

**CIMB FTSE CHINA 50**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

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## 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

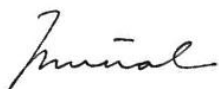
- Best Asset & Fund Manager (2007-2016) in Malaysia

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 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 year under review, the Fund has met its objective to closely correspond to the performance of the Benchmark Index. The Fund's total return was negative 20.04% for the financial year under review, while the Benchmark Index was negative 21.76%.

**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 30 June 2016?**

RM14.39 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 year ended 30 June 2016?**

There was no distribution made for the financial year ended 30 June 2016.

**PERFORMANCE DATA**

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

	<b>30.06.2016</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
	%	%	%
Quoted securities			
- Basic Materials	0.64	0.70	1.90
- Consumer Products	3.73	3.98	1.68
- Energy	12.80	13.93	16.29
- Finance	51.85	51.91	54.09
- Health Care	1.14	-	-
- Industrials	5.71	3.94	-
- Technology	9.05	11.03	10.37
- Telecommunications	11.84	10.74	14.42
- Utilities	1.23	2.23	-
Cash and other net assets	2.01	1.54	1.25
	<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:

	<b>30.06.2016</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Total asset value (RM Million)	14.46	19.96	9.64
Net Asset Value ("NAV") (RM Million)	14.39	19.89	9.58
Units in circulation (Million)	12.35	13.65	9.75
NAV per Unit (RM)	1.1648	1.4567	0.9822
Highest NAV per Unit (RM)	1.4481	1.5804	1.0453
Lowest NAV per Unit (RM)	1.0068	0.9813	0.8156
Market Price per Unit (RM)	1.1600	1.4550	0.9850
Highest Market Price per Unit (RM)	1.4350	1.5750	1.0450
Lowest Market Price per Unit (RM)	1.0150	0.9900	0.8200
Total return (%) <sup>^</sup>	(20.04)	48.30	16.07
- Capital growth (%)	(20.04)	48.30	16.07
- Income distribution (%)	-	-	-
Management Expenses Ratio ("MER") (%) <sup>*</sup>	1.23	1.28	1.06
Portfolio Turnover Ratio ("PTR") (times) <sup>#</sup>	0.25	0.50	0.99

<sup>^</sup> based on NAV per unit

<sup>\*</sup> The Fund's MER decreased from 1.28% to 1.23% due to increase in average NAV during the financial year.

<sup>#</sup> The Fund's PTR decreased from 0.50 times to 0.25 times during the financial year as there were less trading activities from portfolio rebalancing within the reporting year.

	<b>30.06.2016</b>	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2013</b>	<b>30.06.2012</b>
	%	%	%	%	%
Annual total return	(20.04)	48.30	16.07	0.56	(15.67)

(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)**

For the financial year under review, the Benchmark Index declined by 21.76%.

China equities posted negative returns in the third quarter of 2015 as volatility in Chinese markets, particularly A-shares, and slowing growth in the world's second-largest economy led to a global selloff. Chinese equities led the losses as the country's A-shares saw heavy selling pressure on the deleveraging and unwinding of margin financing - a strong driver of the Chinese markets' rally earlier in the year - as well as on uncertainty over the Chinese Government's willingness to support the stock market. A devaluation of the Chinese Yuan Renminbi ("CNY") by the People's Bank of China ("PBOC") in early August 2015 also hit sentiment. Data continued to remain weak. The closely-watched Caixin China manufacturing Purchasing Managers Index ("PMI") reading for August 2015 plumbed a six-year low of 47.3. In August 2015, the PBOC announced further interest rate and Reserve Requirement Ratio ("RRR") cuts in an attempt to boost flagging growth. Meanwhile, Hong Kong market also fell sharply on the weaker sentiment on Chinese growth.

China equities delivered positive returns in the last quarter of 2015, as the robust gains in October 2015 offset negative returns in November 2015 and December 2015. Chinese stocks gained as late October 2015 saw another interest rate cut by the PBOC, the sixth such cut in a year. Hong Kong equities saw positive returns on the back of hopes of further stimulus measures in China. However, the markets finished November 2015 and December 2015 in negative territory due to worries over a December 2015 interest rate rise by the US Federal Reserve (the "Fed") and on profit-taking given the uncertain global economic outlook. The speculation that the Chinese currency could depreciate further in 2016 also weighed on sentiment. Meanwhile, China's economic data continued to remain mixed. The third quarter Gross Domestic Product ("GDP") growth came in at 6.9% year-on-year ("y-o-y"), falling below 7% for the first time since 2009.

In 2016, China equities ended the first quarter marginally down after a volatile start. In January 2016, Chinese domestic stock markets were forced to close early twice within a week after a new circuit-breaking mechanism was triggered. The impending expiration of selling restrictions on major shareholders and a weakening of the CNY were blamed for the heavy market falls. The authorities later extended the share-sale ban and suspended the circuit-breaker mechanism. In February 2016, markets continued to decline on continuing worries over a slowing Chinese economy and expectations of weakening CNY amid fears of further capital outflows. Markets staged a rebound in March 2016 on fading fears of CNY depreciation and favorable government measures including easier margin finance for Chinese domestic brokerage. Meanwhile, stocks in Hong Kong delivered slightly negative returns over the quarter amid the volatile trading and weak economic data from China.

China equities finished the second quarter of 2016 in marginally positive territory. Sentiment swung on Brexit-related worries and markets gained ground towards the end of the quarter 2016 on expectations that the Fed would delay its planned interest rate hike, following the "Leave" victory. Chinese equities finished broadly flat over the quarter period as disappointing trade data in April 2016 was followed by mixed data for May 2016 - with imports contracting at their slowest pace since October 2014 but the decline in exports picked up from April 2016 pace, suggesting a slowdown in demand in the US and Europe. Over the quarter, the PBOC weakened its CNY mid-point by the most in nearly a year, as Brexit-related angst saw predictions that further depreciation in the currency, along with capital outflows, was likely. In Hong Kong, stocks finished the quarter up as the Brexit vote saw its market benefit from expectations that the Fed would delay raising interest rates.

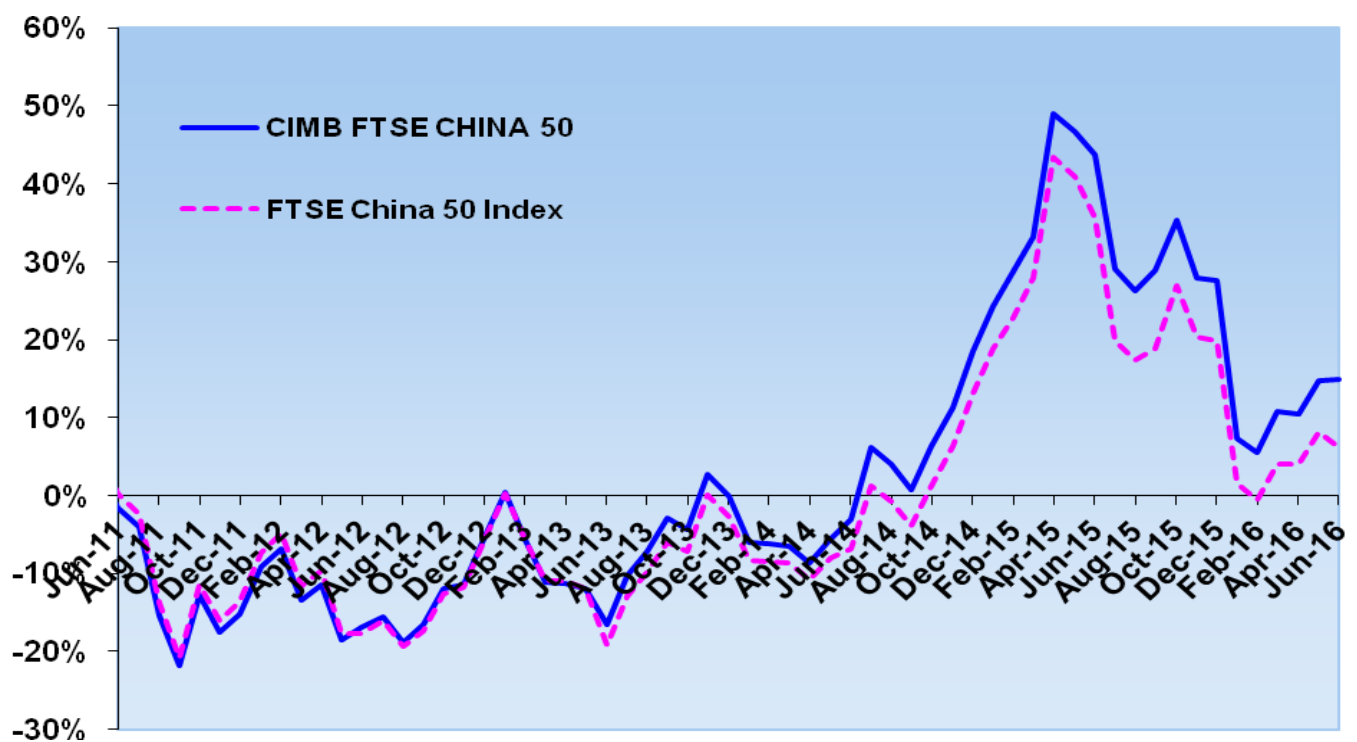
**FUND PERFORMANCE**

	<b>1 year to 30.06.2016</b>	<b>3 years to 30.06.2016</b>	<b>5 years to 30.06.2016</b>	<b>Since inception to 30.06.2016</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	-	-	-	-
Capital <sup>^</sup>	(20.04)	37.65	16.71	14.95
Total Return <sup>^</sup>	(20.04)	37.65	16.71	14.95
Average Total Return <sup>^</sup>	(20.04)	11.24	3.14	2.36
Benchmark	(21.76)	31.20	5.96	6.10
Changes in Market Price per Unit	(20.27)	35.67	15.42	12.62

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

For the financial year under review, the Fund's total return was negative 20.04%, while the benchmark was negative 21.76%.

The last available published market price of the Fund quoted on Bursa Malaysia was RM1.1600. This represents a decrease of 20.27% for the financial year.



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

	<b>30.06.2016</b>	<b>30.06.2015</b>	<b>Changes %</b>
NAV (RM Million)	14.39	19.89	(27.65)
NAV per unit (RM)	1.1648	1.4567	(20.04)

For the 1-year period, the total NAV dropped by 27.65%, while the NAV per unit dropped by 20.04%. 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 year have been extracted from Lipper.

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

<b>(% of NAV)</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
Quoted securities	97.99	98.46
Cash and other net assets	2.01	1.54
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

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

**MARKET OUTLOOK\***

Chinese and Hong Kong equities ended the first half of 2016 in negative territory on concerns over sluggish fundamentals in the Chinese economy, capital flight on the back of a weak CNY, the US interest rate trajectory and weak oil prices. There was a sharp knee-jerk reaction in markets following the United Kingdom's ("UK") vote to leave the European Union ("EU") in June 2016. In the near term, higher market volatility is expected in light of the uncertain EU/UK political development. However, it is anticipated that further deterioration of markets will trigger central bank action to restore market confidence.

Given further earnings de-rating and bankruptcy risks amidst various external headwinds, short-term market sentiment is likely to remain weak and volatile. However, we also note that markets are now trading pretty close to historical lows as a lot of the bad news has been priced in. Economic and social stabilisation remains the top priorities in China. There has been an obvious change in mentality of the Government to provide further stimulus to resume economic growth. Consequently, an accommodative monetary policy and a more pro-active fiscal policy have been adopted to provide a floor to economic growth. China's economy has shown signs of stabilisation in the first quarter of 2016.



## MARKET OUTLOOK\* (CONTINUED)

Where we have seen the greatest progress has been in financial market liberalisation. The currency's recent inclusion in the Special Drawing Rights ("SDR") basket is a notable milestone for the CNY's internationalisation. Furthermore, the continued liberalisation of the stock markets, first through the Shanghai-Hong Kong Stock Connect, and to be followed by a similar upcoming scheme for Shenzhen, should open up further opportunities in the investable China stock universe. 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, completed in May this year, will add to 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 30 June 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	47	0.03	0.27
1,001 to 10,000	143	0.76	6.16
10,001 to 100,000	73	2.37	19.16
100,001 to less than 5% of approved fund size	21	9.19	74.41
5% and above the approved fund size	-	-	-
<b>Total</b>	<b>289</b>	<b>12.35</b>	<b>100.00</b>

## SOFT COMMISSIONS AND REBATES

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

During the financial year under review, the Manager and the Trustee did not receive any rebates from the 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.

## 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:

<b>Name:</b>	<b>Hisham bin Zainal Mokhtar*</b>	
<b>Age:</b>	54	
<b>Nationality:</b>	Malaysian	
<b>Designation:</b>	Director of CIMB-Principal	
<b>Qualifications:</b>	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.	
<b>Experience:</b>	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)**

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

## ADDITIONAL INFORMATION (CONTINUED)

## Key Personnel of the Manager (continued)

<b>Name:</b>	<b>Dato' Robert Cheim Dau Meng</b>
<b>Age:</b>	65
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	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
<b>Qualifications:</b>	Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Accountants.
<b>Experience:</b>	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.
<b>Date appointed to Board:</b>	2 November 2015
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"> <li>- CIMB Investment Bank Berhad</li> <li>- Tanjong PLC</li> <li>- CIMB Thai Bank PLC</li> <li>- Yu Cai Foundation</li> <li>- CIMB Foundation</li> <li>- RC Capital Sdn Bhd</li> </ul>
<b>Family relationship with any Director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	3 of 3

## ADDITIONAL INFORMATION (CONTINUED)

## Key Personnel of the Manager (continued)

<b>Name:</b>	<b>Dato' Anwar bin Aji*</b>
<b>Age:</b>	66
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Chairman of Zelan Berhad, Director of Konesi 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
<b>Qualifications:</b>	Master of Arts, International Studies, Ohio University USA (1981 - 1982) and Bachelor of Economics (Hons.), University of Malaya (1970 - 1973).
<b>Experience:</b>	Has been a Director of CIMB-Principal since 24 April 2007. Re-designated w.e.f. Chairman - Zelan Berhad 1 January 2012 Re-designated w.e.f. Executive Chairman - Zelan Berhad 19 January 2011 Appointed w.e.f. Chairman - Zelan Berhad 11 December 2008 2001-2008 Chairman - Faber Group Berhad 1994-2004 Managing Director - Khazanah Nasional Berhad 1993-1994 Special Assistant - The Secretary General of Ministry of Finance 1991-1993 Principal Assistant Secretary - Finance Division, Federal Treasury, Ministry of Finance 1986-1991 Deputy Director - Petroleum Development Division, Prime Minister's Department 1984-1985 Principal Assistant Secretary - Investment Division of the Malaysian Tobacco Company Bhd under the British Malaysia Industry and Trade Association training scheme 1982-1984 Principal Assistant Secretary - Foreign Investment Committee, Economic Planning Unit, Prime Minister's Department 1980-1981 Principal Assistant Secretary - Economic and International Division, Federal Treasury, Ministry of Finance 1978-1980 Principal Assistant Secretary - Budget Division, Federal Treasury, Ministry of Finance 1973-1978 Assistant Director - Industries Division, Ministry of International Trade & Industry
<b>Date appointed to Board:</b>	24 April 2007
<b>Details of Membership of any Board Committee:</b>	Audit Committee Member
<b>Directorship of other public companies:</b>	- Sistem Transit Aliran Ringan Sdn Bhd - SKS Pars Refinery Company Sdn Bhd - Zelan Berhad - Konesi Pusat Asasi Gambang Sdn Bhd

## ADDITIONAL INFORMATION (CONTINUED)

## Key Personnel of the Manager (continued)

<b>Family relationship with any Director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	4 of 5
<b>Name:</b>	<b>Auyeung Rex Pak Kuen</b>
<b>Age:</b>	64
<b>Nationality:</b>	Canadian
<b>Designation:</b>	Senior Vice President of Principal Financial Group; Chairman - Asia of Principal Financial Group; Director of CIMB-Principal.
<b>Qualifications:</b>	Bachelor of Environmental Studies (Honours) in Urban and Regional Planning, University of Waterloo, Canada.
<b>Experience:</b>	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.
<b>Date appointed to Board:</b>	11 July 2003
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"> <li>- CIMB Wealth Advisors Berhad</li> <li>- i-Wealth Advisors Sdn Bhd</li> <li>- Principal Consulting (India) Private Limited</li> <li>- Principal Financial Group (Mauritius) Limited</li> <li>- Principal Global Investors (Hong Kong) Limited</li> <li>- Principal Global Investors (Singapore) Limited</li> <li>- Principal Insurance Company (Hong Kong) Limited</li> <li>- Principal International (Asia) Limited</li> <li>- Principal International Holding Company, LLC</li> <li>- Principal International, Inc</li> <li>- Principal Nominee Company ( Hong Kong) Limited</li> <li>- Principal PNB Asset Management Company Private Limited</li> <li>- Principal Retirement Advisors Private Limited</li> <li>- CCB-Principal Asset Management Co. Ltd.</li> <li>- Principal Global Investors (Japan) Ltd.</li> <li>- Finisterre Hong Kong Limited</li> <li>- CIMB-Principal Asset Management Company Limited</li> <li>- Principal International (South Asia) Sdn Bhd</li> <li>- Finansa Asset Management Ltd</li> </ul>
<b>Family relationship with any Director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	4 of 5

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

<b>Name:</b>	<b>Wong Joon Hian*</b>
<b>Age:</b>	67
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Director and Chairman of Audit Committee of CIMB-Principal
<b>Qualifications:</b>	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
<b>Experience:</b>	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.
<b>Date appointed to Board:</b>	22 August 2007
<b>Details of Membership of any Board Committee:</b>	Chairman/Member of Audit Committee
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"> <li>- CIMB-Principal Islamic Asset Management Sdn Bhd</li> <li>- SFB Auto Berhad</li> <li>- SIBB Berhad</li> <li>- SFB Development Sdn Bhd</li> <li>- Perdana Nominees (Tempatan) Sdn Bhd</li> <li>- Advance Synergy Capital Sdn Bhd</li> <li>- ASC Equities Sdn Bhd</li> <li>- ASC Credit Sdn Bhd</li> <li>- Triton-K Sdn Bhd</li> <li>- AESBI Power Systems Sdn Bhd</li> <li>- Synergy Cards Sdn Bhd</li> <li>- Marketing and Event Management Integrated Sdn Bhd</li> <li>- OET Money Service Sdn Bhd</li> <li>- ICONIC Capital Group Limited</li> </ul>
<b>Family relationship with any Director:</b>	None
<b>Conflict of interest with the Fund:</b>	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)

<b>Name:</b>	<b>A.Huzaim Bin Dato' Abdul Hamid*</b>
<b>Age:</b>	51
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Director of CIMB-Principal
<b>Qualifications:</b>	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.
<b>Experience:</b>	Has been a Director of CIMB-Principal since 2 May 2013. 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. 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). Huzaim speaks, thinks, and writes in 5 languages.
<b>Date appointed to Board:</b>	2 May 2013
<b>Details of Membership of any Board Committee:</b>	Investment Committee Member
<b>Directorship of other public companies:</b>	- Ingenium Advisors Sdn Bhd
<b>Family relationship with any Director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	5 of 5

## ADDITIONAL INFORMATION (CONTINUED)

### Key Personnel of the Manager (continued)

<b>Name:</b>	<b>Effendy Shahul Hamid</b>
<b>Age:</b>	43
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Chief Executive Officer, Group Asset Management & Investments
<b>Qualifications:</b>	Honours in Electronic Engineering with Optoelectronics, University College London; Alumni of CIMB-INSEAD Leadership Programme
<b>Experience:</b>	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.
<b>Date appointed to Board:</b>	17 August 2015
<b>Details of Membership of any Board Committee:</b>	Audit and Investment Committee Member
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"> <li>- CIMB-Principal Islamic Asset Management Berhad</li> <li>- CIMB Mapletree Management Sdn Bhd</li> <li>- CMREF 1 Sdn Bhd</li> <li>- CMREF 2 Shariah Sdn Bhd</li> <li>- CIMB Real Estate Sdn Bhd</li> <li>- CIMB SI Sdn Bhd</li> <li>- CIMB SI I Sdn Bhd</li> <li>- CIMB SI II Sdn Bhd</li> <li>- Commerce Asset Ventures Sdn Bhd</li> <li>- CAV Private Equity Management Sdn Bhd</li> <li>- CAV BAT Sdn Bhd</li> <li>- CIMB-TrustCapital Advisors Singapore Pte Ltd</li> <li>- CIMB-TrustCapital AOF1 Master SPV Pte Ltd</li> <li>- CIMB-TrustCapital AOF1 GP Pte Ltd</li> <li>- CIMB-TrustCapital AOF2 Pte Ltd</li> <li>- CIMB Strategic Assets Sdn Bhd</li> <li>- CIMB Private Equity Sdn Bhd</li> <li>- Touch 'N Go Sdn Bhd</li> <li>- Premier Fidelity Sdn Bhd</li> <li>- CapAsia Islamic Infrastructure Fund (GP) Ltd (IIF)</li> <li>- CapAsia ASEAN Infrastructure Fund III (GP) Ltd (CAIF III)</li> <li>- CIMB-Principal Asset Management Company Limited</li> </ul>
<b>Family relationship with any Director:</b>	None

## ADDITIONAL INFORMATION (CONTINUED)

## Key Personnel of the Manager (continued)

<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	4 of 5
<b>Name:</b>	<b>Pedro Esteban Borda</b>
<b>Age:</b>	55
<b>Nationality:</b>	Argentinean
<b>Designation:</b>	Vice President South Asia and India of Principal International
<b>Qualifications:</b>	Bachelor Degree in Business Administration and a Master Degree in Finance, both from Universidad Argentina de la Empresa (U.A.D.E).
<b>Experience:</b>	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.
<b>Date appointed to Board:</b>	20 June 2013
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"> <li>- CIMB-Principal Asset Management Limited (Thailand)</li> <li>- CIMB-Principal Islamic Asset Management Berhad</li> <li>- PT CIMB-Principal Asset Management</li> <li>- Finansa Asset Management Ltd</li> </ul>
<b>Family relationship with any Director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	4 of 5

## ADDITIONAL INFORMATION (CONTINUED)

## Key Personnel of the Manager (continued)

<b>Name:</b>	<b>Munirah binti Khairuddin</b>
<b>Age:</b>	41
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Chief Executive Officer/Executive Director
<b>Qualifications:</b>	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
<b>Experience:</b>	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.
<b>Date appointed to Board:</b>	31 January 2012
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies:</b>	- CIMB Wealth Advisors Berhad - i-Wealth Advisors Sdn Bhd
<b>Family relationship with any Director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	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:

<b>Name:</b>	<b>Mohamad Safri bin Shahul Hamid</b>	
<b>Age:</b>	44	
<b>Nationality:</b>	Malaysian	
<b>Designation:</b>	Deputy Chief Executive Officer/Senior Managing Director of CIMB Islamic (CIMB Investment Bank)	
<b>Qualifications:</b>	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).	
<b>Experience:</b>	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
<b>Date appointed to Investment Committee:</b>	1 April 2014	
<b>Conflict of interest with the Fund:</b>	None	
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None	
<b>Number of board meetings attended in the financial year:</b>	7 of 12	

## ADDITIONAL INFORMATION (CONTINUED)

## The Investment Committee (continued)

<b>Name:</b>	<b>Effendy Shahul Hamid</b>
<b>Age:</b>	42
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Chief Executive Officer, Group Asset Management & Investments
<b>Qualifications:</b>	Honours in Electronic Engineering with Optoelectronics, University College London; Alumni of CIMB-INSEAD Leadership Programme
<b>Experience:</b>	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.
<b>Date appointed to Investment Committee:</b>	17 August 2015
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	4 of 12

## ADDITIONAL INFORMATION (CONTINUED)

## The Investment Committee (continued)

<b>Name:</b>	<b>A.Huzaim Bin Dato' Abdul Hamid*</b>
<b>Age:</b>	51
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Director of CIMB-Principal
<b>Qualifications:</b>	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
<b>Experience:</b>	<p>Has been a Director of CIMB-Principal since 2 May 2013. 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 &amp; 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>
<b>Date appointed to Investment Committee:</b>	3 September 2014
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	12 of 12

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

<b>Name:</b>	<b>Wong Fook Wah*</b>
<b>Age:</b>	61
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Ex-Deputy Group Chief Executive for RAM Holdings Berhad
<b>Qualifications:</b>	Bachelor of Arts (Economics) from Universiti Malaya (1977) and a Masters degree in Policy Science from Saitama University, Japan (1987)
<b>Experience:</b>	<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>
<b>Date appointed to Investment Committee:</b>	1 May 2011
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	11 of 12



## ADDITIONAL INFORMATION (CONTINUED)

## The Investment Committee (continued)

<b>Name:</b>	<b>Alejandro Elias Echegorri Rodriguez</b>
<b>Age:</b>	55
<b>Nationality:</b>	Mexican
<b>Designation:</b>	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
<b>Qualifications:</b>	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.
<b>Experience:</b>	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.
<b>Date appointed to Investment Committee:</b>	28 July 2015
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None
<b>Number of board meetings attended in the financial year:</b>	9 of 12

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

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

\*Independent member

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
CIMB FTSE CHINA 50**

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 29 to 61 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 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 CHINA 50**

We have acted as the Trustee for CIMB FTSE China 50 (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 Trustee under the Deeds, 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 Deeds 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 Deeds of the Fund and applicable regulatory requirements.

For Deutsche Trustees Malaysia Berhad

**Soon Lai Ching**  
Senior Manager, Trustee Operations

**Mahesh Anchan**  
Head, Trustee Operations

Kuala Lumpur  
30 August 2016

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB FTSE CHINA 50****REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of CIMB FTSE China 50 on pages 29 to 60, 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 Notes 1 to 17.

**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.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB FTSE CHINA 50 (CONTINUED)****REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)**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.

**OTHER REPORTING RESPONSIBILITIES**

The supplementary information set out in Note 18 on page 61 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
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		555,179	598,123
Net (loss)/gain on financial assets at fair value through profit or loss	8	(4,053,201)	4,555,472
Net foreign exchange gain		2,299	7,583
		<u>(3,495,723)</u>	<u>5,161,178</u>
<b>EXPENSES</b>			
Management fee	4	95,175	82,862
Trustee's and custodian fees	5	45,857	37,932
Audit fee		27,550	25,000
License fee		6,345	5,524
Tax agent's fee		4,600	6,200
Transaction costs		14,044	23,007
Other expenses	6	15,012	19,700
		<u>208,583</u>	<u>200,225</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(3,704,306)	4,960,953
Taxation	7	(49,626)	(55,162)
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<u>(3,753,932)</u>	<u>4,905,791</u>
(Loss)/Profit after taxation is made up as follows:			
Realised amount		919,393	840,915
Unrealised amount		(4,673,325)	4,064,876
		<u>(3,753,932)</u>	<u>4,905,791</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
<b>ASSETS</b>			
Cash and cash equivalents	9	45,202	26,820
Financial assets at fair value through profit or loss	8	14,096,447	19,579,713
Dividends receivable		<u>322,872</u>	<u>352,958</u>
<b>TOTAL ASSETS</b>		<u>14,464,521</u>	<u>19,959,491</u>
<b>LIABILITIES</b>			
Accrued management fee		7,144	9,995
Amount due to Trustee		1,018	1,333
Other payables and accruals	10	<u>71,036</u>	<u>63,008</u>
<b>TOTAL LIABILITIES</b>		<u>79,198</u>	<u>74,336</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>14,385,323</u>	<u>19,885,155</u>
<b>EQUITY</b>			
Unit holders' capital		12,078,044	13,823,944
Retained earnings		<u>2,307,279</u>	<u>6,061,211</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>14,385,323</u>	<u>19,885,155</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	11	<u>12,350,000</u>	<u>13,650,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.1648</u>	<u>1.4568</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**

	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 July 2015</b>	13,823,944	6,061,211	19,885,155
Movements 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 year	-	<u>(3,753,932)</u>	<u>(3,753,932)</u>
<b>Balance as at 30 June 2016</b>	<u>12,078,044</u>	<u>2,307,279</u>	<u>14,385,323</u>
<b>Balance as at 1 July 2014</b>	8,421,859	1,155,420	9,577,279
Movements in unit holders' contributions:			
- Creation of units from applications	5,402,085	-	5,402,085
Total comprehensive income for the financial year	-	<u>4,905,791</u>	<u>4,905,791</u>
<b>Balance as at 30 June 2015</b>	<u>13,823,944</u>	<u>6,061,211</u>	<u>19,885,155</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 2016**

	Note	2016 RM	2015 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of quoted securities		4,938,876	4,314,678
Purchase of quoted securities		(3,522,856)	(9,904,034)
Dividend income received		530,824	342,570
Management fee paid		(98,026)	(77,577)
Trustee's and custodian fees paid		(46,172)	(37,585)
Net realised foreign exchange gain		28,512	5,875
Payments for other fees and expenses		(45,479)	(49,140)
<b>Net cash generated from/(used in) operating activities</b>		<u>1,785,679</u>	<u>(5,405,213)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		707,200	5,402,085
Payments for cancellation of units		(2,453,100)	-
<b>Net cash (used in)/generated from financing activities</b>		<u>(1,745,900)</u>	<u>5,402,085</u>
Net increase/(decrease) in cash and cash equivalents		39,779	(3,128)
Effects of foreign exchange differences		(21,397)	1,708
Cash and cash equivalents at the beginning of the financial year		<u>26,820</u>	<u>28,240</u>
Cash and cash equivalents at the end of the financial year	<b>9</b>	<u>45,202</u>	<u>26,820</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 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 Manager may adopt either a Replication Strategy or a Representative Sampling 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. Meanwhile, the Manager may decide to adopt a Representative Sampling Strategy if various circumstances make it impossible or impracticable to adopt a Replication Strategy.

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

The Manager, a company incorporated in Malaysia, is a subsidiary of CIMB Group Sdn Bhd and regards CIMB Group Holdings 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.

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

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

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

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

The Fund has applied the following amendments for the first time for the financial year beginning 1 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 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 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.

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

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

#### (i) Financial year beginning on/after 1 July 2016 (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.

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.

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

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

#### Recognition and measurement (continued)

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 quoted 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 quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

#### 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.

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

**(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 foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

**(g) 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.



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

### (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.

### (i) Segment information

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

### (j) Realised and unrealised portions of net income after tax

The analysis of realised and unrealised net income after tax as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on ETFs.

### (k) Critical accounting estimates and judgments in applying accounting policies

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

Estimates and 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:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Loans and receivables RM</b>	<b>Total RM</b>
<b>2016</b>			
Cash and cash equivalents (Note 9)	-	45,202	45,202
Quoted securities (Note 8)	14,096,447	-	14,096,447
Dividends receivable	-	322,872	322,872
	<u>14,096,447</u>	<u>368,074</u>	<u>14,464,521</u>
<b>2015</b>			
Cash and cash equivalents (Note 9)	-	26,820	26,820
Quoted securities (Note 8)	19,579,713	-	19,579,713
Dividends receivable	-	352,958	352,958
	<u>19,579,713</u>	<u>379,778</u>	<u>19,959,491</u>

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

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

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.

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

#### (a) Market risk (continued)

##### (i) Price risk (continued)

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

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
- Quoted securities	<u>14,096,447</u>	<u>19,579,713</u>

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices of the Benchmark Index. The analysis is based on the assumptions that the Underlying Index fluctuates by 26.97% (2015: 20.50%), 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 quoted securities, having regard to the historical volatility of the prices.

% Change in Benchmark Index	Underlying Index	Market value RM	Impact on profit after tax/ NAV RM
<b>2016</b>			
-26.97%	10,881	10,294,635	(3,801,812)
0%	14,899	14,096,447	-
26.97%	<u>18,917</u>	<u>17,898,259</u>	<u>3,801,812</u>
<b>2015</b>			
-20.50%	16,164	15,565,872	(4,013,841)
0%	20,332	19,579,713	-
20.50%	<u>24,500</u>	<u>23,593,554</u>	<u>4,013,841</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:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Cash and cash equivalents RM</b>	<b>Dividends receivable RM</b>	<b>Total RM</b>
<b>2016</b>				
HKD	<u>14,096,447</u>	<u>41,319</u>	<u>322,872</u>	<u>14,460,638</u>
<b>2015</b>				
HKD	<u>19,579,713</u>	<u>26,065</u>	<u>352,958</u>	<u>19,958,736</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 14.07% (2015: 7.62%), which is the standard deviation of the daily fluctuation of the exchange rate of HKD against 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.

	<b>Change in foreign exchange rate %</b>	<b>Impact on profit after tax/ NAV RM</b>
<b>2016</b>		
HKD	<u>14.07</u>	<u>2,034,612</u>
<b>2015</b>		
HKD	<u>7.62</u>	<u>1,520,856</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:

	<b>Cash and cash equivalents</b>	<b>Dividends receivable</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2016</b>			
Energy			
- A+	-	2,330	2,330
- AA3	-	26,506	26,506
Finance			
- Deutsche Bank (M) Berhad (AA1)	45,202	-	45,202
- AA3	-	19,607	19,607
- A1	-	19,619	19,619
- A2/A	-	175,723	175,723
- BAA1	-	21,845	21,845
- BAA2	-	3,328	3,328
- BB+	-	4,707	4,707
- Not Rated	-	21,650	21,650
Health Care			
- Not Rated	-	1,926	1,926
Industrials			
- A3	-	3,818	3,818
- BA3	-	1,676	1,676
- Not Rated	-	3,453	3,453
Telecommunications			
- A+	-	5,817	5,817
Utilities			
- Not Rated	-	10,867	10,867
	<u>45,202</u>	<u>322,872</u>	<u>368,074</u>

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

#### (b) Credit risk (continued)

	Cash and cash equivalents RM	Dividends receivable RM	Total RM
<b>2015</b>			
Consumer Products			
- Not Rated	-	2,699	2,699
Energy			
- AA3	-	44,244	44,244
- A+	-	9,295	9,295
- A3	-	4,475	4,475
- Not Rated	-	336	336
Finance			
- Deutsche Bank (M) Berhad (AA1)	26,820	-	26,820
- AA3	-	11,658	11,658
- A2/A	-	202,654	202,654
- BAA1	-	1,643	1,643
- BBB	-	18,344	18,344
- BB+	-	3,465	3,465
- Not Rated	-	7,153	7,153
Industrials			
- A2	-	821	821
- A3	-	5,142	5,142
Real Estate			
- BAA1	-	13,330	13,330
- BAA2	-	1,108	1,108
Telecommunications			
- AA3	-	19,041	19,041
- A+	-	6,204	6,204
Utilities			
- A3	-	1,267	1,267
- Not Rated	-	79	79
	<u>26,820</u>	<u>352,958</u>	<u>379,778</u>

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

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

#### (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.

	<b>Less than 1 month RM</b>	<b>Between 1 month to 1 year RM</b>	<b>Total RM</b>
<b>2016</b>			
Accrued management fee	7,144	-	7,144
Amount due to Trustee	1,018	-	1,018
Other payables and accruals	603	70,433	71,036
<b>Contractual undiscounted cash flows</b>	<u>8,765</u>	<u>70,433</u>	<u>79,198</u>
<b>2015</b>			
Accrued management fee	9,995	-	9,995
Amount due to Trustee	1,333	-	1,333
Other payables and accruals	-	63,008	63,008
<b>Contractual undiscounted cash flows</b>	<u>11,328</u>	<u>63,008</u>	<u>74,336</u>

### 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 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.



### 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
<b>2016</b>				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>14,096,447</u>	<u>-</u>	<u>-</u>	<u>14,096,447</u>
<b>2015</b>				
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).

- (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 year ended 30 June 2016, the management fee is recognised at a rate of 0.60% per annum (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 FEE

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 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 fee other than the amounts recognised above.

**6. OTHER EXPENSES**

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Printing costs	265	3,700
Listing fee	3,710	2,000
Other expenses	11,037	14,000
	<u>15,012</u>	<u>19,700</u>

**7. TAXATION**

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial year:		
- Current taxation	<u>49,626</u>	<u>55,162</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:

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
(Loss)/Profit before taxation	<u>(3,704,306)</u>	<u>4,960,953</u>
Taxation at Malaysian statutory rate of 24% (2015: 25%)	(889,033)	1,240,238
Tax effects of:		
Investment loss not deductible for tax purposes/(Investment income not subject to tax)	972,216	(1,140,764)
Expenses not deductible for tax purposes	18,217	25,101
Restriction on tax deductible expenses for ETFs	31,843	24,956
Effect of foreign tax on foreign taxable income	<u>(83,617)</u>	<u>(94,369)</u>
Taxation	<u>49,626</u>	<u>55,162</u>

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

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Designated at fair value through profit or loss at inception:		
- Quoted securities	<u>14,096,447</u>	<u>19,579,713</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised gain on disposals	593,912	492,304
- Unrealised fair value (loss)/gain	<u>(4,647,113)</u>	<u>4,063,168</u>
	<u>(4,053,201)</u>	<u>4,555,472</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 %
<b>2016</b>				
<b>QUOTED SECURITIES</b>				
<b>Basic Materials</b>				
Anhui Conch Cement Company Limited	9,500	107,323	91,806	0.64
<b>Consumer Products</b>				
Air China Limited	13,300	53,394	36,584	0.25
BYD Company Limited	5,700	115,262	137,413	0.96
Great Wall Motor Company Limited	24,700	153,681	82,300	0.57
Guangzhou Automobile Group Company Limited	17,100	64,706	82,093	0.57
Hengan International Group Company Limited	5,700	206,397	191,402	1.33
Qinqin Foodstuffs Group (Cayman) Company Limited	1,140	-	6,508	0.05
	67,640	593,440	536,300	3.73
<b>Energy</b>				
China Petroleum & Chemical Corporation	193,800	509,700	563,260	3.92
China Shenhua Energy Company Limited	28,500	293,953	210,927	1.47
CNOOC Limited	119,700	652,522	597,636	4.15
Hanergy Thin Film Power Group Limited *	102,900	332,879	-	-
Petrochina Company Limited	171,000	645,259	469,482	3.26
	615,900	2,434,313	1,841,305	12.80
<b>Finance</b>				
Agricultural Bank Of China Limited	212,800	335,367	312,554	2.17
Bank Of China Limited	437,000	718,803	700,821	4.87
Bank Of Communications Company Limited	66,500	179,791	168,771	1.17
China Cinda Asset Management Company Limited	74,100	143,146	100,375	0.70
China Citic Bank Corporation Limited	62,700	133,953	153,270	1.07
China Construction Bank Corporation Limited	475,000	1,315,314	1,262,208	8.77
China Everbright Bank Company Limited	26,600	48,243	48,871	0.34

## 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 %
<b>2016 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>Finance (continued)</b>				
China Huarong Asset Management Company Limited	47,500	73,818	75,437	0.52
China Life Insurance Company Limited	58,900	653,900	508,058	3.53
China Merchants Bank Company Limited	30,400	224,120	273,584	1.90
China Minsheng Banking Corporation Limited	53,200	176,331	206,529	1.44
China Overseas Land & Investment Limited	32,300	334,003	410,711	2.86
China Pacific Insurance (Group) Company Limited	20,900	276,767	283,109	1.97
China Resources Land Limited	22,800	213,802	214,181	1.49
China Vanke Company Limited	9,500	73,338	74,943	0.52
CITIC Securities Company Limited	19,000	196,251	167,637	1.17
Dalian Wanda Commercial Properties Company Limited	5,700	143,765	140,815	0.98
GF Securities Company Limited	13,300	140,243	121,488	0.84
Haitong Securities Company Limited	28,500	244,130	192,881	1.34
Huatai Securities Company Limited	13,300	116,254	113,757	0.79
Industrial And Commercial Bank Of China Limited	400,900	932,373	892,608	6.20
New China Life Insurance Company Limited	5,700	84,370	81,501	0.57
PICC Property And Casualty Company Limited	38,000	218,771	239,031	1.66
Ping An Insurance (Group) Company Of China Limited	36,100	649,606	639,831	4.45
The People's Insurance Company (Group) Of China Limited	49,400	95,586	76,147	0.53
	<u>2,240,100</u>	<u>7,722,045</u>	<u>7,459,118</u>	<u>51.85</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 %
<b>2016 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>Health Care</b>				
Sinopharm Group Company Limited	8,550	159,628	163,964	1.14
<b>Industrials</b>				
China Communications Construction Company Limited	36,100	130,023	155,508	1.08
China Railway Construction Corporation Limited	15,200	61,527	76,285	0.53
China Railway Group Limited	30,400	80,179	90,879	0.63
CITIC Limited	39,900	269,688	233,587	1.62
CRRC Corporation Limited	32,300	151,340	115,837	0.81
Fosun International Limited	19,000	157,604	98,610	0.69
Metallurgical Corporation of China Limited	15,200	26,742	18,696	0.13
Shanghai Electric Group Company Limited	19,000	44,832	32,048	0.22
	<u>207,100</u>	<u>921,935</u>	<u>821,450</u>	<u>5.71</u>
<b>Technology</b>				
Tencent Holdings Limited	14,250	593,886	1,302,392	9.05
<b>Telecommunications</b>				
China Mobile Limited	27,550	1,059,836	1,267,557	8.81
China Telecom Corporation Limited	133,000	252,861	238,833	1.66
China Unicom (Hong Kong) Limited	47,500	243,681	197,713	1.37
	<u>208,050</u>	<u>1,556,378</u>	<u>1,704,103</u>	<u>11.84</u>
<b>Utilities</b>				
CGN Power Company Limited	81,700	136,613	91,165	0.63
Huaneng Power International, Inc.	34,200	135,474	84,844	0.60
	<u>115,900</u>	<u>272,087</u>	<u>176,009</u>	<u>1.23</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 %
<b>2016 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>TOTAL QUOTED SECURITIES</b>	<b><u>3,486,990</u></b>	<b>14,361,035</b>	<b><u>14,096,447</u></b>	<b><u>97.99</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(264,588)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>14,096,447</u></b>		

- \* Trading in the securities of the counter has been suspended since 20 May 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 %
<b>2015</b>				
<b>QUOTED SECURITIES</b>				
<b>Basic Materials</b>				
Anhui Conch Cement Company Limited	10,500	120,387	139,002	0.70
<b>Communications</b>				
China Mobile Limited	31,500	1,185,865	1,521,607	7.65
China Telecom Corporation Limited	142,800	269,445	316,228	1.59
China Unicom (Hong Kong) Limited	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>
<b>Consumer Products</b>				
Air China Limited	14,700	61,326	62,673	0.32
BYD Company Limited	6,300	127,587	142,732	0.72
Dongfeng Motor Group Company Limited	25,200	132,255	127,554	0.64
Great Wall Motor Company Limited	9,450	184,028	174,774	0.88
Hengan International Group Company Limited	6,300	227,689	282,398	1.42
	<u>61,950</u>	<u>732,885</u>	<u>790,131</u>	<u>3.98</u>
<b>Energy</b>				
China Coal Energy Company Limited	23,100	47,991	52,054	0.26
China Oilfield Services Limited	16,800	125,910	101,062	0.51
China Petroleum & Chemical Corporation	222,600	588,754	724,791	3.65
China Shenhua Energy Company Limited	29,400	319,014	252,983	1.27
CNOOC Limited	132,300	742,920	708,295	3.56
Hanergy Thin Film Power Group Limited	102,900	332,879	195,818	0.99
Petrochina Company Limited	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>

## 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 %
<b>2015 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>Finance</b>				
Agricultural Bank Of China Limited	228,900	360,394	464,561	2.34
Bank Of China Limited	470,400	763,939	1,153,876	5.80
Bank Of Communications Company Limited	69,300	187,080	272,525	1.37
China Cinda Asset Management Company Limited	75,600	150,640	158,952	0.80
China Citic Bank Corporation Limited	67,200	140,735	202,125	1.02
China Construction Bank Corporation Limited	493,500	1,362,632	1,700,520	8.55
China Everbright Bank Company Limited	29,400	52,226	66,537	0.33
China Life Insurance Company Limited	52,500	588,069	862,372	4.34
China Merchants Bank Company Limited	39,900	287,879	438,877	2.21
China Minsheng Banking Corporation Limited	56,700	185,170	280,374	1.41
China Overseas Land & Investment Limited	33,600	328,225	447,258	2.25
China Pacific Insurance (Group) Company Limited	23,100	304,829	418,231	2.10
China Resources Land Limited	23,100	213,744	282,756	1.42
China Vanke Company Limited	12,600	85,088	117,007	0.59
Citic Pacific Limited	48,300	316,378	326,756	1.64
CITIC Securities Company Limited	10,500	105,135	142,834	0.72
Dalian Wanda Commercial Properties Company Limited	2,100	48,954	63,726	0.32
Haitong Securities Company Limited	25,200	229,228	251,429	1.26
Industrial And Commercial Bank Of China Limited	430,500	1,000,817	1,290,670	6.49
New China Life Insurance Company Limited	6,300	90,456	141,965	0.71



## 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 %
<b>2015 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>Finance (continued)</b>				
PICC Property And Casualty Company Limited	29,400	142,790	252,697	1.27
Ping An Insurance (Group) Company Of China Limited	16,800	526,568	856,086	4.31
The People's Insurance Company (Group) Of China Limited	54,600	106,123	131,806	0.66
	<u>2,299,500</u>	<u>7,577,099</u>	<u>10,323,940</u>	<u>51.91</u>
<b>Industrials</b>				
China Communications Construction Company Limited	39,900	137,446	225,264	1.13
China Railway Construction Corporation Limited	16,800	67,974	97,955	0.49
China Railway Group Limited	33,600	86,783	136,876	0.69
CRRC Corporation Limited	35,280	163,244	204,332	1.03
Metallurgical Corporation of China Limited	25,200	45,428	41,332	0.21
Shanghai Electric Group Company Limited	25,200	60,209	77,636	0.39
	<u>175,980</u>	<u>561,084</u>	<u>783,395</u>	<u>3.94</u>
<b>Technology</b>				
Lenovo Group Limited	56,700	280,946	296,380	1.49
Tencent Holdings Limited	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>
<b>Utilities</b>				
CGN Power Company Limited	56,700	91,244	112,039	0.56
China Resources Power Holdings Company Limited	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 %
<b>2015 (CONTINUED) QUOTED SECURITIES (CONTINUED)</b>				
<b>TOTAL QUOTED SECURITIES</b>	<u>3,658,830</u>	15,197,188	<u>19,579,713</u>	<u>98.46</u>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>4,382,525</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>19,579,713</u>		

**9. CASH AND CASH EQUIVALENTS**

	<b>2016 RM</b>	<b>2015 RM</b>
Bank balances	<u>45,202</u>	<u>26,820</u>

**10. OTHER PAYABLES AND ACCRUALS**

	<b>2016 RM</b>	<b>2015 RM</b>
Provision for audit fee	26,800	25,000
Provision for tax agent's fee	4,600	4,600
Other accruals - license fee & Goods and Services Tax ("GST")	<u>39,636</u>	<u>33,408</u>
	<u>71,036</u>	<u>63,008</u>

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

For the financial year ended 30 June 2016, the license fee was recognised at a rate of 0.04% per annum (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)**

	<b>2016 No of units</b>	<b>2015 No of units</b>
At the beginning of the financial year	13,650,000	9,750,000
Add: Creation of units from applications	650,000	3,900,000
Less: Cancellation of units	(1,950,000)	-
At the end of the financial year	<u>12,350,000</u>	<u>13,650,000</u>

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

	<b>2016 %</b>	<b>2015 %</b>
MER	<u>1.23</u>	<u>1.28</u>

MER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee's and custodian fees
C	=	Audit fee
D	=	License fee
E	=	Tax agent's fee
F	=	Other expenses excluding GST on transaction costs
G	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on daily basis is RM15,856,002 (2015: RM13,798,084).

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

	<b>2016</b>	<b>2015</b>
PTR (times)	<u>0.25</u>	<u>0.50</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	=	RM3,517,018 (2015: RM9,887,779)
total disposal for the financial year	=	RM4,353,171 (2015: RM3,829,126)

**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 year.

Significant related party transactions and balances

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

## 15. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with all brokers/dealers/financial institutions for the 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 Securities (Singapore) Pte Ltd #	2,837,013	33.52	1,418	31.19
CLSA Ltd (Hong Kong)	2,165,462	25.58	746	16.41
JP Morgan Securities (Asia Pacific) Ltd	1,308,249	15.46	654	14.38
Credit Suisse (Hong Kong) Ltd	1,272,992	15.04	636	13.99
UBS Securities Asia Ltd	553,998	6.55	277	6.09
China International Capital Corporation Securities Ltd	326,386	3.85	816	17.94
	<u>8,464,100</u>	<u>100.00</u>	<u>4,547</u>	<u>100.00</u>

Details of transactions with all brokers/dealers/financial institutions for the 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 Securities (Singapore) Pte Ltd #	4,278,152	30.19	2,139	22.80
Macquarie Bank Hong Kong Ltd	4,053,111	28.59	2,026	21.59
UBS Securities Asia Ltd	3,007,486	21.22	1,504	16.03
CLSA Ltd (Hong Kong)	2,607,188	18.39	3,194	34.05
China International Capital Corporation Securities Ltd	122,390	0.86	306	3.26
JP Morgan Securities (Asia Pacific) Ltd	106,205	0.75	213	2.27
	<u>14,174,532</u>	<u>100.00</u>	<u>9,382</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CIMB Securities (Singapore) Pte Ltd, fellow subsidiary of the Manager amounting to RM2,837,013 (2015: RM4,278,152). 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 party.

**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 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 the 50 largest and most liquid Chinese stocks (Red Chips, H shares and P Chips) listed and trading on the HKEx, Hong Kong.

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

**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:

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Creation		
- Non cash component	-	-
- Cash component	707,200	5,402,085
	<u>707,200</u>	<u>5,402,085</u>
Cancellation		
- Non cash component	-	-
- Cash component	(2,453,100)	-
	<u>(2,453,100)</u>	<u>-</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.

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Total retained earnings of the Fund:		
- Realised amount	(551,352)	1,077,270
- Unrealised amount	<u>2,860,431</u>	<u>4,983,941</u>
	<u><u>2,309,079</u></u>	<u><u>6,061,211</u></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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**Postal address**

CIMB-Principal Asset Management Berhad (Company No.: 304078-K)  
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(03) 7718 3100



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

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

\* *Independent director*

**Investment Committee**

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

\* *Independent member*

**Audit Committee**

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

\* *Independent member*

**Company Secretaries**

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**Investment Adviser**

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**CORPORATE DIRECTORY****Fund Administration and Fund Accounting Service Provider**

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**Trustee**

Deutsche Trustees Malaysia Berhad

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**Auditors of the Manager and of the Fund**

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