

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Annual Report and Financial Statements
31 December 2017



**CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)**

General information

Manager

CIMB-Principal Asset Management (S) Pte. Ltd.
50 Raffles Place
#22-03A Singapore Land Tower
Singapore 048623

Directors of the Manager

Goh Zee Wei Ken (Resigned on 30 June 2017)
Christopher Leow
Alejandro Elias Echegorri Rodriguez

Trustee/Registrar

DBS Trustee Limited
12 Marina Boulevard
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

Custodian

State Street Bank and Trust Company
One Lincoln Street
Boston, Massachusetts
02110, United States of America

Auditor

Ernst & Young LLP

Contents

	Page
Manager's investment report	1
Report of the trustee	7
Statement by the manager	8
Independent auditor's report	9
Financial statements	
Statement of total return	12
Statement of financial position	13
Statement of movements of unitholders' funds	14
Statement of portfolio	15
Notes to the financial statements	19

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

About CIMB FTSE ASEAN 40 (the "Fund")

CIMB FTSE ASEAN 40 (the "Fund") is an exchange traded fund, designed to track the performance of the FTSE/ASEAN 40 Index. Units of the Fund were listed and traded on SGX-ST since 21 September 2006.

Details of the Fund

Fund Base Currency	United States dollars ("USD")
Trading Currencies	USD, Singapore dollars ("SGD")
Listing Date of USD counter on SGX-ST	21 September 2006
Listing Date of SGD counter on SGX-ST	15 June 2012
Stock Codes on SGX-ST	M62 (USD counter), QS0 (SGD counter)
Board Lot	100 units
Number of units as at 31 December 2017	2.4 million
NAV per unit as at 31 December 2017	USD10.519
Management Fee	0.65% per annum

Performance

Cumulative Performance (%) as at 31 December 2017:

	Period	Fund's Performance	Index's Performance
3 month	30/09/2017 - 31/12/2017	9.80%	9.35%
6 month	30/06/2017 - 31/12/2017	13.22%	12.14%
1 Year	31/12/2016 - 31/12/2017	30.52%	29.06%
3 Years	31/12/2014 - 31/12/2017	10.92%	6.69%
5 Years	31/12/2012 - 31/12/2017	10.40%	2.80%
Since Inception	21/09/2006 - 31/12/2017	118.85%	82.29%

The Fund's performance is calculated on a NAV-to-NAV basis on the assumption that all dividend distributions made by the Fund are re-invested.

The Fund aims to mirror the performance of FTSE/ASEAN 40 Index (the "Index"), using full replication strategy, that involves investing in all index securities in substantially the same proportion or weighting as the Index.

The Index is a tradable index launched by FTSE in conjunction with 5 ASEAN Exchanges – PT Bursa Efek Jakarta (Jakarta Stock Exchange), Bursa Malaysia Berhad, The Philippine Stock Exchange, Inc., Singapore Exchange Securities Trading Limited ("SGX-ST") and The Stock Exchange of Thailand ("SET") (collectively, the "Exchanges"). The Index is the first collaborative effort amongst the 5 Exchanges under the ASEAN umbrella. The Index represents the performance of the 40 largest stocks of the Exchanges and is subject to rigorous ground rules such as free float adjustment and liquidity screening to ensure that these stocks are highly investable. The transparent and freely available index rules are governed and maintained by an independent committee of leading market professionals.

**CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)**

Manager's investment report

Performance (cont'd)

From 1 January 2017 to 31 December 2017, the NAV of the Fund increased by 30.52%, while the value of the Index increased by 29.06%.

The top 10 holdings of the Fund as at 31 December 2017 represented US\$12,358,068 (being approximately 48.95% of the Fund's NAV), while it was US\$16,040,773 as at 31 December 2016 (approximately 49.53% of the Fund's NAV).

ASEAN countries rode on the global economic recovery with decent returns in 2017. The favorable liquidity environment under a flat U.S. Treasury curve and a weak U.S. dollar was beneficial for both Asian economies and flows into Asian assets. Within the ASEAN markets, the open-economies of Singapore and Thailand were the outperformers.

The Singapore stock market had its first outperformance in four years relative to other ASEAN markets in 2017, reflecting growing hopes that an export-led pickup will feed into the domestic economy. Total export rose by 10.7% year-on-year ("YoY") in U.S. dollar terms, compared with a 5.5% YoY decline in 2016. Real GDP and private consumption also rose much faster moving to the second half of 2017.

The end of Thailand's 12-month mourning period for King Bhumibol Adulyadej in October raised the expectations of a pickup in consumption. Passenger car sales rose by 34.9% YoY in November while the consumer confidence index rose to 78 in November, the highest level since February 2015. Whilst employment trends remained weak, income growth has started to improve. Export growth also picked up with 13.4% YoY growth in U.S. dollar terms in November, with most of the pickup driven by exports to China.

With commodity prices continuing to recover, Indonesia has finally seen a pickup in real investment which grew 7.1% YoY in the third quarter, the biggest increase since 2013. However, the economy continues to grow well below potential. Inflation was weak, being four percentage points lower than where it was in 2015. The Indonesian Rupiah remained stable compared to its highly volatile history, depreciating by only 0.7% against the U.S. dollar in 2017.

The Malaysian market's pre-election momentum story continued with a pickup in private sector investment, partially driven by growing Chinese investment. Private-sector investment to GDP rose from 17.2% to 18.9% from 2016 to 2017. The backdrop of accelerating private sector investment was positive for the stock market. The attractive valuation of the Malaysian Ringgit also helped investment sentiment.

The Comprehensive Tax Reform Program passed in the last quarter of 2017 was partially good news to the Philippines market. The tax reform should also provide a boost to consumption, especially as employment trends continue to improve. Remittance income held up as a result of the relative weakness of the Philippine Peso. The Business Process Outsourcing sector experienced decelerated growth. Towards the end of 2017, the Philippines moved into a marginal current account deficit. This is the fifth consecutive year of depreciation for the Philippine Peso; the currency has depreciated by 18% since the end of 2012.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

Performance (cont'd)

(a) *Investments at market value and as a percentage of NAV classified by:*

	2017		2016	
	Market value USD	% of NAV	Market value USD	% of NAV
(i) Country				
Singapore	7,669,198	30.38	9,562,467	29.52
Malaysia	5,525,502	21.88	7,179,517	22.17
Indonesia	4,778,561	18.92	6,461,937	19.95
Thailand	5,570,370	22.08	7,168,652	22.13
Philippines	1,623,649	6.43	1,911,210	5.90
(ii) Industry				
Telecommunication	3,415,615	13.53	5,217,033	16.11
Consumer Goods	2,238,908	8.86	2,744,675	8.47
Consumer Services	1,748,778	6.93	2,209,624	6.82
Oil & Gas	1,624,234	6.43	2,242,274	6.92
Financials	11,956,356	47.36	14,375,131	44.38
Real estate	1,277,093	5.06	1,264,940	3.91
Industrials	1,411,212	5.59	2,280,252	7.04
Healthcare providers	243,841	0.97	398,184	1.23
Basic Materials	324,781	1.29	451,382	1.39
Utilities	926,459	3.67	1,100,288	3.40
(iii) Asset Class				
Equities	25,167,280	99.69	32,283,783	99.67
Other net assets	78,630	0.31	105,627	0.33

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

Performance (cont'd)

(b) *Details of top 10 holdings of the Fund:*

2017	Cost USD	Market value USD	Net assets %
DBS Group Holdings	1,157,143	2,008,983	7.96
Overseas Chinese Banking	1,218,165	1,831,743	7.26
United Overseas Bank	1,028,159	1,528,512	6.05
Singapore Telecom	1,053,845	1,200,689	4.76
PTT (NVDR)	780,491	1,166,493	4.62
PUBLIC BANK	928,106	954,997	3.78
Bank Central Asia	428,031	940,082	3.72
Telekomunikasi Indonesia	604,223	934,470	3.70
Tenaga Nasional	808,909	926,459	3.67
Kasikornbank (NVDR)	543,158	865,640	3.43
	8,550,230	12,358,068	48.95
2016			
DBS Group Holdings Ltd	1,916,320	2,179,357	6.73
Oversea-Chinese Banking Corporation Limited	2,028,816	2,055,658	6.35
Singapore Telecommunications Limited	1,710,997	1,862,281	5.75
United Overseas Bank Limited	1,627,045	1,744,616	5.39
PT Telekomunikasi Indonesia Tbk	1,050,181	1,499,712	4.63
PTT Public Company Limited	1,276,393	1,487,564	4.59
PT Bank Central Asia Tbk	875,797	1,420,397	4.38
Public Bank Berhad	1,563,624	1,376,312	4.25
PT Astra International Tbk	880,433	1,243,108	3.84
The Siam Cement Public Company Limited	1,115,485	1,171,768	3.62
	14,045,091	16,040,773	49.53

Exposure to derivatives

The Fund had no exposure to derivatives for the financial years ended 31 December 2017 and 2016.

**CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)**

Manager's investment report

Creations/redemptions for the year ended 31 December 2017

Total creations during the financial year under review amounted to USD 477,400 (equivalent to 50,000 units) (2016: USD 6,386,750 (equivalent to 750,000 units)) while total redemptions amounted to USD 14,585,000 (equivalent to 1,550,000 units) (2016: USD12,894,750 (equivalent to 1,500,000 units)).

Other information

During the financial year, the Fund had no exposure to other unit trusts, mutual funds and collective investment schemes and had no borrowings. There is no other material information that will adversely impact the valuation of the Fund.

	2017 %
Expense Ratio ¹	0.74
Turnover Ratio ²	3.35

¹ The expense ratio is computed in accordance with the revised IMAS guidelines on disclosure of expense ratios. Refer to Note 9 to the financial statements for details.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". Refer to Note 9 to the financial statements for details.

Changes in investment personnel

During the financial year, Mr. Goh Zee Wei Ken tendered his resignation as Chief Executive Officer and Director of the Manager. This role is now subsumed by Mr. Christopher Leow. Ms. Zhang Yuzheng was added as Portfolio Manager.

Soft dollar commissions

During the financial year under review, no soft dollar commissions were received from brokers.

Information on the manager

The Manager of the Fund is CIMB-Principal Asset Management (S) Pte. Ltd. (Company Registration Number 200607208K), a private limited company, incorporated in Singapore on 18 May 2006. The Manager is wholly-owned by CIMB-Principal Asset Management Berhad in Malaysia, which has been managing discretionary and mutual funds in Malaysia for more than 16 years.

The Manager obtained its capital markets services licence on 24 April 2007 and presently manages the Fund and several other discretionary accounts, with total assets under management of about SGD3.71 billion as at 31 December 2017 (2016: SGD2.34 billion).

**CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)**

Manager's investment report

Directors of the manager

(a) ***Christopher Leow***

Mr Leow is the Chief Investment Officer and a Director of the Manager, and is responsible for leading the International Investment team based in Singapore. He joined CIMB-Principal Asset Management Berhad in December 2003 and was transferred to CIMB-Principal(S) in May 2007. He has more than 20 years of experience in the equities and fund management industry. Mr Leow is a CFA and a Certified Financial Planner. He has been registered with the Monetary Authority of Singapore under the Securities and Futures Act as a Representative of CIMB-Principal(S) in fund management since September 2007. Mr Leow holds a Bachelor of Commerce in Accounting and Finance (Hons) from the University of Western Australia.

(b) ***Alejandro Elias Echegorri Rodriguez***

Mr Echegorri is the Chief Executive Officer, ASEAN Region, of CIMB-Principal. He was appointed as Executive Director of CIMB-Principal on 28 March 2016 and Director of CIMB-Principal(S) on 4 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. Mr Echegorri holds a degree in Economics from the Universidad Mayor de la Republica, Uruguay, and a Master in Economics from Universidad Centro de Estudios Macroeconomicos de Argentina.

Appointed portfolio manager of the Fund

The appointed individuals/portfolio managers of the Fund who will be primarily performing the investment management functions for the Fund are Mr. Christopher Leow, Mr. James Gan Seng Chen, Mr. Shawn Ho Jian Hong, and Ms. Zhang Yuzheng.

Please see the write-up above for more information on Mr. Leow's qualifications, experience and employment history.

James joined the Manager in November 2012 and has more than 8 years of experience in the fund management industry as a research analyst and portfolio manager. James holds a Bachelor of Science in Mathematics and Economics from the University of Warwick in the United Kingdom and is a Chartered Financial Analyst ("CFA") charter-holder.

Shawn joined the Manager in 2015 and focuses primarily on the Singapore and China equity markets, where he covers a range of sectors. Shawn holds a Masters in Real Estate Finance from the University of Cambridge.

Yuzheng joined the Manager in 2017 and focuses primarily on asset allocation models. Yuzheng holds a Masters of Economics from Columbia University.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Report of the trustee
For the financial year ended 31 December 2017

The Trustee is under a duty to take into custody and hold the assets of CIMB FTSE ASEAN 40 (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each financial year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements set out on pages 12 to 29, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee:
DBS Trustee Limited



Director

Singapore
23 March 2018

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Statement by the manager
For the financial year ended 31 December 2017

In the opinion of CIMB-Principal Asset Management (S) Pte. Ltd., the accompanying financial statements, as set out in pages 12 to 29, comprising the statement of total return, statement of financial position, statement of movements of unitholders' funds, statement of portfolio and notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of CIMB FTSE ASEAN 40 (the "Fund") as at 31 December 2017, and the financial performance and movements in unitholders' funds for the financial year then ended, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of CIMB-Principal Asset Management (S) Pte. Ltd.:



Christopher Leow
Director/Chief Executive Officer

Singapore
23 March 2018

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Independent auditor's report
For the financial year ended 31 December 2017

Independent auditor's report to the unitholders of CIMB FTSE ASEAN 40

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CIMB FTSE ASEAN 40 (the "Fund"), which comprise the statement of financial position and statement of portfolio as at 31 December 2017, and the statement of total return and statement of movements of unitholders' funds for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Fund are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants so as to present fairly in all material aspects, the financial position and portfolio holdings of the Fund as at 31 December 2017 and of the financial performance and movements of unitholders' funds of the Fund for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to report.

Other information

Management is responsible for other information. The other information comprises general information, Manager's investment report, Report of the trustee and Statement by the manager, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Independent auditor's report
For the financial year ended 31 December 2017

Independent auditor's report to the unitholders of CIMB FTSE ASEAN 40

Responsibilities of the Manager for the financial statements

The Fund's Manager (the "Manager") is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and 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.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Independent auditor's report
For the financial year ended 31 December 2017

Independent auditor's report to the unitholders of CIMB FTSE ASEAN 40

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yap Swee Gek.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
23 March 2018

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of total return
For the financial year ended 31 December 2017

	Note	2017 USD	2016 USD
Investment income			
Dividends		927,072	1,076,523
		<hr/>	<hr/>
		927,072	1,076,523
		<hr/>	<hr/>
Less: Expenses			
Management fees	3, 8	(207,147)	(236,258)
Transaction fees		(33,882)	(45,048)
Others		(10,008)	(28,669)
		<hr/>	<hr/>
		(251,037)	(309,975)
		<hr/>	<hr/>
Net investment income		676,035	766,548
		<hr/>	<hr/>
Net gain on value of investments			
Net change in unrealised gain in fair value of investments		5,092,410	2,306,934
Net realised gains on investments		2,624,166	343,966
Net foreign exchange losses		(4,767)	(52,838)
		<hr/>	<hr/>
Net gain on value of investments		7,711,809	2,598,062
		<hr/>	<hr/>
Total return for the year before income tax and distribution			
		8,387,844	3,364,610
Less: Income tax expense	4	(58,744)	(63,912)
		<hr/>	<hr/>
Total return for the year after income tax before distribution		8,329,100	3,300,698
Less: Distribution	5	(1,365,000)	(1,627,500)
		<hr/>	<hr/>
Total return for the year after income tax and distribution		6,964,100	1,673,198
		<hr/>	<hr/>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of financial position
As at 31 December 2017

	Note	2017 USD	2016 USD
Assets			
Portfolio of investments (cost: USD 18,811,189; 2016: USD31,020,102)		25,167,280	32,283,783
Net dividend receivables		39,109	42,027
Cash and cash equivalents	6	85,703	121,143
Total assets		25,292,092	32,446,953
Liabilities			
Due to the Manager	8	43,820	54,669
Other payables		2,362	2,874
Total liabilities		46,182	57,543
Equity			
Net assets attributable to unitholders	7	25,245,910	32,389,410

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of movements of unitholders' funds
For the financial year ended 31 December 2017

	Note	2017 USD	2016 USD
Net assets attributable to unitholders at beginning of year		32,389,410	37,224,212
Operations			
Change in net assets attributable to unitholders resulting from operations		8,329,100	3,300,698
Unitholders' contributions/(withdrawals)			
Creation of units		477,400	6,386,750
Cancellation of units		(14,585,000)	(12,894,750)
Change in net assets attributable to unitholders resulting from net cancellation and creation of units		(14,107,600)	(6,508,000)
Distribution to unitholders	5	(1,365,000)	(1,627,500)
Total decrease in net assets attributable to unitholders		(7,143,500)	(4,834,802)
Net assets attributable to unitholders at end of year		25,245,910	32,389,410

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of portfolio
As at 31 December 2017

Primary - by Industry			Percentage of total net assets attributable to unitholders at 31 December 2017
Quoted	Holdings at 31 December 2017	Fair value at 31 December 2017 USD	%
EQUITIES			
Telecommunications			
Advanced Info Service Public Company Limited (NVDR) ¹	67,500	395,597	1.57
Axiata Group Berhad	265,931	360,752	1.43
Digi.com Berhad	221,100	278,628	1.10
Maxis Berhad	165,300	245,479	0.97
Singapore Telecommunications Limited	449,300	1,200,689	4.76
Pt Telekomunikasi Indonesia Tbk	2,855,500	934,470	3.70
		3,415,615	13.53
Consumer goods			
PT Astra International Tbk	1,221,200	747,076	2.96
PT Gudang Garam Tbk	27,900	172,325	0.68
PT HM SAMPOERNA TBK	527,500	183,901	0.73
JG Summit Holdings, Inc.	182,460	263,529	1.04
Sime Darby Plantation Bhd	212,901	315,643	1.25
Unilever Indonesia	69,200	285,114	1.13
Wilmar International Limited	117,300	271,320	1.07
		2,238,908	8.86
Consumer services			
CP ALL Public Company Limited (NVDR) ¹	315,000	744,247	2.95
Jardine Cycle & Carriage Limited	5,966	181,628	0.72
Singapore Airlines Limited	30,700	245,205	0.97
SM Investments Corporation	29,130	577,698	2.29
		1,748,778	6.93
Oil and gas			
Petronas Gas Berhad	46,800	202,141	0.80
PTT Public Company Limited (NVDR) ¹	86,400	1,166,493	4.62
PTT Exploration & Production Public Company Limited	83,300	255,600	1.01
		1,624,234	6.43

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of portfolio
As at 31 December 2017

Primary - by Industry (cont'd)			Percentage of total net assets
Quoted (cont'd)	Holdings at 31 December 2017	Fair value at 31 December 2017 USD	attributable to unitholders at 31 December 2017 %
EQUITIES (cont'd)			
Financials			
Bangkok Bank Public Company Limited (NVDR) ¹	28,800	178,509	0.71
PT Bank Mandiri (Persero) Tbk	1,117,400	658,868	2.61
PT Bank Rakyat Indonesia (Persero) Tbk	3,193,300	856,725	3.39
CIMB Group Holdings Berhad	384,802	621,845	2.46
DBS Group Holdings Ltd	108,000	2,008,983	7.96
Kasikornbank PCL(NVDR) ¹	121,600	865,640	3.43
Malayan Banking Berhad	347,394	841,231	3.33
Oversea-Chinese Banking Corporation Limited	197,500	1,831,743	7.26
Public Bank Berhad	185,990	954,997	3.78
PT Bank Central Asia Tbk	582,400	940,082	3.72
The Siam Commercial Bank Public Company Limited	145,400	669,224	2.66
United Overseas Bank Limited	77,200	1,528,512	6.05
		11,956,359	47.36
Real Estate			
Ayala Land, Inc.	418,100	373,543	1.48
Sime Darby Property Bhd	212,701	93,553	0.37
SM Prime Holdings, Inc.	544,300	408,879	1.62
CapitaLand Limited	151,800	401,118	1.59
		1,277,093	5.06
Industrials			
Airports of Thailand Public Company Limited	259,100	540,620	2.14
The Siam Cement Public Company Limited	50,800	754,440	2.99
Sime Darby Berhad	212,701	116,152	0.46
		1,411,212	5.59
Healthcare providers			
IHH Healthcare Berhad	168,400	243,841	0.97
		243,841	0.97
Basic materials			
Petronas Chemicals Group Berhad	170,700	324,781	1.29
		324,781	1.29

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of portfolio
As at 31 December 2017

Primary - by Industry (cont'd)	Holdings at 31 December 2017	Fair value at 31 December 2017 USD	Percentage of total net assets attributable to unitholders at 31 December 2017 %
Quoted (cont'd)			
Utilities			
Tenaga Nasional Berhad	245,700	926,459	3.67
		926,459	3.67
Portfolio of investments		25,167,280	99.69
Other net assets		78,630	0.31
Net assets attributable to unitholders		25,245,910	100.00

¹ Non-voting Depository Receipts.

Summary	Percentage of total net assets attributable to unitholders at 31 December 2017 %	Percentage of total net assets attributable to unitholders at 31 December 2016 %
Quoted equities		
Telecommunications	13.53	16.11
Consumer goods	8.86	8.47
Consumer services	6.93	6.82
Oil and gas	6.43	6.92
Financials	47.36	44.38
Real estate	5.06	3.91
Industrials	5.59	7.04
Healthcare providers	0.97	1.23
Basic materials	1.29	1.39
Utilities	3.67	3.40
Portfolio of investments	99.69	99.67
Other net assets	0.31	0.33
Net assets attributable to unitholders	100.00	100.00

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of portfolio
As at 31 December 2017

Secondary - by Geography	Fair value at 31 December 2017 USD	Fair value at 31 December 2016 USD	Percentage of total net assets attributable to unitholders at 31 December 2017 %	Percentage of total net assets attributable to unitholders at 31 December 2016 %
By country of listing				
Singapore	7,669,198	9,562,467	30.38	29.52
Thailand	5,570,370	7,168,652	22.08	22.13
Malaysia	5,525,502	7,179,517	21.88	22.17
Indonesia	4,778,561	6,461,937	18.92	19.95
Philippines	1,623,649	1,911,210	6.43	5.90
Portfolio of investments	25,167,280	32,283,783	99.69	99.67
Other net assets	78,630	105,573	0.31	0.33
Net assets attributable to unitholders	25,245,910	32,389,356	100.00	100.00

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

**CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)**

**Notes to the financial statements
For the financial year ended 31 December 2017**

1. Corporate information

CIMB FTSE ASEAN 40 (the "Fund") is a Singapore-domiciled fund constituted by a Trust Deed dated 6 September 2006 between CIMB-GK Securities Pte. Ltd., (the "Retired Managers") and DBS Trustee Limited (the "Trustee"). This Trust Deed was amended by the First Supplemental Deed dated 15 June 2007 and was entered into by the Retired Managers, the Trustee and CIMB-Principal Asset Management (S) Pte. Ltd. (the "Manager"). A Second Amending and Restating Deed dated 13 March 2012 was entered into by the Trustee and the Manager. The Deed is governed by the laws of the Republic of Singapore.

The Fund was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 21 September 2006.

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

The Manager will generally invest the Fund's assets in all of the Index securities in the same approximate proportion as their weightings within the Index. However, various circumstances may make it impossible or impracticable to purchase each component Index security in such weightings. In those circumstances, the Manager may employ, alone or in combination with, other investment techniques in seeking to closely track the performance of the Index.

There is no change in the principal activity of the Fund during the year.

The Manager is a private limited company incorporated in Singapore and its immediate holding company is CIMB-Principal Asset Management Berhad, a company incorporated in Malaysia. The Manager is principally engaged in the business of fund management and investment advisory.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Fund which are expressed in United States dollar ("USD" or "US\$"), have been prepared under the historical cost basis, as modified by the revaluation of financial investments at fair value, and in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") revised and issued by the Institute of Singapore Chartered Accountants.

2.2 Income recognition

Dividend income is recognised and credited to income when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 31 December 2017

2. Summary of significant accounting policies (cont'd)

2.3 *Distribution policy*

The Manager on behalf of the Trustee shall determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid out on the distribution date. This amount shall not be treated as part of the property of the Fund.

2.4 *Financial assets and financial liabilities*

Classification

(a) Financial assets and financial liabilities at fair value through profit or loss

The Fund classifies its investments in securities as financial assets or liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held-for-trading or designated by the Manager at fair value through profit or loss at inception.

A financial asset or financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Financial assets and liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Manager to evaluate the information on these financial assets on a fair value basis together with other related financial information.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category amounts relating to net dividend receivables.

Recognition/derecognition

Purchases and sales of investments in the Fund are recognised at fair value on the trade date - the date on which the Fund commits to purchase or sell the investments. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

2. Summary of significant accounting policies (cont'd)

2.4 Financial assets and financial liabilities (cont'd)

Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are recognized in profit or loss. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the financial assets and financial liabilities at fair value through profit or loss category are included in profit or loss in the period in which they arise.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets is the last traded price, where it falls within the bid-ask spread.

2.5 Investments

Investment transactions are accounted for on a trade date basis. Unrealised gains or losses on quoted investments are taken to the Statement of total return. The realised gains or losses are taken to the Statement of total return upon the disposal of investments and are computed using the weighted average cost method.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments, if any, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into USD at exchange rates ruling at the end of the reporting period. Transactions arising in foreign currencies during the year are translated at exchange rates prevailing at transaction dates. All exchange differences are taken to the Statement of total return.

3. Expenses

The management fees for the Fund are currently set at 0.65% of its net asset value per annum (maximum 2.0% per annum).

Fees paid to the trustee, custodian, registrar, index provider and auditors are borne by the Manager.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 31 December 2017

4. Income tax

The Fund was granted the status of a Designated Unit Trust (“DUT”) by the Inland Revenue of Singapore up to 31 May 2015. In accordance to Section 35(12) of the Income Tax Act (Chapter 134) of Singapore (“ITA”), subject to certain conditions, the following income (amongst others prescribed under Sections 10(20) and 10(20A) of the ITA) shall not form part of the statutory income of the Fund and is thus not taxable for the year of assessment:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) dividends derived from outside Singapore and received in Singapore;
- (c) gains or profits derived from foreign exchange transactions; transactions in future contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index; and
- (d) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

With effect from 1 June 2015, the Fund has been approved by the Monetary Authority of Singapore (“MAS”) under the Enhanced-Tier Fund (“ETF”) Tax Incentive Scheme (Section 13X of the ITA). With this the Fund has relinquished its DUT status with effect from 1 June 2015. Subject to certain conditions being met on an annual basis, for the life of the Fund, it will be granted exemption from Singapore tax on the specified income in respect of designated investments. The tax exemption does not apply in the year when the relevant conditions are not met. The terms “specified income” and “designated investments” are defined in the relevant Income Tax Regulations and MAS Circular.

	2017	2016
	USD	USD
Overseas income tax	58,744	63,912

The overseas income tax represents tax deducted at source on dividends derived from outside Singapore.

5. Distribution

	2017	2016
	USD	USD
Final US\$0.35 (2016: US\$0.35) per unit	1,365,000	1,627,500

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 31 December 2017

6. Cash and cash equivalents

Cash and cash equivalents comprise of:

	2017 USD	2016 USD
Bank balances	85,703	121,143

The bank balances are placed with the sub-custodian.

7. Units in issue

During the financial year ended 31 December, the numbers of units issued, redeemed and outstanding were as follows:

	2017	2016
Units at beginning of year	3,900,000	4,650,000
Units created	50,000	750,000
Units cancelled	(1,550,000)	(1,500,000)
Units at end of year	2,400,000	3,900,000
Net assets attributable to unitholders - USD	25,245,910	32,389,410
Net Asset Value ("NAV") per unit - USD	10.519	8.305

8. Related party transactions

The Fund is managed by CIMB-Principal Asset Management (S) Pte. Ltd, which is incorporated in Singapore. CIMB-Principal Asset Management (S) Pte. Ltd. is a wholly-owned subsidiary of CIMB-Principal Asset Management Berhad, which is incorporated in Malaysia. The Trustee of the Fund is DBS Trustee Limited, incorporated in Singapore and a wholly-owned subsidiary of DBS Group Holdings Ltd.

The Trustee has appointed State Street Bank and Trust Company ("SSBT") as the custodian of the Fund. SSBT is a subsidiary of State Street Corporation, which is incorporated in the United States of America.

Management fees paid or payable by the Fund are shown in the Statement of total return and on terms set out in the Trust Deed and Prospectus. Fees that are borne by the Manager are set out in Note 3 to the financial statements.

**CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)**

**Notes to the financial statements
For the financial year ended 31 December 2017**

9. Financial ratios

	2017	2016
	%	%
Expense ratio ¹	0.74	0.80
Turnover ratio ²	3.35	7.51

¹ The expense ratio is computed in accordance with the revised IMAS guidelines on disclosure of expense ratios. The calculation of the expense ratio was based on total operating expenses divided by the average net asset value for the year. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The Fund does not pay any performance fees. The average net asset value is based on the daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". The calculation of the portfolio turnover ratio was based on the total value of purchases (or sales) of the underlying investments divided by the weighted average daily net asset value. In accordance with the Fund's Trust Deed, units are issued through a creation of an Index Basket. For each creation Unit (comprising 50,000 units), the Fund receives an Index Basket consisting of constituent shares plus or minus a cash payment as determined by the Manager on a daily basis. For the purpose of computation of the portfolio turnover rate, the value of the Index Baskets received is not considered as part of purchases or sales.

10. Financial risk management

The Manager continually monitors the Fund's exposure to risk and that appropriate procedures are in place to manage the risks.

(a) *Liquidity risk*

The Fund is exposed to cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Fund maintains sufficient cash and cash equivalents and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

The Fund's investments in listed securities are considered to be readily realisable as they are listed on recognised regional stock exchanges.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 31 December 2017

10. Financial risk management (cont'd)

(a) **Liquidity risk (cont'd)**

The tables below analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant:

2017	Due on demand USD	Less than 3 months USD
Due to the Manager	–	43,820
Other payables	–	2,362
Net assets attributable to unitholders	25,245,910	–
<hr/>		
2016		
Due to the Manager	–	54,669
Other payables	–	2,874
Net assets attributable to unitholders	32,389,410	–
<hr/>		

(b) **Market risk**

Market risk is the risk of potential adverse changes to the value of investments because of changes in market conditions like interest and currency rate movements and volatility in security prices. The Fund is designated to track the performance of the FTSE/ASEAN 40 Index, therefore the exposure to market risk in the Fund will be substantially the same as the FTSE/ASEAN 40 Index. As an indexed fund, the Manager manages the Fund's exposure to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned to the Index characteristics.

(i) **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subject to significant risk of fluctuations in the prevailing levels of market interest rates.

(ii) **Market price risk**

The Fund's market risk is affected by changes in actual market prices. If the Index in fund currency ("US\$") had increased/decreased by 5% (2016: 5%) with all other variables held constant, this would have increased/decreased the NAV of the Fund by approximately US\$1,258,364 (2016: US\$1,614,189) for the financial year ended 31 December 2017 ("being 5% of the year end NAV").

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 31 December 2017

10. Financial risk management (cont'd)

(b) Market risk (cont'd)

(iii) Foreign currency risk

The Fund holds assets denominated in currencies other than USD, the functional currency. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Fund's policy is not to enter into any currency hedging transactions.

The table below summarises the Fund's exposure to currency risks:

2017	SGD USD	THB USD	PHP USD	IDR USD	MYR USD	Total USD
Assets						
Portfolio of investments	7,669,198	5,570,370	1,623,649	4,778,561	5,525,502	25,167,280
Net dividend receivables	32,960	6,149	—	—	—	39,109
Cash and bank balances	1,002	—	—	—	28,754	29,756
Total assets	7,703,160	5,576,519	1,623,649	4,778,561	5,554,256	25,236,145
2016						
Assets						
Portfolio of investments	9,562,467	7,168,652	1,911,210	6,461,937	7,179,517	32,283,783
Net dividend receivables	34,629	7,398	—	—	—	42,027
Cash and bank balances	—	—	—	5,831	25,005	30,836
Total assets	9,597,096	7,176,050	1,911,210	6,467,768	7,204,522	32,356,646

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 31 December 2017

10. Financial risk management (cont'd)

(b) Market risk (cont'd)

(iii) Foreign currency risk (cont'd)

Portfolio of investments, which is a significant item in the statement of financial position are exposed to currency risk and other price risk. The Manager has considered the impact of currency risk sensitivity on non-monetary assets as part of the price risk sensitivity analysis.

The analysis below calculates the effect of a reasonably possible movement of the currency rate against the USD on the net assets attributable to unitholders, with all other variable held constant:

Foreign exchange ("FX") position	Net assets attributable to unitholders impact of a 5% increase/(decrease) in FX rate %
2017	
SGD/USD	±1.53%
THB/USD	±1.10%
PHP/USD	±0.32%
IDR/USD	±0.95%
MYR/USD	±1.10%
2016	
SGD/USD	±1.48%
THB/USD	±1.11%
PHP/USD	±0.30%
IDR/USD	±1.00%
MYR/USD	±1.11%

(c) Credit risk

The Fund takes on credit risk, which is the risk that the counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as participating dealers, brokers, custodians and banks.

Concentrations of credit risk are minimised primarily by ensuring:

- counterparties, together with the respective credit limits, are approved; and
- that the securities transactions are undertaken on recognised exchanges.

As such, the Fund does not have a concentration of credit risk that arises from an exposure to a single counterparty. Furthermore, the Fund does not have a material exposure to group of counterparties which are expected to be affected similarly by changes in economic or other conditions.

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 31 December 2017

10. Financial risk management (cont'd)

(c) Credit risk (cont'd)

The Fund invests in financial assets, which have an investment grade as rated by Standard & Poor's. The credit ratings are reviewed regularly.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as for sales transaction, delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Credit risk also arises from cash and cash equivalents and investments held with financial institutions. The tables below summarise the credit rating of banks and custodians in which the Fund's assets are held as at 31 December 2017 and 31 December 2016:

2017	Amount USD	Credit rating	Source of credit rating
<i>Custodian</i>			
State Street Bank and Trust Company	25,252,983	A	Standard & Poor's
2016			
<i>Custodian</i>			
State Street Bank and Trust Company	32,404,926	A	Standard & Poor's

The credit rating is based on the Long-Term Local Issuer rating published by the rating agency.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets.

Impairment provisions are provided for losses that have been incurred by the end of the reporting period, if any. The Manager has in place procedures for proper credit screening and monitoring of credit risk.

(d) Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

CIMB FTSE ASEAN 40
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 31 December 2017

10. Financial risk management (cont'd)

(d) *Fair value estimation (cont'd)*

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2017 and 2016:

2017	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Equities	25,167,280	–	–	25,167,280
2016				
Assets				
Equities	32,283,783	–	–	32,283,783

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

The Fund does not invest in any Level 2 and 3 investments and there is no transfer between levels during the year.

(e) *Capital management*

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholders' redemptions.

11. Authorisation of financial statements

The financial statements of the Fund for the financial year ended 31 December 2017 were authorised for issue by Trustee on 23 March 2018.

