

CIMB FTSE CHINA 50

UNAUDITED QUARTERLY REPORT

**FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2016
TO 31 MARCH 2016**

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INVESTORS' LETTER

Dear Valued Investors,

We are very pleased to share the great news that CIMB-Principal Asset Management Berhad ("CIMB-Principal") has just received the coveted **Best Overall Group** award at *The Edge*-Thomson Reuters Lipper Fund Awards 2016. Our funds have also been recognised for being the best in its categories for the year ended 31 December 2015 by The Edge-Thomson Reuters Lipper Fund Awards 2016 and the Morningstar Award 2016 Malaysia:

The Edge-Thomson Reuters Lipper Fund Awards 2016

- CIMB-Principal Asia Pacific Dynamic Income Fund
Best Equity Asia-Pacific Ex-Japan MYR (3 Years)
- CIMB-Principal Global Titans Fund
Best Equity Global (3 & 5 Years)
- CIMB-Principal Asian Equity Fund
Best Equity Asia-Pacific Ex-Japan (5 Years)
- CIMB Islamic Asia Pacific Equity Fund
Best Equity Asia-Pacific Ex-Japan Islamic (3 Years)

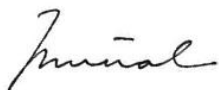
Morningstar Award 2016 Malaysia

- CIMB-Principal Asia Pacific Dynamic Income Fund
Best Asia-Pacific Equity Fund

The awards came at the right time, proving that CIMB-Principal is a consistent performer and able to weather the headwinds despite the challenging market environment. They are also a great recognition of how our investment team implemented effective investment strategies to deliver risk-adjusted returns for our investors. These accolades reinforces our dedication in delivering the best value and demonstrates how we are moving forward to be the most preferred asset manager in the country.

We would like to take this opportunity to sincerely thank you for your continuous support and confidence in our services. CIMB-Principal remains committed in helping you to grow your investment.

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 closely correspond to the performance of the Financial Times Stock Exchange ("FTSE") China 50 Index ("Benchmark Index"), regardless of its performance.

Has the Fund achieved its objective?

For the financial period under review, the Fund has met its objective to closely correspond to the performance of the Benchmark Index. The Fund declined 13.19% for the financial period under review, while the Benchmark Index declined 13.28%.

What are the Fund investment policy and principal investment strategy?

A passive strategy whereby the Manager may adopt either a Replication Strategy or a Representative Sampling Strategy.

Replication Strategy

In managing the Fund, the Manager will generally adopt a Replication Strategy. Using a Replication Strategy, the Fund will invest in substantially all the Index Securities in substantially the same weightings (i.e. proportions) as the Benchmark Index (to the extent possible). If the Manager is of the opinion there exists liquidity constraints with the Index Securities, the Fund may substitute the Index Securities (in part or in whole) with one or more derivatives of the Index Securities which are likely to behave in a manner consistent with the investment objective of the Fund as determined by the Manager.

Representative Sampling Strategy

The Manager may decide to adopt a Representative Sampling Strategy if various circumstances make it impossible or impracticable to adopt a Replication Strategy.

Fund category/type

Exchange-Traded Fund ("ETF")/Equity/Index tracking

How long should you invest for?

Recommended three (3) to five (5) years

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

High

When was the Fund launched?

9 July 2010*

* Listing date

What was the size of the Fund as at 31 March 2016?

RM13.86 million (12.35 million units)

What is the Fund's benchmark?

The Benchmark Index or such replacement index as may be determined by the Manager, subject to the approval of the Securities Commission Malaysia ("SC").

What is the Fund distribution policy?

Annually, subject to the discretion of the Manager.

What was the net income distribution for the financial period from 1 January 2016 to 31 March 2016?

There was no distribution made for the financial period from 1 January 2016 to 31 March 2016.

PERFORMANCE DATA

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

| | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|---------------------------|-------------------|-------------------|-------------------|
| | % | % | % |
| Quoted securities | | | |
| - Basic Materials | 1.48 | 2.53 | 2.50 |
| - Consumer Products | 3.70 | 4.39 | 2.39 |
| - Energy | 12.06 | 15.45 | 16.11 |
| - Finance | 55.94 | 48.14 | 56.52 |
| - Industrials | 3.77 | 3.62 | - |
| - Technology | 9.32 | 11.33 | 8.85 |
| - Telecommunications | 12.41 | 11.78 | 13.63 |
| - Utilities | 1.64 | 2.75 | - |
| Cash and other net assets | (0.32) | 0.01 | - |
| | <u>100.00</u> | <u>100.00</u> | <u>100.00</u> |

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

| | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|----------------------|----------------------|----------------------|
| Total asset value (RM Million) | 13.93 | 15.86 | 9.30 |
| Net Asset Value ("NAV") (RM Million) | 13.86 | 15.80 | 9.24 |
| Units in circulation (Million) | 12.35 | 11.70 | 9.75 |
| NAV per Unit (RM) | 1.1224 | 1.3504 | 0.9481 |
| | 01.01.2016 | 01.01.2015 | 01.01.2014 |
| | to 31.03.2016 | to 31.03.2015 | to 31.03.2014 |
| Highest NAV per Unit (RM) | 1.2930 | 1.3504 | 1.0100 |
| Lowest NAV per Unit (RM) | 1.0068 | 1.2106 | 0.8800 |
| Market Price per Unit (RM) | 1.1250 | 1.3550 | 0.9500 |
| Highest Market Price per Unit (RM) | 1.2700 | 1.3550 | 1.0050 |
| Lowest Market Price per Unit (RM) | 1.0150 | 1.2150 | 0.9000 |
| Total return (%) ^ | (13.19) | 12.49 | (6.32) |
| - Capital growth (%) | (13.19) | 12.49 | (6.32) |
| - Income distribution (%) | - | - | - |
| Management Expense Ratio ("MER") (%) * | 0.31 | 0.36 | 0.38 |
| Portfolio Turnover Ratio ("PTR") (times) # | 0.05 | 0.12 | 0.04 |

^ based on NAV per unit

* The Fund's MER for the financial period dropped slightly from 0.36% to 0.31% mainly due to the foreign custodian fee that is yet to be charged.

The Fund's PTR for the financial period decreased from 0.12 times to 0.05 times as there were less trading activities. The trading activities were due to portfolio rebalancing within the reporting period.

PERFORMANCE DATA (CONTINUED)

| | 31.03.2016 | 31.03.2015 | 31.03.2014 | 31.03.2013 | Since inception to 31.03.2012 |
|---------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------------|
| | % | % | % | % | % |
| Annual total return | (16.88) | 42.43 | 5.24 | 2.70 | (13.44) |

(Listing date: 9 July 2010)

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

MARKET REVIEW (1 JANUARY 2016 TO 31 MARCH 2016)

The Benchmark Index declined 13.28% for the first quarter of 2016.

January 2016 was an extremely bad month for risk assets with widespread losses in equities, high yield credit and Emerging Market ("EM") currencies. Concerns about China dominated headlines as capital outflows continued. Fourth quarter of 2015 saw an estimated outflow of USD160 billion, taking the 2015 number to USD690 billion. A sizeable chunk of those related to the unwinding of carry trades (both on funding and the investment side), as the era of higher carry and Chinese Yuan Renminbi ("CNY") appreciation had ended. The Chinese corporate sector seemed to be keeping export receivables offshore longer, prepaying imports, hedging its United States Dollar ("USD") borrowings and replacing them with CNY liabilities. While the reduction in carry trades reduced mismatches in the Chinese financial system, it continued to impact sentiment negatively in the near term, pushing the CNY lower against the USD. However, it was stable against the China Foreign Exchange Trade System ("CFETS") basket, China's new currency monitoring universe.

People's Bank of China ("PBOC") continued to ease policy in February 2016, cutting down payment requirement on housing mortgages from 25% to 20% for 1st home buyers and from 40% to 30% for 2nd home buyers in cities without purchase restrictions. It was the 3rd such in the last 12 months. It cuts banking reserve requirements by 50 basis points ("bps") to 16.5%, which would release USD110 billion of liquidity to balance foreign exchange outflows which were about USD690 billion by estimates in 2015. It also moved to a system of daily money market operations to manage market liquidity more proactively, implying a move to a system of repos and reverse repos to set a corridor for interbank rates. On currency, Governor Zhou's comments implied a stable but not pegged CNY against the recently unveiled CFETS basket, which gave them policy flexibility to respond to evolving economic needs. The comments put fears of sharp CNY depreciation to rest, at least for the time being.

The Chinese government laid out its priorities for the year in early March 2016, when Prime Minister Li Keqiang gave his annual state-of-the-nation report to the legislature, the National People's Congress ("NPC"). NPC's new plans contained few surprises ahead of the power reshuffle in 2017. It was all about stabilising growth through monetary and fiscal easing. Highlights of the plan were - (1) 2016 growth targets were 6.5% - 7% for real estate, 10.5% for Fixed Asset Investments, 11% for Retail Sales, 3% for Consumer Price Index ("CPI") and 13% (versus 12% earlier) for M2. (2) Fiscal deficit was targeted at 3.0% of Gross Domestic Product ("GDP"). Actuals will almost certainly be higher given developments in 2015, when the true fiscal deficit exceeded the official target (2.3%) by 120 bps, including an additional 1.2% spending from the reserve fund. Focus would be on innovation with research and development ("R&D") spending to reach 2.5% of GDP versus 2.1% currently. (3) Urbanisation growth would be slower, reaching 60% by 2020 versus 56% in 2015, adding 70 million urban people as compared to 101 million in the last 5 years. (4) Capacity closure target for steel production was set at 150 metric tons over the next 5 years at a pace similar to that of the last 3 years.

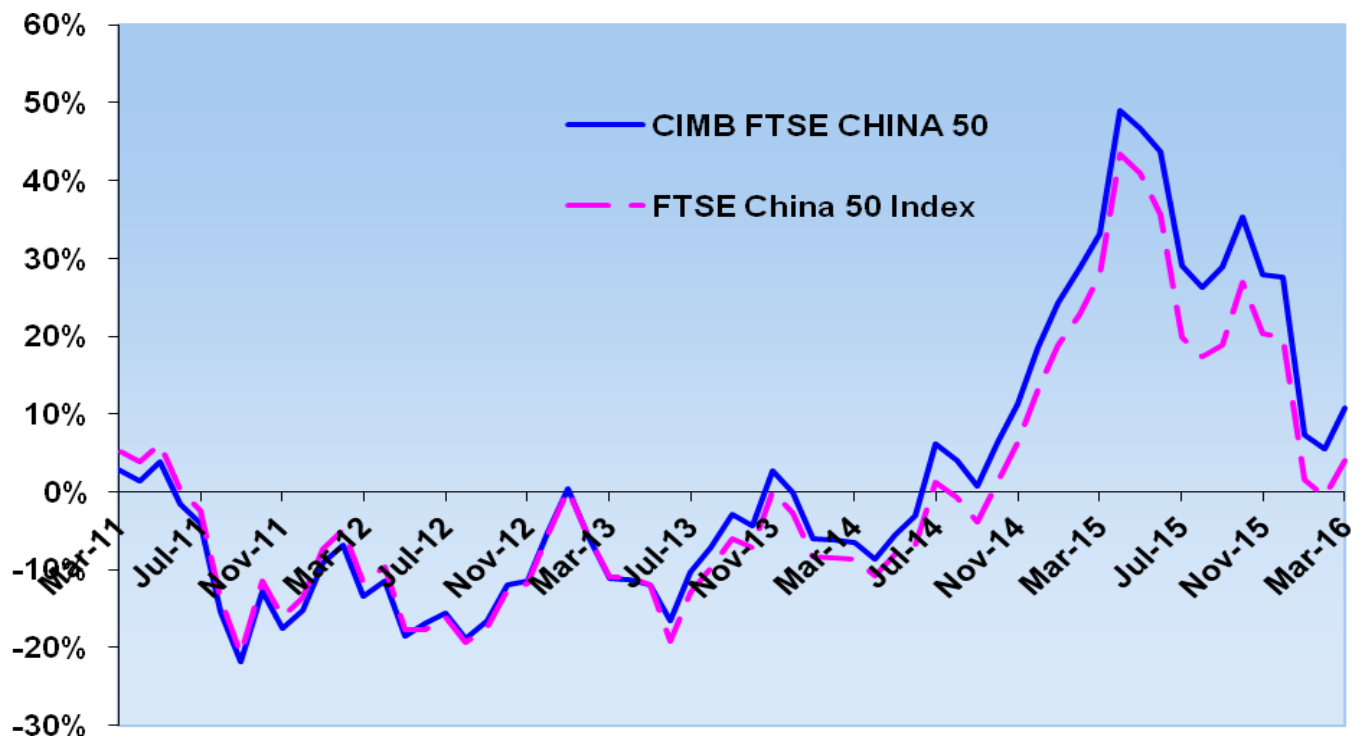
FUND PERFORMANCE

| | 3 months to 31.03.2016 % | 6 months to 31.03.2016 % | 1 year to 31.03.2016 % | 3 years to 31.03.2016 % | 5 years to 31.03.2016 % | Since inception to 31.03.2016 % |
|--|-----------------------------------|-----------------------------------|------------------------------|-------------------------------|-------------------------------|---|
| Income | - | - | - | - | - | - |
| Capital^ | (13.19) | (14.04) | (16.88) | 24.60 | 7.72 | 10.77 |
| Total Return^ | (13.19) | (14.04) | (16.88) | 24.60 | 7.72 | 10.77 |
| Average Total Return^ | N/A | N/A | (16.88) | 7.61 | 1.50 | 1.80 |
| Benchmark | (13.28) | (12.49) | (18.72) | 16.68 | (1.40) | 3.97 |
| Changes in Market Price per Unit | (12.11) | (14.12) | (16.97) | 24.31 | 8.17 | 9.22 |

^ based on NAV per Unit

For the financial period under review, the Fund declined by 13.19%, while the benchmark declined by 13.28%.

The last available published market price of the Fund quoted on Bursa Malaysia was RM1.1250. This represents a decrease of 12.11% for the financial period.



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

| | 31.03.2016 | 31.03.2015 | Changes % |
|------------------|-------------------|-------------------|----------------------|
| NAV (RM Million) | 13.86 | 15.80 | (12.28) |
| NAV/unit (RM) | 1.1224 | 1.3504 | (16.88) |

For the 1-year period, the total NAV fell by 12.28%, while the NAV per unit fell by 16.88%. The decrease in total NAV and NAV per unit were due to investment performance of the Chinese equities as described in the Market Review section.

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the Fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial period have been extracted from Lipper.

PORTFOLIO STRUCTURE**Asset allocation**

| (% of NAV) | 31.03.2016 | 31.03.2015 |
|-------------------|-------------------|-------------------|
| Quoted securities | 100.32 | 99.99 |
| Cash | 0.17 | 0.39 |
| Other net assets | (0.49) | (0.38) |
| TOTAL | 100.00 | 100.00 |

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

MARKET OUTLOOK*

Chinese equities have witnessed a turbulent start in 2016. There were several culprits that triggered the sharp market declines such as the depreciation of CNY, concerns about capital flight on the back of weak CNY, weak China A-share markets, sluggish fundamentals of the Chinese economy, and oil prices and concerns over Iran capacity coming back to the market.

In light of further earnings de-rating and bankruptcy risks amidst various external headwinds, short-term market sentiment is likely to remain weak and volatile. However, it is noted that markets are now trading pretty close to historical lows as a lot of bad news have been priced in. Current market consensus is quite negative on China with most funds underweight China and EM, which actually creates good buying opportunities for longer term investors.

We have seen the greatest progress in financial market liberalisation. In addition, index provider Morgan Stanley Capital International's ("MSCI") recent inclusion of the China-based American Depositary Receipts ("ADRs") (US-listed) companies to its MSCI China and MSCI Emerging Markets indices, due to be completed by May/June this year, would increase the weighting of China in the indices. This rebalancing will also better reflect the reality of China's 'new economy', where education, internet, e-commerce, travel and consumer names are all playing a larger part in growth.

* 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 an ETF, the Fund will continue to remain fully invested in the Benchmark Index stocks with minimal cash kept for liquidity purposes in order to track the performance of the benchmark.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 31 March 2016 are as follows:

| Size of unit holdings (units) | No. of unit holders | No. of units held (million) | % of units held |
|---|---------------------|-----------------------------|-----------------|
| Less than 100 | 5 | 0.00 | 0.00 |
| 100 to 1,000 | 45 | 0.03 | 0.24 |
| 1,001 to 10,000 | 146 | 0.76 | 6.18 |
| 10,001 to 100,000 | 77 | 2.46 | 19.91 |
| 100,001 to less than 5% of approved fund size | 21 | 9.10 | 73.67 |
| 5% and above the approved fund size | - | - | - |
| Total | 294 | 12.35 | 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 period under review, the Manager and the Trustee did not receive any rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016**

| | Note | 01.01.2016 to 31.03.2016 RM | 01.01.2015 to 31.03.2015 RM |
|--|----------|-----------------------------------|-----------------------------------|
| INVESTMENT (LOSS)/INCOME | | | |
| Dividend income | | 2,527 | (14,538) |
| Net (loss)/gain on financial assets at fair value through profit or loss | 8 | (1,930,928) | 1,769,666 |
| Net foreign exchange gain | | - | 2,677 |
| | | <u>(1,928,401)</u> | <u>1,757,805</u> |
| EXPENSES | | | |
| Management fee | 4 | 20,174 | 21,901 |
| Trustee's and custodian fees | 5 | 2,984 | 16,780 |
| Audit fee | | 6,966 | 6,164 |
| Tax agent's fee | | 1,144 | 2,628 |
| Transaction costs | | 2,070 | 5,993 |
| Other expenses | 6 | 10,351 | 5,478 |
| | | <u>43,689</u> | <u>58,944</u> |
| (LOSS)/PROFIT BEFORE TAXATION | | (1,972,090) | 1,698,861 |
| Taxation | 7 | (253) | - |
| (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD | | <u>(1,972,343)</u> | <u>1,698,861</u> |
| (Loss)/Profit after taxation is made up as follows: | | | |
| Realised amount | | (33,978) | 103,997 |
| Unrealised amount | | (1,938,365) | 1,594,864 |
| | | <u>(1,972,343)</u> | <u>1,698,861</u> |

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

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 1 JULY 2015 TO 31 MARCH 2016**

| | Note | Year-to-date 31.03.2016 RM | Year-to-date 31.03.2015 RM |
|--|----------|----------------------------------|----------------------------------|
| INVESTMENT (LOSS)/INCOME | | | |
| Dividend income | | 146,652 | 174,866 |
| Net (loss)/gain on financial assets at fair value through profit or loss | 8 | (4,255,044) | 3,811,771 |
| Net foreign exchange (loss)/gain | | (2,346) | 3,184 |
| | | <u>(4,110,738)</u> | <u>3,989,821</u> |
| EXPENSES | | | |
| Management fee | 4 | 74,434 | 53,807 |
| Trustee's and custodian fees | 5 | 24,074 | 33,840 |
| Audit fee | | 19,543 | 18,766 |
| Tax agent's fee | | 3,458 | 4,140 |
| Transaction costs | | 12,822 | 16,185 |
| Other expenses | 6 | 18,567 | 21,028 |
| | | <u>152,898</u> | <u>147,766</u> |
| (LOSS)/PROFIT BEFORE TAXATION | | (4,263,636) | 3,842,055 |
| Taxation | 7 | (13,040) | (18,304) |
| (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD | | <u>(4,276,676)</u> | <u>3,823,751</u> |
| (Loss)/Profit after taxation is made up as follows: | | | |
| Realised amount | | 513,093 | 373,378 |
| Unrealised amount | | (4,789,769) | 3,450,373 |
| | | <u>(4,276,676)</u> | <u>3,823,751</u> |

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

| | | 31.03.2016 | 30.06.2015 |
|---|-------------|-------------------|-----------------------|
| | Note | RM | Audited RM |
| CURRENT ASSETS | | | |
| Financial assets at fair value through profit or loss | 8 | 13,907,545 | 19,579,713 |
| Cash and cash equivalents | 9 | 23,651 | 26,820 |
| Dividends receivable | | - | 352,958 |
| TOTAL ASSETS | | <u>13,931,196</u> | <u>19,959,491</u> |
| CURRENT LIABILITIES | | | |
| Accrued management fee | | 7,086 | 9,995 |
| Amount due to Trustee | | 1,017 | 1,333 |
| Other payables and accruals | 10 | 60,514 | 63,008 |
| TOTAL LIABILITIES | | <u>68,617</u> | <u>74,336</u> |
| NET ASSET VALUE OF THE FUND | | <u>13,862,579</u> | <u>19,885,155</u> |
| EQUITY | | | |
| Unit holders' capital | | 10,095,735 | 13,823,944 |
| Retained earnings | | 3,766,844 | 6,061,211 |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | <u>13,862,579</u> | <u>19,885,155</u> |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | 11 | <u>12,350,000</u> | <u>13,650,000</u> |
| NET ASSET VALUE PER UNIT (RM) | | <u>1.1224</u> | <u>1.4567</u> |

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016**

| | Unit holders' capital RM | Retained earnings RM | Total RM |
|--|--------------------------------|----------------------------|-------------------|
| Balance as at 1 January 2016 | 9,388,535 | 5,739,187 | 15,127,722 |
| Movement in unit holders' contributions: | | | |
| - Creation of units from applications | 707,200 | - | 707,200 |
| Total comprehensive loss for the financial period | - | (1,972,343) | (1,972,343) |
| Balance as at 31 March 2016 | <u>10,095,735</u> | <u>3,766,844</u> | <u>13,862,579</u> |
| Balance as at 1 January 2015 | 7,222,800 | 5,262,619 | 12,485,419 |
| Movement in unit holders' contributions: | | | |
| - Creation of units from applications | 1,615,640 | - | 1,615,640 |
| Total comprehensive income for the financial period | - | 1,698,861 | 1,698,861 |
| Balance as at 31 March 2015 | <u>8,838,440</u> | <u>6,961,480</u> | <u>15,799,920</u> |

FOR THE FINANCIAL PERIOD FROM 1 JULY 2015 TO 31 MARCH 2016

| | Unit holders' capital RM | Retained earnings RM | Total RM |
|--|--------------------------------|----------------------------|-------------------|
| Balance as at 1 July 2015 | 11,841,635 | 8,043,520 | 19,885,155 |
| Movement in unit holders' contributions: | | | |
| - Creation of units from applications | 707,200 | - | 707,200 |
| - Cancellation of units | (2,453,100) | - | (2,453,100) |
| Total comprehensive loss for the financial period | - | (4,276,676) | (4,276,676) |
| Balance as at 31 March 2016 | <u>10,095,735</u> | <u>3,766,844</u> | <u>13,862,579</u> |
| Balance as at 1 July 2014 | 6,439,550 | 3,137,729 | 9,577,279 |
| Movement in unit holders' contributions: | | | |
| - Creation of units from applications | 2,398,890 | - | 2,398,890 |
| Total comprehensive income for the financial period | - | 3,823,751 | 3,823,751 |
| Balance as at 31 March 2015 | <u>8,838,440</u> | <u>6,961,480</u> | <u>15,799,920</u> |

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016**

| | 01.01.2016 to 31.03.2016 | 01.01.2015 to 31.03.2015 |
|---|-------------------------------------|-------------------------------------|
| | RM | RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Proceeds from disposal of quoted securities | 279,361 | 1,013,484 |
| Purchase of quoted securities | (984,844) | (2,597,157) |
| Dividend income received | 2,274 | 1,490 |
| Management fee paid | (21,346) | (20,236) |
| Trustee's and custodian fees paid | (3,069) | (2,966) |
| Tax paid | (4,600) | (4,600) |
| Payments for other fees and expenses | (36,882) | (24,368) |
| Net cash used in operating activities | <u>(769,106)</u> | <u>(1,634,353)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash proceeds from units created | <u>707,200</u> | <u>1,615,640</u> |
| Net cash generated from financing activities | <u>707,200</u> | <u>1,615,640</u> |
| Net decrease in cash and cash equivalents | (61,906) | (18,713) |
| Cash and cash equivalents at the beginning of the financial period | <u>85,557</u> | <u>80,481</u> |
| Cash and cash equivalents at the end of the financial period | <u><u>23,651</u></u> | <u><u>61,768</u></u> |

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

UNAUDITED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 1 JULY 2015 TO 31 MARCH 2016

| | Year-to-date 31.03.2016 RM | Year-to-date 31.03.2015 RM |
|--|----------------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Proceeds from disposal of quoted securities | 4,580,385 | 3,679,097 |
| Purchase of quoted securities | (3,163,260) | (6,205,742) |
| Dividend income received | 485,053 | 327,940 |
| Management fee paid | (77,343) | (50,778) |
| Trustee's and custodian fees paid | (24,390) | (19,355) |
| Tax agent's fee paid | (4,600) | - |
| Tax paid | (829) | (22,904) |
| Payments for other fees and expenses | (52,285) | (73,620) |
| Net cash generated from/(used in) operating activities | <u>1,742,731</u> | <u>(2,365,362)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash proceeds from units created | 707,200 | 2,398,890 |
| Payments for cancellation of units | (2,453,100) | - |
| Net cash (used in)/generated from financing activities | <u>(1,745,900)</u> | <u>2,398,890</u> |
| Net (decrease)/increase in cash and cash equivalents | (3,169) | 33,528 |
| Cash and cash equivalents at the beginning of the financial period | <u>26,820</u> | <u>28,240</u> |
| Cash and cash equivalents at the end of the financial period | <u><u>23,651</u></u> | <u><u>61,768</u></u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY**

CIMB FTSE China 50 (the "Fund") is governed by a Deed dated 19 April 2010, a First Supplemental Deed dated 8 December 2010, and a Second Supplemental Deed dated 30 July 2014 (collectively referred to as the "Deeds") between CIMB-Principal Asset Management Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The objective of the Fund is to provide investment results that closely correspond to the performance of the Benchmark Index, regardless of its performance. The Benchmark Index is designed to represent the performance of the stocks of the Mainland Chinese market that are available to international investors. The Benchmark Index consists of the 50 largest and most liquid Chinese stocks (Red Chip, H shares and P Chips) listed and trading on the Hong Kong Stock Exchange ("HKEx"). The Benchmark Index is calculated and published in Hong Kong dollars.

All investments will be subjected to the SC Guidelines on ETFs, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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 period.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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 period or any prior financial period and is not likely to affect future periods.

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

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

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

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

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

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

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

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

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

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through OCI. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with 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 OCI rather than the income statement, unless this creates an accounting mismatch.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)****(iii) Financial year beginning on/after 1 July 2018 (continued)**

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.

(b) Financial assets and financial liabilities**Classification**

The Fund designates its investments in foreign quoted securities 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, and dividends receivable.

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

The Fund classifies accrued management fee, 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.

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

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

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

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.

Foreign quoted securities are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

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

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

Impairment for assets carried at amortised costs

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in statement of comprehensive income. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Impairment for assets carried at amortised costs (continued)

If, in a subsequent financial period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

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

(c) Foreign currency

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at 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.

(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 quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted securities, determined on a weighted average cost basis.

(f) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances which are subject to an insignificant risk of changes in value.

(g) Taxation

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

Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(h) 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.

(i) 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 period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled 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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) 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. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to provide investment results that closely correspond to the performance of the Benchmark Index, regardless of its performance. Therefore, the Manager adopts a passive strategy in the management of the Fund.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and currency risk), credit risk 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 Deeds and SC Guidelines on ETFs.

(a) Market risk

(i) Price risk

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

The very nature of an ETF, however, helps mitigate this risk because a fund would generally hold a well-diversified portfolio of securities from different market sectors so that the collapse of any one security or any one market sector would not impact too greatly on the value of the Fund.

(ii) Currency risk

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

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

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

The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on ETFs.

(c) Liquidity risk

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

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and other instruments, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Fair value estimation

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Fair value estimation (continued)

Fair value hierarchy

(i) The table below 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.

| | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|--|-------------------|---------------|---------------|-------------------|
| 31.03.2016 | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Quoted securities | <u>13,907,545</u> | <u>-</u> | <u>-</u> | <u>13,907,545</u> |
| 30.06.2015 | | | | |
| Audited | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Quoted securities | <u>19,579,713</u> | <u>-</u> | <u>-</u> | <u>19,579,713</u> |

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. 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).

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(d) Fair value estimation (continued)**

- (ii) The carrying values of cash and cash equivalents, dividends receivable 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 Deeds, the Manager is entitled to a management fee of up to 3.00% per annum calculated and accrued daily based on the NAV of the Fund.

For the financial period ended 31 March 2016, the management fee is recognised at a rate of 0.60% per annum (31.03.2015: 0.60% per annum).

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

5. TRUSTEE'S AND CUSTODIAN FEES

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

For the financial period ended 31 March 2016, the Trustee's fee is recognised at a rate of 0.08% per annum (31.03.2015: 0.08% per annum).

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

6. OTHER EXPENSES

| | 01.01.2016 to 31.03.2016 RM | 01.01.2015 to 31.03.2015 RM |
|-------------|--|--|
| Listing fee | 1,790 | 1,460 |
| Others | 8,561 | 4,018 |
| | <u>10,351</u> | <u>5,478</u> |
| | Year-to-date 31.03.2016 RM | Year-to-date 31.03.2015 RM |
| Listing fee | 5,672 | 3,665 |
| Others | 12,895 | 17,363 |
| | <u>18,567</u> | <u>21,028</u> |

7. TAXATION

| | 01.01.2016 to 31.03.2016 RM | 01.01.2015 to 31.03.2015 RM |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Tax charged for the financial period: | | |
| - Current taxation | <u>253</u> | <u>-</u> |

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

| | 01.01.2016 to 31.03.2016 RM | 01.01.2015 to 31.03.2015 RM |
|---|---|---|
| (Loss)/Profit before taxation | <u>(1,972,090)</u> | <u>1,698,861</u> |
| Taxation at Malaysian statutory rate of 24% (31.03.2015: 25%) | (473,302) | 424,715 |
| Tax effects of: | | |
| Investment loss not deductible for tax purposes/(Investment income not subject to tax) | 463,423 | (443,525) |
| Expenses not deductible for tax purposes | 3,292 | 6,430 |
| Restriction on tax deductible expenses for ETFs | 7,193 | 8,306 |
| Effect of foreign tax on foreign taxable income | <u>(353)</u> | <u>4,074</u> |
| Taxation | <u>253</u> | <u>-</u> |
| | Year-to-date 31.03.2016 RM | Year-to-date 31.03.2015 RM |

| | | |
|---------------------------------------|---------------|---------------|
| Tax charged for the financial period: | | |
| - Current taxation | <u>13,040</u> | <u>18,304</u> |

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

| | Year-to-date 31.03.2016 RM | Year-to-date 31.03.2015 RM |
|---|----------------------------------|----------------------------------|
| (Loss)/Profit before taxation | <u>(4,263,636)</u> | <u>3,842,055</u> |
| Taxation at Malaysian statutory rate of 24% (31.03.2015: 25%) | (1,023,273) | 960,513 |
| Tax effects of: | | |
| Investment loss not deductible for tax purposes/(Investment income not subject to tax) | 1,021,774 | (957,637) |
| Expenses not deductible for tax purposes | 13,360 | 18,580 |
| Restriction on tax deductible expenses for ETFs | 23,336 | (17,517) |
| Effect of foreign tax on foreign taxable income | <u>(22,157)</u> | <u>14,365</u> |
| Taxation | <u>13,040</u> | <u>18,304</u> |

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 31.03.2016 | 30.06.2015 |
|---|-------------------------------------|-------------------------------------|
| | RM | Audited RM |
| Designated at fair value through profit or loss at inception: | | |
| - Quoted securities | <u>13,907,545</u> | <u>19,579,713</u> |
| | 01.01.2016 to 31.03.2016 | 01.01.2015 to 31.03.2015 |
| | RM | RM |
| Net (loss)/gain on financial assets at fair value through profit or loss: | | |
| - Realised gain on disposals | 7,437 | 174,802 |
| - Unrealised fair value (loss)/gain | <u>(1,938,365)</u> | <u>1,594,864</u> |
| | <u>(1,930,928)</u> | <u>1,769,666</u> |
| | Year-to-date 31.03.2016 | Year-to-date 31.03.2015 |
| | RM | RM |
| Net (loss)/gain on financial assets at fair value through profit or loss: | | |
| - Realised gain on disposals | 532,379 | 361,905 |
| - Unrealised fair value (loss)/gain | <u>(4,787,423)</u> | <u>3,449,866</u> |
| | <u>(4,255,044)</u> | <u>3,811,771</u> |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|-------------------|-------------------------|-----------------------|---------------------------|
| 31.03.2016 | | | | |
| QUOTED SECURITIES | | | | |
| Basic Materials | | | | |
| Anhui Conch Cement Company Ltd | 9,500 | 107,322 | 99,788 | 0.72 |
| Fosun International Ltd | 19,000 | 157,604 | 105,929 | 0.76 |
| | <u>28,500</u> | <u>264,926</u> | <u>205,717</u> | <u>1.48</u> |
| Consumer Products | | | | |
| Air China Ltd | 15,200 | 61,022 | 42,295 | 0.31 |
| BYD Company Ltd | 5,700 | 115,262 | 128,093 | 0.92 |
| Great Wall Motor Company Ltd | 24,700 | 153,681 | 78,583 | 0.57 |
| Guangzhou Automobile Group Company Ltd | 17,100 | 64,706 | 69,688 | 0.50 |
| Hengan International Group Company Ltd | 5,700 | 206,397 | 193,723 | 1.40 |
| | <u>68,400</u> | <u>601,068</u> | <u>512,382</u> | <u>3.70</u> |
| Energy | | | | |
| China Petroleum & Chemical Corporation | 195,700 | 514,698 | 503,037 | 3.63 |
| China Shenhua Energy Company Ltd | 28,500 | 293,953 | 175,589 | 1.27 |
| CNOOC Ltd | 115,900 | 634,431 | 536,130 | 3.87 |
| Hanergy Thin Film Power Group Ltd * | 102,900 | 332,879 | - | 0.00 |
| Petrochina Company Ltd | 169,100 | 640,058 | 440,641 | 3.18 |
| Sinopec Oilfield Service Corporation | 17,100 | 24,337 | 14,767 | 0.11 |
| | <u>629,200</u> | <u>2,440,356</u> | <u>1,670,164</u> | <u>12.06</u> |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|-------------------|-------------------------|-----------------------|---------------------------|
| 31.03.2016 (CONTINUED) QUOTED SECURITIES (CONTINUED) | | | | |
| Finance | | | | |
| Agricultural Bank Of China Ltd | 210,900 | 332,557 | 297,147 | 2.14 |
| Bank Of China Ltd | 440,800 | 725,054 | 716,785 | 5.17 |
| Bank Of Communications Company Ltd | 64,600 | 174,826 | 166,377 | 1.20 |
| China Cinda Asset Management Company Ltd | 74,100 | 143,147 | 101,784 | 0.73 |
| China Citic Bank Corporation Ltd | 60,800 | 129,419 | 145,844 | 1.05 |
| China Construction Bank Corporation Ltd | 475,000 | 1,315,314 | 1,187,381 | 8.57 |
| China Everbright Bank Company Ltd | 26,600 | 48,640 | 50,642 | 0.37 |
| China Huarong Asset Management Corporation Ltd | 17,100 | 25,785 | 24,957 | 0.18 |
| China Life Insurance Company Ltd | 57,000 | 637,436 | 550,945 | 3.97 |
| China Merchants Bank Company Ltd | 38,000 | 280,150 | 312,797 | 2.26 |
| China Minsheng Banking Corporation Ltd | 53,200 | 176,331 | 194,510 | 1.40 |
| China Overseas Land & Investment Ltd | 32,300 | 334,002 | 400,447 | 2.89 |
| China Pacific Insurance (Group) Company Ltd | 20,900 | 276,767 | 306,080 | 2.21 |
| China Resources Land Ltd | 22,800 | 213,802 | 229,129 | 1.65 |
| China Vanke Company Ltd | 11,400 | 88,006 | 109,498 | 0.79 |
| Citic Ltd | 51,300 | 346,742 | 305,697 | 2.20 |
| CITIC Securities Company Ltd | 19,000 | 196,250 | 174,437 | 1.26 |
| Dalian Wanda Commercial Properties Company Ltd | 5,700 | 143,765 | 132,267 | 0.95 |
| GF Securities Company Ltd | 13,300 | 140,242 | 127,076 | 0.92 |
| Haitong Securities Company Ltd | 28,500 | 244,131 | 190,845 | 1.38 |
| Huatai Securities Company Ltd | 13,300 | 116,254 | 123,987 | 0.89 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|-------------------|-------------------------|-----------------------|---------------------------|
| 31.03.2016 | | | | |
| (CONTINUED) | | | | |
| QUOTED SECURITIES | | | | |
| (CONTINUED) | | | | |
| Finance (continued) | | | | |
| Industrial And Commercial Bank Of China Ltd | 399,000 | 928,246 | 874,488 | 6.31 |
| New China Life Insurance Company Ltd | 5,700 | 84,370 | 78,727 | 0.57 |
| The People's Insurance Company (Group) Of China Ltd | 49,400 | 95,586 | 81,826 | 0.59 |
| PICC Property And Casualty Company Ltd | 32,300 | 178,405 | 231,949 | 1.67 |
| Ping An Insurance (Group) Company of China Ltd | 34,200 | 615,722 | 640,754 | 4.62 |
| | <u>2,257,200</u> | <u>7,990,949</u> | <u>7,756,376</u> | <u>55.94</u> |
| Industrials | | | | |
| China Communications Construction Company Ltd | 36,100 | 130,023 | 168,997 | 1.22 |
| China Railway Construction Corporation Ltd | 15,200 | 61,527 | 70,849 | 0.51 |
| China Railway Group Ltd | 30,400 | 80,179 | 90,423 | 0.65 |
| CRRC Corporation Ltd | 32,300 | 151,340 | 127,393 | 0.92 |
| Metallurgical Corporation of China Ltd | 22,800 | 40,113 | 24,410 | 0.18 |
| Shanghai Electric Group Co Ltd | 22,800 | 53,799 | 40,760 | 0.29 |
| | <u>159,600</u> | <u>516,981</u> | <u>522,832</u> | <u>3.77</u> |
| Technology | | | | |
| Tencent Holdings Ltd | <u>16,150</u> | <u>673,071</u> | <u>1,291,871</u> | <u>9.32</u> |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|-------------------------|--------------------------|--------------------------|---------------------------|
| 31.03.2016 | | | | |
| (CONTINUED) | | | | |
| QUOTED SECURITIES | | | | |
| (CONTINUED) | | | | |
| Telecommunications | | | | |
| China Mobile Ltd | 27,550 | 1,059,836 | 1,202,757 | 8.68 |
| China Telecom Corporation Ltd | 131,100 | 249,488 | 271,443 | 1.96 |
| China Unicom (Hong Kong) Ltd | 47,500 | 243,681 | 245,632 | 1.77 |
| | <u>206,150</u> | <u>1,553,005</u> | <u>1,719,832</u> | <u>12.41</u> |
| Utilities | | | | |
| CGN Power Company Ltd | 81,700 | 136,612 | 108,510 | 0.78 |
| Huaneng Power International, Inc. | 34,200 | 135,474 | 119,861 | 0.86 |
| | <u>115,900</u> | <u>272,086</u> | <u>228,371</u> | <u>1.64</u> |
| TOTAL QUOTED SECURITIES | <u>3,481,100</u> | <u>14,312,442</u> | <u>13,907,545</u> | <u>100.32</u> |
| ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>(404,897)</u> | | |
| TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>13,907,545</u> | | |

* Trading in the securities of the counter has been suspended on 20 August 2015. The securities of the counter continued to remain deposited with the central securities depository during the period of suspension as it was not mandatory for the securities to be withdrawn.

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|-------------------|-------------------------|-----------------------|---------------------------|
| 30.06.2015 | | | | |
| Audited | | | | |
| QUOTED SECURITIES | | | | |
| Basic Materials | | | | |
| Anhui Conch Cement Company Ltd | 10,500 | 120,387 | 139,002 | 0.70 |
| Consumer Products | | | | |
| Air China Ltd | 14,700 | 61,326 | 62,673 | 0.32 |
| BYD Company Ltd | 6,300 | 127,587 | 142,732 | 0.72 |
| Dongfeng Motor Group Company Ltd | 25,200 | 132,255 | 127,554 | 0.64 |
| Great Wall Motor Company Ltd | 9,450 | 184,028 | 174,774 | 0.88 |
| Hengan International Group Company Ltd | 6,300 | 227,689 | 282,398 | 1.42 |
| | <u>61,950</u> | <u>732,885</u> | <u>790,131</u> | <u>3.98</u> |
| Energy | | | | |
| China Coal Energy Company Ltd | 23,100 | 47,991 | 52,054 | 0.26 |
| China Oilfield Services Ltd | 16,800 | 125,910 | 101,062 | 0.51 |
| China Petroleum & Chemical Corporation | 222,600 | 588,754 | 724,791 | 3.65 |
| China Shenhua Energy Company Ltd | 29,400 | 319,014 | 252,983 | 1.27 |
| CNOOC Ltd | 132,300 | 742,920 | 708,295 | 3.56 |
| Hanergy Thin Film Power Group Ltd | 102,900 | 332,879 | 195,818 | 0.99 |
| Petrochina Company Ltd | 174,300 | 687,247 | 733,795 | 3.69 |
| | <u>701,400</u> | <u>2,844,715</u> | <u>2,768,798</u> | <u>13.93</u> |
| Finance | | | | |
| Agricultural Bank Of China Ltd | 228,900 | 360,394 | 464,561 | 2.34 |
| Bank Of China Ltd | 470,400 | 763,939 | 1,153,876 | 5.80 |
| Bank Of Communications Company Ltd | 69,300 | 187,080 | 272,525 | 1.37 |
| China Cinda Asset Management Company Ltd | 75,600 | 150,640 | 158,952 | 0.80 |
| China Citic Bank Corporation Ltd | 67,200 | 140,735 | 202,125 | 1.02 |
| China Construction Bank Corporation Ltd | 493,500 | 1,362,632 | 1,700,520 | 8.55 |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|-------------------|-------------------------|-----------------------|---------------------------|
| 30.06.2015 | | | | |
| (CONTINUED) | | | | |
| Audited (Continued) | | | | |
| QUOTED SECURITIES | | | | |
| (CONTINUED) | | | | |
| Finance (Continued) | | | | |
| China Everbright Bank Company Ltd | 29,400 | 52,226 | 66,537 | 0.33 |
| China Life Insurance Company Ltd | 52,500 | 588,069 | 862,372 | 4.34 |
| China Merchants Bank Company Ltd | 39,900 | 287,879 | 438,877 | 2.21 |
| China Minsheng Banking Corporation Ltd | 56,700 | 185,170 | 280,374 | 1.41 |
| China Overseas Land & Investment Ltd | 33,600 | 328,225 | 447,258 | 2.25 |
| China Pacific Insurance (Group) Company Ltd | 23,100 | 304,829 | 418,231 | 2.10 |
| China Resources Land Ltd | 23,100 | 213,744 | 282,756 | 1.42 |
| China Vanke Company Ltd | 12,600 | 85,088 | 117,007 | 0.59 |
| Citic Ltd | 48,300 | 316,378 | 326,756 | 1.64 |
| CITIC Securities Company Ltd | 10,500 | 105,135 | 142,834 | 0.72 |
| Dalian Wanda Commercial Properties Company Ltd | 2,100 | 48,954 | 63,726 | 0.32 |
| Haitong Securities Company Ltd | 25,200 | 229,228 | 251,429 | 1.26 |
| Industrial And Commercial Bank Of China Ltd | 430,500 | 1,000,817 | 1,290,670 | 6.49 |
| New China Life Insurance Company Ltd | 6,300 | 90,456 | 141,965 | 0.71 |
| The People's Insurance Company (Group) Of China Ltd | 54,600 | 106,123 | 131,806 | 0.66 |
| PICC Property And Casualty Company Ltd | 29,400 | 142,790 | 252,697 | 1.27 |
| Ping An Insurance (Group) Company of China Ltd | 16,800 | 526,568 | 856,086 | 4.31 |
| | <u>2,299,500</u> | <u>7,577,099</u> | <u>10,323,940</u> | <u>51.91</u> |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|-------------------|-------------------------|-----------------------|---------------------------|
| 30.06.2015 (CONTINUED) | | | | |
| Audited (Continued) | | | | |
| QUOTED SECURITIES | | | | |
| (CONTINUED) | | | | |
| Industrials | | | | |
| China Communications Construction Company Ltd | 39,900 | 137,446 | 225,264 | 1.13 |
| China Railway Construction Corporation Ltd | 16,800 | 67,974 | 97,955 | 0.49 |
| China Railway Group Ltd | 33,600 | 86,783 | 136,876 | 0.69 |
| CRRC Corporation Ltd | 35,280 | 163,244 | 204,332 | 1.03 |
| Metallurgical Corporation of China Ltd | 25,200 | 45,428 | 41,332 | 0.21 |
| Shanghai Electric Group Co Ltd | 25,200 | 60,209 | 77,636 | 0.39 |
| | <u>175,980</u> | <u>561,084</u> | <u>783,395</u> | <u>3.94</u> |
| Technology | | | | |
| Lenovo Group Ltd | 56,700 | 280,946 | 296,380 | 1.49 |
| Tencent Holdings Ltd | 25,200 | 998,415 | 1,897,371 | 9.54 |
| | <u>81,900</u> | <u>1,279,361</u> | <u>2,193,751</u> | <u>11.03</u> |
| Telecommunications | | | | |
| China Mobile Ltd | 31,500 | 1,185,865 | 1,521,607 | 7.65 |
| China Telecom Corporation Ltd | 142,800 | 269,445 | 316,228 | 1.59 |
| China Unicom (Hong Kong) Ltd | 50,400 | 259,172 | 299,262 | 1.50 |
| | <u>224,700</u> | <u>1,714,482</u> | <u>2,137,097</u> | <u>10.74</u> |
| Utilities | | | | |
| CGN Power Company Ltd | 56,700 | 91,244 | 112,039 | 0.56 |
| China Resources Power Holdings Company Ltd | 16,800 | 156,376 | 177,023 | 0.89 |
| Huaneng Power International, Inc. | 29,400 | 119,555 | 154,537 | 0.78 |
| | <u>102,900</u> | <u>367,175</u> | <u>443,599</u> | <u>2.23</u> |

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

| Name of counter | Quantity Units | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|-------------------------|--------------------------|--------------------------|---------------------------|
| 30.06.2015 (CONTINUED) | | | | |
| Audited (Continued) | | | | |
| QUOTED SECURITIES (CONTINUED) | | | | |
| TOTAL QUOTED SECURITIES | <u>3,658,830</u> | 15,197,188 | <u>19,579,713</u> | <u>98.46</u> |
| ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>4,382,525</u> | | |
| TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>19,579,713</u> | | |

9. CASH AND CASH EQUIVALENTS

| | 31.03.2016 RM | 30.06.2015 Audited RM |
|---------------|------------------|-----------------------------|
| Bank balances | <u>23,651</u> | <u>26,820</u> |

10. OTHER PAYABLES AND ACCRUALS

| | 31.03.2016 RM | 30.06.2015 Audited RM |
|-------------------------------|------------------|-----------------------------|
| Provision for audit fee | 18,793 | 25,000 |
| Provision for tax agent's fee | 3,458 | 4,600 |
| Other accruals - license fee | 37,650 | 32,688 |
| Other accruals | <u>613</u> | <u>720</u> |
| | <u>60,514</u> | <u>63,008</u> |

License fee is payable to FTSE International Limited, the Underlying Index provider.

For the financial period ended 31 March 2016, the license fee was recognised at a rate of 0.04% per annum (30.06.2015: 0.04% per annum) of the NAV of the Fund, calculated on daily basis.

There will be no further liability to the FTSE International Limited in respect of license fee other than the amounts recognised above.

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

| | 01.01.2016 to 31.03.2016 | 01.07.2014 to 30.06.2015 Audited |
|---|-------------------------------------|---|
| | No of units | No of units |
| At the beginning of the financial period/year | 11,700,000 | 9,750,000 |
| Add: Creation of units from applications | 650,000 | 3,900,000 |
| At the end of the financial period/year | <u>12,350,000</u> | <u>13,650,000</u> |

12. MANAGEMENT EXPENSE RATIO ("MER")

| | 01.01.2016 to 31.03.2016 % | 01.01.2015 to 31.03.2015 % |
|-----|---|---|
| MER | <u>0.31</u> | <u>0.36</u> |

MER is derived from the following calculation:

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

| | | |
|---|---|--|
| A | = | Management fee |
| B | = | Trustee's and custodian fees |
| C | = | Audit fee |
| D | = | Tax agent's fee |
| E | = | Other expenses excluding Goods and Services Tax ("GST") on transaction costs |
| F | = | Average NAV of the Fund calculated on a daily basis |

The average NAV of the Fund for the financial period calculated on daily basis is RM13,555,449 (31.03.2015: RM14,802,543).

13. PORTFOLIO TURNOVER RATIO ("PTR")

| | 01.01.2016 to 31.03.2016 | 01.01.2015 to 31.03.2015 |
|-------------|-------------------------------------|-------------------------------------|
| PTR (times) | <u>0.05</u> | <u>0.12</u> |

PTR is derived based on the following calculation:

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

where:

| | | |
|--|---|-------------------------------------|
| total acquisition for the financial period | = | RM986,446 (31.03.2015: RM2,574,696) |
| total disposal for the financial period | = | RM287,679 (31.03.2015: RM1,009,207) |

14. 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 |
| Subsidiaries and associates of CIMB as disclosed in its financial statements | Subsidiary and associated companies of the ultimate holding company of the Manager. |

Units held by the Manager and parties related to the Manager

There were no units held by the Manager, Directors and parties related to the Manager as at the end of the financial period.

Significant related party transactions and balances

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

15. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with brokers/dealers/financial institutions for the financial period from 1 January 2016 to 31 March 2016 are as follows:

| Brokers/Dealers/Financial Institutions | Value of trades RM | Percentage of total trades % | Brokerage fees RM | Percentage of total brokerage fees % |
|---|-------------------------------|---|------------------------------|---|
| Credit Suisse (Hong Kong) Ltd | <u>1,274,125</u> | <u>100.00</u> | <u>2,070</u> | <u>100.00</u> |

Details of transactions with brokers/dealers/financial institutions for the financial period from 1 January 2015 to 31 March 2015 are as follows:

| Brokers/Dealers/Financial Institutions | Value of trades RM | Percentage of total trades % | Brokerage fees RM | Percentage of total brokerage fees % |
|---|-------------------------------|---|------------------------------|---|
| Macquarie Equities Ltd | 1,882,281 | 52.52 | 2,977 | 49.67 |
| CLSA Ltd | <u>1,701,622</u> | <u>47.48</u> | <u>3,016</u> | <u>50.33</u> |
| | <u>3,583,903</u> | <u>100.00</u> | <u>5,993</u> | <u>100.00</u> |

16. 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 closely correspond to the performance of the Benchmark Index, regardless of its performance. In managing the Fund, the Manager attempts to achieve a high positive correlation and a low tracking error between the NAV of the Fund's portfolio and the Benchmark Index. The reportable operating segment derives its income by seeking investments to achieve targeted returns commensurate 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 the 50 largest and most liquid Chinese stocks (Red Chips, H shares and P Chips) listed and trading on the HKEx.

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

17. 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:

| | 31.03.2016 | 30.06.2015 |
|----------------------|-------------------|-----------------------|
| | RM | Audited RM |
| Creation | | |
| - Non cash component | - | - |
| - Cash component | 707,200 | 5,402,085 |
| | <u>707,200</u> | <u>5,402,085</u> |

18. 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.

| | 31.03.2016 | 30.06.2015 |
|---|-------------------|-----------------------|
| | RM | Audited RM |
| Total accumulated losses/retained earnings of the Fund: | | |
| - Realised amount | 4,171,741 | 1,077,270 |
| - Unrealised amount | (404,897) | 4,983,941 |
| | <u>3,766,844</u> | <u>6,061,211</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.

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