	0.00	0.00
100 to 1,000	16	0.01	0.74
1,001 to 10,000	34	0.14	10.37
10,001 to 100,000	13	0.33	24.45
100,001 to less than 5% of approved fund size	2	0.87	64.44
5% and above the approved fund size	-	-	-
Total	73	1.35	100.00

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 year 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.

ADDITIONAL INFORMATION

Key Personnel of the Manager

There are ten (10) members sitting on the Board of Directors of CIMB-Principal including four (4) Independent Directors. The Board of Directors oversees the management and operations of CIMB-Principal and meets at least once every quarter.

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

Name:	Hisham bin Zainal Mokhtar*	
Age:	54	
Nationality:	Malaysian	
Designation:	Director of CIMB-Principal	
Qualifications:	Master in Business Administration, Massachusetts Institute of technology – Sloan School of Management; Master of Science (MS) Mathematics, Illinois State University; Bachelor of Science (BS) Mathematics, Illinois State University; Chartered Financial Analyst Charterholder.	
Experience:	Since July 2014	Chief Operating Officer – Astro Overseas Limited
	April 2009 – Jun 2014	Director, Investments – Khazanah Nasional Berhad
	May 2007 – Mac 2009	Senior Vice President, Investments – Khazanah Nasional Berhad
	May 2005 – April 2007	Vice President, Investments – Khazanah Nasional Berhad
	April 2001 – April 2005	Executive Director and Vice President, Corporate & Financial Planning – Tricubes Berhad
	January 2001 – April 2001	Head, Analyst – Britac Capital Sdn Bhd
	April 2000 – December 2000	Executive Director – K..E. Malaysian Capital Partners Sdn Bhd
	August 1999 – February 2000	Financial Consultant – Santander Investment Research (Malaysia) Sdn Bhd
	August 1998 – July 1999	Financial Consultant – Sithe Pacific LLC
	May 1998 – Aug 1998	Dealer’s Representative – CIMB Securities Sdn Bhd
	October 1996 – March 1998	Senior Research Analyst – UBS Research (Malaysia) Sdn Bhd
	December 1995 – September 1996	Investment Analyst – Crosby Research (Malaysia) Sdn Bhd
	September 1994 – December 1995	Investment Analyst – Baring Research (Malaysia) Sdn Bhd
	March 1994 – July 1994	Head of Research – Keluangsa Sdn Bhd
	May 1991 – March 1994	Research Executive – Crosby Research (Malaysia) Sdn Bhd

ADDITIONAL INFORMATION (CONTINUED)**Key Personnel of the Manager (continued)**

Date appointed to Board:	11 February 2015
Details of Membership of any Board Committee:	None
Directorship of other public companies:	<ul style="list-style-type: none"> - Astro Broadcast Corporation (BVI) Ltd - Astro Multimedia International (BVI) Ltd - Media Innorations Pte Ltd (Alt. Director) - Digital Learning Concepts Private Limited - Celestial Pictures Limited - Getit Infoservices Private Limited - All Asia Television Software Export Ltd - Astro E. Com Ltd - Astro Entertainment Networks Ltd - Digital Software Exports Ltd - South Asia Creative Assets Ltd - South Asia Entertainment Holdings Ltd - South Asia Multimedia Technologies Ltd - South Asia Software Technologies Ltd - Sandbox Partners Private Limited - To The New Ventures Pte Ltd - Adrep China Advertising Services Limited - All Asia Digital Entertainment Inc. - Ideare Media Sdn Bhd - Celestial Tiger Entertainment Limited - NDTV Lifestyle Holdings Limited - Intigral Holding BSC (C)
Family relationship with any Director:	None
Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	1 of 5

ADDITIONAL INFORMATION (CONTINUED)

Key Personnel of the Manager (continued)

Name:	Dato' Robert Cheim Dau Meng
Age:	65
Nationality:	Malaysian
Designation:	Chairman/Non-Independent Non-Executive Director of CIMB Investment Bank Berhad, Vice Chairman of CIMB Thai Bank Public Company Limited, Trustee of CIMB Foundation, Chairman and Independent Non-Executive Director of Tanjong Plc and Trustee of Yu Cai Foundation
Qualifications:	Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Accountants.
Experience:	He was appointed as Chairman/Non-Independent Non-Executive Director of CIMB Investment Bank Berhad on 1 July 2015. He retired from CIMB Group and relinquished his executive position in the various entities in the Group and resigned as Adviser for the Investment Banking Division of the Group on 27 February 2015. Dato' Robert Cheim joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank) in 1984 and held the position of Head of Corporate Finance, General Manager and Executive Director, before assuming the position of Chief Executive Officer from 1993 to 1999. From 1999 to 2006, he was an Executive Director of CIMB Investment Bank. Prior to joining CIMB Investment Bank, Dato' Robert Cheim served in various management positions with the former United Asian Bank Berhad (now known as CIMB Bank) between 1977 and 1984. He has also worked in various accounting firms in London.
Date appointed to Board:	2 November 2015
Details of Membership of any Board Committee:	None
Directorship of other public companies:	<ul style="list-style-type: none"> - CIMB Investment Bank Berhad - Tanjong PLC - CIMB Thai Bank PLC - Yu Cai Foundation - CIMB Foundation - RC Capital Sdn Bhd
Family relationship with any Director:	None
Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	3 of 3

ADDITIONAL INFORMATION (CONTINUED)

Key Personnel of the Manager (continued)

Name:	Dato' Anwar bin Aji*
Age:	66
Nationality:	Malaysian
Designation:	Chairman of Zelan Berhad, Director of Konsesi Pusat Asasi Gambang Sdn Bhd, Director of SKS PARS Refining Company Sdn. Bhd., Director of Sistem Transit Aliran Ringan Sdn. Bhd. and Independent Director of CIMB-Principal
Qualifications:	Master of Arts, International Studies, Ohio University USA (1981 - 1982) and Bachelor of Economics (Hons.), University of Malaya (1970 - 1973).
Experience:	<p>Has been a Director of CIMB-Principal since 24 April 2007.</p> <p>Re-designated w.e.f. Chairman - Zelan Berhad 1 January 2012</p> <p>Re-designated w.e.f. Executive Chairman - Zelan Berhad 19 January 2011</p> <p>Appointed w.e.f. Chairman - Zelan Berhad 11 December 2008</p> <p>2001-2008 Chairman - Faber Group Berhad</p> <p>1994-2004 Managing Director - Khazanah Nasional Berhad</p> <p>1993-1994 Special Assistant - The Secretary General of Ministry of Finance</p> <p>1991-1993 Principal Assistant Secretary - Finance Division, Federal Treasury, Ministry of Finance</p> <p>1986-1991 Deputy Director - Petroleum Development Division, Prime Minister's Department</p> <p>1984-1985 Principal Assistant Secretary - Investment Division of the Malaysian Tobacco Company Bhd under the British Malaysia Industry and Trade Association training scheme</p> <p>1982-1984 Principal Assistant Secretary - Foreign Investment Committee, Economic Planning Unit, Prime Minister's Department</p> <p>1980-1981 Principal Assistant Secretary - Economic and International Division, Federal Treasury, Ministry of Finance</p> <p>1978-1980 Principal Assistant Secretary - Budget Division, Federal Treasury, Ministry of Finance</p> <p>1973-1978 Assistant Director - Industries Division, Ministry of International Trade & Industry</p>
Date appointed to Board:	24 April 2007
Details of Membership of any Board Committee:	Audit Committee Member
Directorship of other public companies:	<ul style="list-style-type: none"> - Sistem Transit Aliran Ringan Sdn Bhd - SKS Pars Refinery Company Sdn Bhd - Zelan Berhad - Konsesi Pusat Asasi Gambang Sdn Bhd

ADDITIONAL INFORMATION (CONTINUED)

Key Personnel of the Manager (continued)

Family relationship with any Director: None
 Conflict of interest with the Fund: None
 List of convictions for offences within the past 10 years other than traffic offences: None
 Number of board meetings attended in the financial year: 4 of 5

Name: **Ayeung Rex Pak Kuen**
Age: 64
Nationality: Canadian
Designation: Senior Vice President of Principal Financial Group; Chairman - Asia of Principal Financial Group; Director of CIMB-Principal.
Qualifications: Bachelor of Environmental Studies (Honours) in Urban and Regional Planning, University of Waterloo, Canada.
Experience: Has been a Director of CIMB-Principal since 11 July 2003 and has over 30 years of experience in insurance industry in Canada and Hong Kong.
Date appointed to Board: 11 July 2003
Details of Membership of any Board Committee: None
Directorship of other public companies:

- CIMB Wealth Advisors Berhad
- i-Wealth Advisors Sdn Bhd
- Principal Consulting (India) Private Limited
- Principal Financial Group (Mauritius) Limited
- Principal Global Investors (Hong Kong) Limited
- Principal Global Investors (Singapore) Limited
- Principal Insurance Company (Hong Kong) Limited
- Principal International (Asia) Limited
- Principal International Holding Company, LLC
- Principal International, Inc
- Principal Nominee Company (Hong Kong) Limited
- Principal PNB Asset Management Company Private Limited
- Principal Retirement Advisors Private Limited
- CCB-Principal Asset Management Co. Ltd.
- Principal Global Investors (Japan) Ltd.
- Finisterre Hong Kong Limited
- CIMB-Principal Asset Management Company Limited
- Principal International (South Asia) Sdn Bhd
- Finansa Asset Management Ltd

Family relationship with any Director: None
 Conflict of interest with the Fund: None
 List of convictions for offences within the past 10 years other than traffic offences: None
 Number of board meetings attended in the financial year: 4 of 5

ADDITIONAL INFORMATION (CONTINUED)

Key Personnel of the Manager (continued)

Name:	Wong Joon Hian*
Age:	67
Nationality:	Malaysian
Designation:	Independent Non-Executive Director and Chairman of Audit Committee of CIMB-Principal
Qualifications:	Member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales
Experience:	Has been an independent non-executive director of CIMB-Principal since 22 August 2007. He has accumulated over 30 years of working experience in the areas of audit, accountancy, financial services and corporate management. He commenced his career when he joined Price Waterhouse & Co. in England after qualifying as a Chartered Accountant in 1973. He returned to Malaysia in 1975 to work for Price Waterhouse (now known as PricewaterhouseCoopers), Malaysia until 1985. He then served as the Technical Manager of The Malaysian Association of Certified Public Accountants from 1986 until he was appointed as the General Manager - Operations of Supreme Finance (Malaysia) Berhad in December 1987. After Mayban Finance Berhad had completed the acquisition of Supreme Finance (Malaysia) Berhad in 1991, he joined BDO Binder as an Audit Principal until 1994 when he joined for Advance Synergy Berhad. He was appointed the managing director of United Merchant Group Berhad (now known as Advance Synergy Capital Sdn Bhd) in 1995 and continues to hold that position to date. During the period from 1995 till 2007 he was a director of Ban Hin Lee Bank Berhad, Southern Investment Bank Berhad and United Merchant Finance Berhad. Currently, he is designated as the Chief Operating Officer-Financial Services of Advance Synergy Berhad. In addition, he is a director in several companies under the Advance Synergy Berhad Group and CIMB Group Holdings Berhad Group.
Date appointed to Board:	22 August 2007
Details of Membership of any Board Committee:	Chairman/Member of Audit Committee
Directorship of other public companies:	<ul style="list-style-type: none"> - CIMB-Principal Islamic Asset Management Sdn Bhd - SFB Auto Berhad - SIBB Berhad - SFB Development Sdn Bhd - Perdana Nominees (Tempatan) Sdn Bhd - Advance Synergy Capital Sdn Bhd - ASC Equities Sdn Bhd - ASC Credit Sdn Bhd - Triton-K Sdn Bhd - AESBI Power Systems Sdn Bhd - Synergy Cards Sdn Bhd - Marketing and Event Management Integrated Sdn Bhd - OET Money Service Sdn Bhd - ICONIC Capital Group Limited
Family relationship with any Director:	None
Conflict of interest with the Fund:	None

ADDITIONAL INFORMATION (CONTINUED)

Key Personnel of the Manager (continued)

List of convictions for offences within the past 10 years other than traffic offences: None

Number of board meetings attended in the financial year: 5 of 5

Name: Alejandro Elias Echegorri Rodriguez
Age: 56
Nationality: Mexican
Designation: Chief Executive Officer, ASEAN Region, Executive Director of CIMB-Principal and Director of CIMB-Principal Asset Management (S) Pte Ltd and Director of CIMB-Principal Islamic Asset Management Sdn. Bhd.

Qualifications: Degree in Economics from the Universidad Mayor de la Republica, Uruguay and a Master in Economics degree from Universidad Centro de Estudios Macroeconomicos de Argentina.

Experience: He is the Chief Executive Officer, ASEAN Region of CIMB-Principal. He was appointed as Executive Director of CIMB-Principal on 28 March 2016, Director of CIMB-Principal Asset Management (S) Pte Ltd on 4 April 2016 and Director of CIMB-Principal Islamic Asset Management Sdn Bhd on 7 April 2016.. He joined CIMB-Principal on 1 March 2015. Previously he was the Chief Investment Officer for Principal International in Latin America, where he was responsible for the overall investment strategy and the investment process for the group and for overseeing the management of pension, mutual funds and general accounts in the region as well as for supporting the overall development of the asset management business in the region. He joined Principal in 2003 as Head of Institutional Asset Management and Chief Investment Officer for Principal Financial Group in Mexico. Prior to that, he was the Senior Investment Officer for Citibank's Pension Fund Business in Latin America. He had also held different positions in the investment area in countries such as Uruguay, Argentina, Chile, Mexico and the United Kingdom.

Date appointed to Board: 28 March 2016

Details of Membership of any Board Committee: Investment Committee Member

Directorship of other public companies:

- i-Wealth Advisors Sdn Bhd
- CIMB-Principal Asset Management (S) Pte Ltd
- CIMB-Principal Islamic Asset Management Sdn Bhd
- CIMB-Principal Asset Management Company Limited

Family relationship with any Director: None

Conflict of interest with the Fund: None

List of convictions for offences within the past 10 years other than traffic offences: None

Number of board meetings attended in the financial year: 1 of 1

ADDITIONAL INFORMATION (CONTINUED)

Key Personnel of the Manager (continued)

Name:	A.Huzaim Bin Dato' Abdul Hamid*
Age:	51
Nationality:	Malaysian
Designation:	Director of CIMB-Principal
Qualifications:	Master of Science, Financial Economics, School of Oriental and African Studies (SOAS), University of London, United Kingdom, 2010; Bachelor of Science, Economics, Louisiana State University, Baton Rouge Louisiana, United States of America, 1988.
Experience:	<p>Has been a Director of CIMB-Principal since 2 May 2013.</p> <p>Huzaim has spent 27 years in various aspects of finance, economics, and public policy advisory. 12 of those years was spent as a fund manager, where he was, among others, a Chief Investment Officer with Alliance Capital Asset Management and as a member of the Pacific Region Team and a Global Commodities Specialist with Hong Kong's Jardine Fleming Investment Management which is now part of JP Morgan, Chase and Co. He was an independent Investment Committee member for 6 years for CIMB-Principal as well as being the same for CIMB-Principal Islamic Asset Management and CIMB Wealth Advisors Berhad for several years. He also served as an independent Investment Committee member for CIMB Aviva Assurance and CIMB Aviva Takaful for two years. Huzaim is the Chairman & CEO of Ingenium Advisors, a financial economics advisory established in 2013. He was, prior to that, the Head of Strategic Operations at Malaysia's Employees Provident Fund, where he was deeply engaged in the reform of the Malaysian pension and social security system, which resulted in the private pension system, minimum wages, and minimum retirement age acts.</p> <p>Huzaim also spent several years serving as a Senior Fellow at the then renowned Institute of Strategic and International Studies (ISIS) Malaysia, reporting directly to its late Chairman, Tan Sri Noordin Sopiee. He was most active in economic, finance, and geostrategic issues. He was engaged heavily in OIC and East Asian matters, and was appointed the Deputy Secretary General for the Malaysian chapter of the Network of East Asian Think-tanks (NEAT).</p> <p>Huzaim speaks, thinks, and writes in 5 languages.</p>
Date appointed to Board:	2 May 2013
Details of Membership of any Board Committee:	Investment Committee Member
Directorship of other public companies:	- Ingenium Advisors Sdn Bhd
Family relationship with any Director:	None
Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	5 of 5

ADDITIONAL INFORMATION (CONTINUED)

Key Personnel of the Manager (continued)

Name:	Effendy Shahul Hamid
Age:	43
Nationality:	Malaysian
Designation:	Chief Executive Officer, Group Asset Management & Investments
Qualifications:	Honours in Electronic Engineering with Optoelectronics, University College London; Alumni of CIMB-INSEAD Leadership Programme
Experience:	Effendy oversees all of CIMB Group's asset management and investments business across both public and private markets. This includes CIMB Group's regional asset management business (CIMB-Principal), its private equity fund management business and the Group's strategic investments portfolio in companies such as Touch 'n Go and Bank of Yingkou. Amongst others, he serves as Chairman of CIMB-Mapletree and CIMB-TrustCapital Advisors Singapore Pte Ltd, is a Director on the board of several CIMB-Principal companies, and also a Director of Touch 'n Go and the R.E.A.L Education Group. Most recently, Effendy was CIMB Group's Chief Marketing and Communications Officer where he managed the Group's entire marketing and communications initiatives, and lead franchise-wide efforts to ensure a consistent and differentiated CIMB brand for all of the Group's businesses across the region. Prior to that, he served as a Director in CIMB Group's Investment Banking Division, primarily focusing on corporate advisory and origination. The early years of Effendy's career was spent in several international companies in a corporate development capacity, mostly involved in private equity, merger and acquisition activities across Asia Pacific and general business expansion initiatives.
Date appointed to Board:	17 August 2015
Details of Membership of any Board Committee:	Audit and Investment Committee Member
Directorship of other public companies:	<ul style="list-style-type: none"> - CIMB-Principal Islamic Asset Management Berhad - CIMB Mapletree Management Sdn Bhd - CMREF 1 Sdn Bhd - CMREF 2 Shariah Sdn Bhd - CIMB Real Estate Sdn Bhd - CIMB SI Sdn Bhd - CIMB SI I Sdn Bhd - CIMB SI II Sdn Bhd - Commerce Asset Ventures Sdn Bhd - CAV Private Equity Management Sdn Bhd - CAV BAT Sdn Bhd - CIMB-TrustCapital Advisors Singapore Pte Ltd - CIMB-TrustCapital AOF1 Master SPV Pte Ltd - CIMB-TrustCapital AOF1 GP Pte Ltd - CIMB-TrustCapital AOF2 Pte Ltd - CIMB Strategic Assets Sdn Bhd - CIMB Private Equity Sdn Bhd - Touch 'N Go Sdn Bhd - Premier Fidelity Sdn Bhd - CapAsia Islamic Infrastructure Fund (GP) Ltd (IIF) - CapAsia ASEAN Infrastructure Fund III (GP) Ltd (CAIF III) - CIMB-Principal Asset Management Company Limited
Family relationship with any Director:	None

ADDITIONAL INFORMATION (CONTINUED)

Key Personnel of the Manager (continued)

Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	4 of 5
Name:	Pedro Esteban Borda
Age:	55
Nationality:	Argentinean
Designation:	Vice President South Asia and India of Principal International
Qualifications:	Bachelor Degree in Business Administration and a Master Degree in Finance, both from Universidad Argentina de la Empresa (U.A.D.E).
Experience:	He is the Vice President South Asia and India of Principal International based in Malaysia. He is also a Director of CIMB-Principal since 20 June 2013. Prior joining Principal International, he was Chief Executive Officer, ASEAN Region of CIMB-Principal. In addition, he was the Country Head – Mexico from 2004 to February 2013, Vice President of Principal Financial Group and previously a member of the Board of Directors of Principal Financial Group, Chile.
Date appointed to Board:	20 June 2013
Details of Membership of any Board Committee:	None
Directorship of other public companies:	<ul style="list-style-type: none"> - CIMB-Principal Asset Management Limited (Thailand) - CIMB-Principal Islamic Asset Management Berhad - PT CIMB-Principal Asset Management - Finansa Asset Management Ltd
Family relationship with any Director:	None
Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	4 of 5

ADDITIONAL INFORMATION (CONTINUED)

Key Personnel of the Manager (continued)

Name:	Munirah binti Khairuddin
Age:	41
Nationality:	Malaysian
Designation:	Chief Executive Officer/Executive Director
Qualifications:	Bachelor of Arts (Honours) in Accounting & Financial Analysis, University of Newcastle Upon Tyne, UK; Chartered Financial Analyst Charterholder; Capital Markets Services Representative's License holder for fund management
Experience:	She is the Chief Executive Officer of CIMB-Principal in August 2013. She joined CIMB-Principal on 1 November 2006 and was appointed as Deputy Chief Executive Officer in November 2008. She has been an Executive Director of CIMB-Principal since 31 January 2012. Previously worked as a G7 Economist and strategist for a Fortune 500 multinational oil and gas company. Prior to that, she was a fixed income portfolio manager for emerging markets at Rothschild Asset Management in London. Apart from her Senior Management role, she has been instrumental in helping the company to grow its AUM, deepening its retail leadership with new focus in private retirement space, and maintaining consistent risk management and investment performance whilst elevating the overall customer experience. Munirah also oversees both the retail and corporate businesses for Singapore. During her tenure as Deputy CEO from November 2008 to July 2013, she was responsible for the development of institutional, corporate and international business opportunities and institutional sales. In Malaysia, she has overseen retail funds marketing, market development and fund operations. Under her ambit, the company has spearheaded an international client base, listed exchange traded funds ("ETF") in Malaysia and Singapore, and developed products for regional distribution. She also played an integral part in strategic business development initiatives of CWA.
Date appointed to Board:	31 January 2012
Details of Membership of any Board Committee:	None
Directorship of other public companies:	- CIMB Wealth Advisors Berhad - i-Wealth Advisors Sdn Bhd
Family relationship with any Director:	None
Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	5 of 5

* Independent Director

ADDITIONAL INFORMATION (CONTINUED)

The Investment Committee

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

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

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

Accordingly, the Manager has appointed an Investment Committee for the Fund, comprising of six (6) members including three (3) independent members.

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

Name:	Mohamad Safri bin Shahul Hamid	
Age:	44	
Nationality:	Malaysian	
Designation:	Deputy Chief Executive Officer/Senior Managing Director of CIMB Islamic (CIMB Investment Bank)	
Qualifications:	Master of Business Administration (Globalisation) from Maastricht School Of Management, The Netherlands; Bachelor of Accounting (Honours) from International Islamic University Malaysia; Chartered Accountant (CA) with the Malaysian Institute of Accountants (MIA).	
Experience:	2011 - Present	Deputy Chief Executive Officer/ Senior Managing Director (since April 2014) – CIMB Islamic (CIMB Investment Bank)
	2009 - 2011	Deputy Chief Executive Officer – MIDF Amanah Investment Bank, Kuala Lumpur
	Feb 2008 - Dec 2008	Director – Global Markets & Regional Head, Islamic Structuring (Asia) of Deutsche Bank Dubai International Financial Centre (Dubai)
	2003 – 2008	Director & Head – Debt Capital Markets, CIMB Islamic
	2000 – 2003	Senior Analyst – Malaysian Rating Corporation Berhad
Date appointed to Investment Committee:	1 April 2014	
Conflict of interest with the Fund:	None	
List of convictions for offences within the past 10 years other than traffic offences:	None	
Number of board meetings attended in the financial year:	7 of 12	

ADDITIONAL INFORMATION (CONTINUED)

The Investment Committee (continued)

Name:	Effendy Shahul Hamid
Age:	42
Nationality:	Malaysian
Designation:	Chief Executive Officer, Group Asset Management & Investments
Qualifications:	Honours in Electronic Engineering with Optoelectronics, University College London; Alumni of CIMB-INSEAD Leadership Programme
Experience:	Effendy oversees all of CIMB Group's asset management and investments business across both public and private markets. This includes CIMB Group's regional asset management business (CIMB-Principal), its private equity fund management business and the Group's strategic investments portfolio in companies such as Touch 'n Go and Bank of Yingkou. Amongst others, he serves as Chairman of CIMB-Mapletree and CIMB-TrustCapital Advisors Singapore Pte Ltd, is a Director on the board of several CIMB-Principal companies, and also a Director of Touch 'n Go and the R.E.A.L Education Group. Most recently, Effendy was CIMB Group's Chief Marketing and Communications Officer where he managed the Group's entire marketing and communications initiatives, and lead franchise-wide efforts to ensure a consistent and differentiated CIMB brand for all of the Group's businesses across the region. Prior to that, he served as a Director in CIMB Group's Investment Banking Division, primarily focusing on corporate advisory and origination. The early years of Effendy's career was spent in several international companies in a corporate development capacity, mostly involved in private equity, merger and acquisition activities across Asia Pacific and general business expansion initiatives.
Date appointed to Investment Committee:	17 August 2015
Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	4 of 12

ADDITIONAL INFORMATION (CONTINUED)

The Investment Committee (continued)

Name:	A.Huzaim Bin Dato' Abdul Hamid*
Age:	51
Nationality:	Malaysian
Designation:	Director of CIMB-Principal
Qualifications:	Master of Science, Financial Economics, School of Oriental and African Studies (SOAS), University of London, United Kingdom, 2010; Bachelor of Science, Economics, Louisiana State University, Baton Rouge Louisiana, United States of America, 1988
Experience:	<p>Has been a Director of CIMB-Principal since 2 May 2013.</p> <p>Huzaim has spent 27 years in various aspects of finance, economics, and public policy advisory. 12 of those years was spent as a fund manager, where he was, among others, a Chief Investment Officer with Alliance Capital Asset Management and as a member of the Pacific Region Team and a Global Commodities Specialist with Hong Kong's Jardine Fleming Investment Management which is now part of JP Morgan, Chase and Co. He was an independent Investment Committee member for 6 years for CIMB-Principal as well as being the same for CIMB-Principal Islamic Asset Management and CIMB Wealth Advisors Berhad for several years. He also served as an independent Investment Committee member for CIMB Aviva Assurance and CIMB Aviva Takaful for two years.</p> <p>Huzaim is the Chairman & CEO of Ingenium Advisors, a financial economics advisory established in 2013. He was, prior to that, the Head of Strategic Operations at Malaysia's Employees Provident Fund, where he was deeply engaged in the reform of the Malaysian pension and social security system, which resulted in the private pension system, minimum wages, and minimum retirement age acts.</p> <p>Huzaim also spent several years serving as a Senior Fellow at the then renowned Institute of Strategic and International Studies (ISIS) Malaysia, reporting directly to its late Chairman, Tan Sri Noordin Sopiee. He was most active in economic, finance, and geostrategic issues. He was engaged heavily in OIC and East Asian matters, and was appointed the Deputy Secretary General for the Malaysian chapter of the Network of East Asian Think-tanks (NEAT).</p> <p>Huzaim speaks, thinks, and writes in 5 languages.</p>
Date appointed to Investment Committee:	3 September 2014
Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	12 of 12

ADDITIONAL INFORMATION (CONTINUED)

The Investment Committee (continued)

Name:	Wong Fook Wah*
Age:	61
Nationality:	Malaysian
Designation:	Ex-Deputy Group Chief Executive for RAM Holdings Berhad
Qualifications:	Bachelor of Arts (Economics) from Universiti Malaya (1977) and a Masters degree in Policy Science from Saitama University, Japan (1987)
Experience:	<p>Wong had served 20 years in RAM Holdings Bhd., from its inception as Malaysia's first credit rating agency in 1991. He held several positions over the years including Managing Director/CEO of RAM Rating Services Sdn. Bhd. His last position was that of Deputy Group Executive Officer of RAM Holdings Berhad ("RAM"). He retired from RAM in March 2011.</p> <p>Prior to joining RAM, Wong worked for the Ministry of Finance, Malaysia from 1977 to April 1991. He first served as an economist in the Economics Planning Division for the first 8 years. Then, for 4 years from 1987 to 1991, he worked as an analyst in a special task unit handling rehabilitational and restructuring work on ailing Government-owned enterprises.</p> <p>He was on the Board of Directors of the Malaysia Derivatives Exchange Bhd. (MDEX) from 2001 to May 2004 as an appointee of the Ministry of Finance. He also served on the Board of Directors of RAM Rating Services Bhd., Bond Pricing Agency Sdn. Bhd. and RAM Credit Information Sdn. Bhd., representing the interest of RAM Holdings Bhd. prior to retirement.</p>
Date appointed to Investment Committee:	1 May 2011
Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	11 of 12

ADDITIONAL INFORMATION (CONTINUED)

The Investment Committee (continued)

Name:	Alejandro Elias Echegorri Rodriguez
Age:	55
Nationality:	Mexican
Designation:	Chief Executive Officer, ASEAN Region, Executive Director of CIMB-Principal and Director of CIMB-Principal Asset Management (S) Pte Ltd and Director of CIMB-Principal Islamic Asset Management Sdn Bhd
Qualifications:	Degree in Economics from the Universidad Mayor de la Republica, Uruguay and a Master in Economics degree from Universidad Centro de Estudios Macroeconomicos de Argentina.
Experience:	He is the Chief Executive Officer, ASEAN Region of CIMB-Principal. He was appointed as Executive Director of CIMB-Principal on 28 March 2016, Director of CIMB-Principal Asset Management (S) Pte Ltd on 4 April 2016 and Director of CIMB-Principal Islamic Asset Management Sdn Bhd on 7 April 2016.. He joined CIMB-Principal on 1 March 2015. Previously he was the Chief Investment Officer for Principal International in Latin America, where he was responsible for the overall investment strategy and the investment process for the group and for overseeing the management of pension, mutual funds and general accounts in the region as well as for supporting the overall development of the asset management business in the region. He joined Principal in 2003 as Head of Institutional Asset Management and Chief Investment Officer for Principal Financial Group in Mexico. Prior to that, he was the Senior Investment Officer for Citibank's Pension Fund Business in Latin America. He had also held different positions in the investment area in countries such as Uruguay, Argentina, Chile, Mexico and the United Kingdom.
Date appointed to Investment Committee:	28 July 2015
Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	9 of 12

ADDITIONAL INFORMATION (CONTINUED)**The Investment Committee (continued)**

Name:	Kim Teo Poh Jin*
Age:	58
Nationality:	Malaysian
Designation:	Chairman of the Investment Committee. Director and Group Chief Executive Officer, Boardroom Limited. Director, Livet Company Pte. Ltd. Director, Marina Yacht Services Pte. Ltd.
Qualifications:	Bachelor of Arts (Hons) in Economics from the Heriot-Watt University of Edinburgh
Experience:	He has about 25 years of experience in the financial industry, having worked in senior positions of major financial institutions.
Date appointed to Investment Committee:	3 January 2008
Conflict of interest with the Fund:	None
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of board meetings attended in the financial year:	11 of 12

*Independent member

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

I, being a Director of CIMB-Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 30 to 53 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 June 2016 and of its financial performance, changes in equity and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager
CIMB-Principal Asset Management Berhad
(Company No.: 304078-K)

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

Kuala Lumpur
30 August 2016

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

We have acted as the Trustee for CIMB FTSE ASEAN 40 Malaysia (the "Fund") for the financial year ended 30 June 2016. To the best of our knowledge, for the financial year under review, CIMB-Principal Asset Management Berhad (the "Manager") has operated and managed the Fund in accordance with the following:-

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

The distribution of 6.56 sen per unit (gross) for the financial year ended 30 June 2016 is consistent with the objective of the Fund.

For **Deutsche Trustees Malaysia Berhad**

Wong Mun Loong
Manager, Trustee Operations

Soon Lai Ching
Manager, Trustee Operations

Kuala Lumpur
30 August 2016

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CIMB FTSE ASEAN 40 Malaysia on pages 30 to 53, which comprise the statement of financial position as at 30 June 2016 of the Fund, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Note 1 to 18.

Manager's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as of 30 June 2016 and of its financial performance and cash flows for the financial year then ended, in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 19 on page 53 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Manager is responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS

(No. AF: 1146)
Chartered Accountants

Kuala Lumpur
30 August 2016

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

	Note	2016 RM	2015 RM
INVESTMENT INCOME			
Dividend income		87,953	86,015
Net (loss)/gain on financial assets at fair value through profit or loss	9	(88,370)	80,543
Net foreign exchange gain		10,131	459
		<u>9,714</u>	<u>167,017</u>
EXPENSES			
Trustee's fee	5	12,000	12,000
Audit fee		27,550	25,000
Tax agent's fee		4,600	6,800
Transaction costs		-	52
Other expenses	6	9,403	4,446
		<u>53,553</u>	<u>48,298</u>
(LOSS)/PROFIT BEFORE TAXATION		(43,839)	118,719
Taxation	7	-	-
(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		<u>(43,839)</u>	<u>118,719</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		35,506	48,033
Unrealised amount		(79,345)	70,686
		<u>(43,839)</u>	<u>118,719</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Note	2016 RM	2015 RM
ASSETS			
Cash and cash equivalents	10	47,542	89,745
Financial assets at fair value through profit or loss	9	2,203,968	2,292,338
TOTAL ASSETS		<u>2,251,510</u>	<u>2,382,083</u>
LIABILITIES			
Amount due to Trustee		1,018	986
Other payables and accruals	11	32,949	31,152
TOTAL LIABILITIES		<u>33,967</u>	<u>32,138</u>
NET ASSET VALUE OF THE FUND		<u>2,217,543</u>	<u>2,349,945</u>
EQUITY			
Unit holders' capital		1,312,065	1,312,065
Retained earnings		905,478	1,037,880
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>2,217,543</u>	<u>2,349,945</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	12	<u>1,350,000</u>	<u>1,350,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.6426</u>	<u>1.7407</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 July 2015		1,312,065	1,037,880	2,349,945
Total comprehensive loss for the financial year		-	(43,839)	(43,839)
Distribution	8	-	(88,563)	(88,563)
Balance as at 30 June 2016		<u>1,312,065</u>	<u>905,478</u>	<u>2,217,543</u>
Balance as at 1 July 2014		1,312,065	1,003,671	2,315,736
Total comprehensive income for the financial year		-	118,719	118,719
Distribution	8	-	(84,510)	(84,510)
Balance as at 30 June 2015		<u>1,312,065</u>	<u>1,037,880</u>	<u>2,349,945</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

	Note	2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of collective investment scheme		-	84,743
Dividend income received		87,953	86,015
Trustee's fee paid		(11,968)	(12,000)
Net realised foreign exchange gain/(loss)		1,106	(1,555)
Payments for other fees and expenses		<u>(39,756)</u>	<u>(34,544)</u>
Net cash generated from operating activities		<u>37,335</u>	<u>122,659</u>
CASH FLOW FROM FINANCING ACTIVITY			
Distribution paid		<u>(88,563)</u>	<u>(84,510)</u>
Net cash used in financing activity		<u>(88,563)</u>	<u>(84,510)</u>
Net (decrease)/increase in cash and cash equivalents		(51,228)	38,149
Effects of foreign exchange differences		9,025	2,014
Cash and cash equivalents at the beginning of the financial year		<u>89,745</u>	<u>49,582</u>
Cash and cash equivalents at the end of the financial year	10	<u>47,542</u>	<u>89,745</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 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.

The financial statements have been approved for issue by the Manager on 30 August 2016.

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 MFRS and 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 year. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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 July 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 year 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 2016

- 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.

- 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(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 an 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.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(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. Transaction costs are expensed in the statement of comprehensive income.

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 year which they arise.

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

Collective investment scheme is valued based on the most recent 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 year 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 financial year, 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in OCI as qualifying cash flow hedges.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Income recognition

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

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 collective investment scheme, determined on a weighted average cost basis.

(e) 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.

(f) Taxation

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

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

(g) Distribution

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 financial year in which it is approved by the Trustee.

(h) Unit holders' capital

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Transactions costs**

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

(j) 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.

(k) 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.

(l) 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 judgment 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. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial asset at fair value through profit or loss RM	Loans and receivables RM	Total RM
2016			
Cash and cash equivalents (Note 10)	-	47,542	47,542
Collective investment scheme (Note 9)	2,203,968	-	2,203,968
	<u>2,203,968</u>	<u>47,542</u>	<u>2,251,510</u>
2015			
Cash and cash equivalents (Note 10)	-	89,745	89,745
Collective investment scheme (Note 9)	2,292,338	-	2,292,338
	<u>2,292,338</u>	<u>89,745</u>	<u>2,382,083</u>

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

The Fund aims to provide investment results that, before expenses, closely correspond to the performance of the FTSE/ASEAN 40 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.

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk

(i) Price risk

This 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 the Fund would generally hold a well-diversified portfolio of securities from different market sectors so that the collapse of any one security or any one market sector would not impact too greatly on the value of the Fund.

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

	2016 RM	2015 RM
Financial assets at fair value through profit or loss:		
- Collective investment scheme	<u>2,203,968</u>	<u>2,292,338</u>

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices of the Underlying Index. The analysis is based on the assumptions that the Underlying Index fluctuates by 19.04% (2015: 10.30%), which is the standard deviation of the daily fluctuation of the Underlying Index, with all other variables held constant, and that the fair value of the investments moved in the same quantum with the fluctuation in the Underlying Index. This represents management's best estimate of a reasonable possible shift in the collective investment scheme, having regard to the historical volatility of the prices.

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

% Change in Underlying Index	Underlying Index	Market value RM	Impact on profit after tax/ NAV RM
2016			
-19.04%	7,437	1,784,332	(419,636)
0%	9,186	2,203,968	-
19.04%	<u>10,935</u>	<u>2,623,604</u>	<u>419,636</u>
2015			
-10.30%	9,004	2,056,227	(236,111)
0%	10,038	2,292,338	-
10.30%	<u>11,072</u>	<u>2,528,449</u>	<u>236,111</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(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.

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currency:

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Total RM
2016			
USD	<u>2,203,968</u>	<u>32,430</u>	<u>2,236,398</u>
2015			
USD	<u>2,292,338</u>	<u>86,926</u>	<u>2,379,264</u>

The table below summarises the sensitivity of the Fund's profit after tax and NAV to changes in foreign exchange movements for the Fund. The analysis is based on the assumption that the foreign exchange rate fluctuates by 13.67% (2015: 7.64%), which is the standard deviation of the daily fluctuation of the exchange rate of USD against Malaysian Ringgit ("MYR"), with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit after tax/ NAV RM
2016		
USD	<u>13.67</u>	<u>305,716</u>
2015		
USD	<u>7.64</u>	<u>181,776</u>

3. FINANCIAL INSTRUMENTS AND 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.

The following table sets out the credit risk concentration of the Fund at the end of each financial year:

	Cash and cash equivalents	
	2016	2015
	RM	RM
Finance		
- Deutsche Bank (M) Bhd (AA1)	47,542	89,745

All financial assets of the Fund as at the end of each financial year are neither past due nor impaired.

(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 balances and other instruments, which are capable of being converted into cash within 7 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
2016			
Amount due to Trustee	1,018	-	1,018
Other payables and accruals	-	32,949	32,949
Contractual undiscounted cash flows	1,018	32,949	33,967
2015			
Amount due to Trustee	986	-	986
Other payables and accruals	-	31,152	31,152
Contractual undiscounted cash flows	986	31,152	32,138

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 year 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)

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.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Fair value estimation (continued)

Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2016				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>2,203,968</u>	<u>-</u>	<u>-</u>	<u>2,203,968</u>
2015				
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 RM18,000 per annum, excluding foreign sub-custodian fees and charges.

For the financial year ended 30 June 2016, the Trustee's fee is recognised at a rate of 0.08% per annum (2015: 0.08% per annum).

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

6. OTHER EXPENSES

	2016	2015
	RM	RM
Printing costs	265	200
Other expenses	9,138	4,246
	<u>9,403</u>	<u>4,446</u>

7. TAXATION

	2016	2015
	RM	RM
Tax charged for the financial year:		
- Current taxation	<u>-</u>	<u>-</u>

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

	2016	2015
	RM	RM
(Loss)/Profit before taxation	<u>(43,839)</u>	<u>118,719</u>
Taxation at Malaysian statutory rate of 24% (2015: 25%)	(10,521)	29,680
Tax effects of:		
Investment income not subject to tax	(2,332)	(41,755)
Expenses not deductible for tax purposes	6,177	5,775
Restriction on tax deductible expenses for ETFs	<u>6,676</u>	<u>6,300</u>
Taxation	<u>-</u>	<u>-</u>

8. DISTRIBUTION

Distribution to unit holders are derived from the following sources:

	2016	2015
	RM	RM
Dividend income	87,953	86,015
Net realised gain on disposals of collective investment scheme	-	11,871
Net foreign exchange gain	10,131	-
Prior financial year's realised income	44,032	34,922
	<u>142,116</u>	<u>132,808</u>
Less:		
Expenses	<u>(53,553)</u>	<u>(48,298)</u>
Net distribution amount	<u>88,563</u>	<u>84,510</u>
Distribution on 3 June 2016		
Gross distribution per unit (sen)	6.56	-
Net distribution per unit (sen)	6.56	-
Distribution on 15 June 2015		
Gross distribution per unit (sen)	-	6.26
Net distribution per unit (sen)	-	6.26

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current and prior financial year's realised income.

Gross distribution per unit is derived from gross realised income less expense, divided by the number of units in circulation. Net distribution per unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	RM	RM
Designated at fair value through profit or loss at inception:		
- Collective investment scheme	<u>2,203,968</u>	<u>2,292,338</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	-	11,871
- Unrealised fair value (loss)/gain	<u>(88,370)</u>	<u>68,672</u>
	<u>(88,370)</u>	<u>80,543</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2016				
COLLECTIVE INVESTMENT SCHEME				
SINGAPORE				
CIMB FTSE ASEAN 40	<u>64,600</u>	<u>1,962,860</u>	<u>2,203,968</u>	<u>99.39</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>64,600</u>	<u>1,962,860</u>	<u>2,203,968</u>	<u>99.39</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>241,108</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>2,203,968</u>		
2015				
COLLECTIVE INVESTMENT SCHEME				
SINGAPORE				
CIMB FTSE ASEAN 40	<u>64,600</u>	<u>1,962,860</u>	<u>2,292,338</u>	<u>97.55</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>64,600</u>	<u>1,962,860</u>	<u>2,292,338</u>	<u>97.55</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>329,478</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>2,292,338</u>		

10. CASH AND CASH EQUIVALENTS

	2016 RM	2015 RM
Bank balances	<u>47,542</u>	<u>89,745</u>

11. OTHER PAYABLES AND ACCRUALS

	2016 RM	2015 RM
Provision for audit fee	26,800	25,000
Provision for tax agent's fee	4,600	4,600
Other accruals	<u>1,549</u>	<u>1,552</u>
	<u>32,949</u>	<u>31,152</u>

12. NUMBER OF UNITS IN CIRCULATION

	2016 No. of units	2015 No. of units
At the beginning/end of the financial year	<u>1,350,000</u>	<u>1,350,000</u>

13. MANAGEMENT EXPENSE RATIO ("MER")

	2016 %	2015 %
MER	<u>2.38</u>	<u>2.00</u>

MER is derived from the following calculation:

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

A = Trustee's fees

B = Audit fee

C = Tax agent's fee

D = Other expenses excluding Goods and Services Tax ("GST") on transaction costs

E = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM2,248,509 (2015: RM2,406,831).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	2016	2015
PTR (times)	<u>-</u>	<u>0.02</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year = RM Nil (2015: RM Nil)
 total disposal for the financial year = RM Nil (2015: RM72,924)

15. 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 each financial year.

Significant related party transactions

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

Significant related party balances

	2016	2015
	RM	RM
Investment in collective investment scheme:		
- CIMB FTSE ASEAN 40	<u>2,203,968</u>	<u>2,292,338</u>

16. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with brokers/dealers/financial institutions for financial year ended 30 June 2016 are as follows:

Brokers/Dealers/ Financial Institutions	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CIMB Bank Bhd #	-	-	-	-

Details of transactions with brokers/dealers/financial institutions for financial year ended 30 June 2015 are as follows:

Brokers/Dealers/ Financial Institutions	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CIMB Bank Bhd #	84,794	100.00	42	100.00
	<u>84,794</u>	<u>100.00</u>	<u>42</u>	<u>100.00</u>

Included in the transactions are trades conducted with CIMB Bank Bhd, a fellow subsidiary of the Manager amounting to RM Nil (2015: RM84,794). The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

17. 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 year.

18. NON CASH TRANSACTIONS

Creation and cancellation are done by transferring the In-Kind Creation Basket from and to the Participating Dealers respectively. A reconciliation of the cash flows used in creation and cancellation and the total creation and cancellation as presented in the statement of changes in equity is presented below:

	2016	2015
	RM	RM
Cancellation:		
- Non cash component	-	-
- Cash component	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

19. 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.

	2016	2015
	RM	RM
Total retained earnings of the Fund:		
- Realised	345,751	646,350
- Unrealised	559,727	391,530
	<u>905,478</u>	<u>1,037,880</u>
	<u>905,478</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

TRUST DIRECTORY

Manager

Registered Address

CIMB-Principal Asset Management Berhad
Level 13 Menara CIMB,
Jalan Stesen Sentral 2,
Kuala Lumpur Sentral,
50470 Kuala Lumpur, MALAYSIA.
Tel: (03) 2261 8888

Business address

10th floor, Bangunan CIMB,
Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur, MALAYSIA.

Postal address

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

Website

www.cimb-principal.com.my

E-mail address

service@cimb-principal.com.my

General investment enquiries

(03) 7718 3100

TRUST DIRECTORY (CONTINUED)**Board of Directors**

Dato' Robert Cheim Dau Meng
 Effendy Shahul Hamid
 Auyeung Rex Pak Kuen
 Pedro Esteban Borda
 Munirah Khairuddin
 Alejandro Elias Echegarri Roriguez
 Hisham Zainal Mokhtar*
 Dato' Anwar Aji*
 Wong Joon Hian*
 A.Huzaima Dato' Abdul Hamid*

* *Independent director*

Investment Committee

Effendy Shahul Hamid
 Mohamad Safri Shahul Hamid
 Kim Teo Poh Jin*
 A.Huzaima Bin Dato' Abdul Hamid*
 Wong Fook Wah*
 Alejandro Elias Echegarri Rodriguez

* *Independent member*

Audit Committee

Wong Joon Hian*
 Effendy Shahul Hamid
 Dato' Anwar Bin Aji*

* *Independent member*

Company Secretaries

Datin Rossaya Mohd Nashir (LS 0007591)
 Halimah binti Habib (LS 0007999)
 Level 13 Floor, Menara CIMB,
 Jalan Stesen Sentral 2,
 Kuala Lumpur Sentral,
 50470 Kuala Lumpur, Malaysia.
 Tel: (03) 2261 8888

Investment Adviser

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

CORPORATE DIRECTORY

Fund Administration and Fund Accounting Service Provider

Deutsche Bank (Malaysia) Berhad

Registered Address

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

Business Address

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

Tel: (03) 2053 6788

Trustee

Deutsche Trustees Malaysia Berhad

Registered/Business Address

Level 20, Menara IMC,
8, Jalan Sultan Ismail,
50250 Kuala Lumpur.

Custodian (Trustee's Delegate)

Registered Address

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

Business Address

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

Tel: (03) 2053 6788

Auditors of the Manager and of the Fund

PricewaterhouseCoopers Chartered Accountants
Level 10, 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral,
PO Box 10192, 50706 Kuala Lumpur, MALAYSIA.

Tax Adviser

PricewaterhouseCoopers Taxation Services Sdn Bhd
PricewaterhouseCoopers Chartered Accountants
Level 10, 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral,
PO Box 10192, 50706 Kuala Lumpur, MALAYSIA.