

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

Annual Report and Financial Statements
31 December 2018



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

Christopher Leow
Alejandro Elias Echegarri 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 2018	1.95 million
NAV per unit as at 31 December 2018	USD9.509
Management Fee	0.65% per annum

Performance

Cumulative Performance (%) as at 31 December 2018:

	Period	Fund's Performance	Index's Performance
3 month	30/09/2018 - 31/12/2018	(3.55%)	(3.03%)
6 month	30/06/2018 - 31/12/2018	2.04%	2.29%
1 Year	31/12/2017 - 31/12/2018	(6.13%)	(5.59%)
3 Years	31/12/2015 - 31/12/2018	33.14%	37.14%
5 Years	31/12/2013 - 31/12/2018	13.16%	18.36%
Since Inception	21/09/2006 - 31/12/2018	113.47%	104.21%

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 July 2018 to 31 December 2018, the NAV of the Fund increased by 2.04%, while the value of the Index increased by 2.29%.

The top 10 holdings of the Fund as at 31 December 2018 represented US\$ 9,317,819 (50.26% of the Fund's NAV), while it was US\$ 12,358,068 as at 31 December 2017 (48.95% of the Fund's NAV).

The second half of 2018 continued to be difficult for Asian economies. Market sentiment was fragile due to uncertainty created by the escalating U.S.-China trade war. U.S. announced a series of tariffs in September against China and increasingly targeted China for Intellectual Property violation. With the appreciating U.S. Dollar and rising U.S. interest rates, currencies were weak across Asia. Amidst turmoil in Turkey, ASEAN declined along with other emerging markets. Compared to North Asian countries, ASEAN countries are more insulated and less exposed to the trade tensions between US and China.

Singapore's economy continued to record decent growth supported by increased activity in its externally-oriented sectors. Although manufacturing sectors faltered due to slowing demand for its electronics cluster, externally-oriented services were robust and continued to drive economic expansion. The Monetary Authority of Singapore continued to normalize monetary policy by increasing further the slope of Singapore Dollar nominal effective exchange rate policy band. Although the Singapore Dollar depreciated 2.5% in 2018 against the U.S. Dollar, the former has outperformed most Asian currencies.

Malaysia's real GDP growth surged to annualized 6.7% quarter-on-quarter in the third quarter of 2018, as a result of temporary private consumption increase from withdrawal of the Goods and Services Tax on 1 June 2018 to the introduction of the Sales and Services Tax on 1 September 2018. Malaysia's export growth surged in October led by a sharp rise in exports to China. However, manufacturing PMI fell to a six-month low of 48.2 in November 2018. New orders decreased sharply, an indication of weak domestic demand following the "tax holiday" between June – September 2018. Malaysia's foreign reserves fell by U.S. Dollar 7.4 billion from April 2018 to November 2018 with the Malaysian Ringgit depreciating by 2.8% in 2018. Political risk also remained a concern.

Thailand's current account surplus has been supported by strong tourism revenues. However, tourist arrivals have fallen sharply since the ferry accidents in July. Chinese tourist arrivals from August to October declined by 15% year-on-year. The private consumption has been supported by government subsidies to rural and low income families, which is not sustainable due to high household debt level. Public infrastructure has not picked up, either. Domestic demand and balance of payments surplus were subdued. Bank of Thailand increased interest rates by 25bps at the end of 2018.

The increasing oil prices added pressure to Philippines' rising inflationary environment and Indonesia's current account deficit position in the third quarter. With the ASEAN central banks hiking rates to support the currencies, Philippines and Indonesia saw a total hike of 175 basis points in 2018. Rising interest rates and currency depreciation are adding cost pressures to companies. In the final quarter of 2018, inflation expectations were expected to ease on the back of a weakening USD and lower crude oil prices. In addition, the dovish remarks by Federal Reserve Chairman Jerome Powell further eased the pressure on emerging markets currencies. The Indonesian Rupiah and Philippines Peso were the best performing currencies, appreciating 3.36% and 3.14% in the last quarter, respectively.

2018 ended with a truce on the US-China dispute, agreed at the G20 summit in Buenos Aires in December. Results season concluded with mixed signals. Indonesia and Philippines showed better than expected earnings for the third quarter through cost cutting. Meanwhile, Singapore and Thailand corporates reported earnings that were in-line to slightly below expectations. Lastly, Malaysian corporates continued to report weaker than expected earnings.

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:*

	2018		2017	
	Market value USD	% of NAV	Market value USD	% of NAV
(i) Country				
Singapore	5,485,250	29.59	7,669,198	30.38
Malaysia	3,841,648	20.72	5,525,502	21.88
Indonesia	3,704,251	19.98	4,778,561	18.92
Thailand	4,364,912	23.54	5,570,370	22.08
Philippines	957,530	5.16	1,623,649	6.43
<hr/>				
(ii) Industry				
Telecommunication	2,199,881	11.86	3,415,615	13.53
Consumer Goods	1,375,387	7.42	2,238,908	8.86
Consumer Services	1,228,853	6.63	1,748,778	6.93
Oil & Gas	1,207,571	6.51	1,624,234	6.43
Financials	9,241,568	49.84	11,956,356	47.36
Real estate	828,297	4.47	1,277,093	5.06
Industrials	952,650	5.14	1,411,212	5.59
Healthcare providers	174,776	0.94	243,841	0.97
Basic Materials	519,979	2.81	324,781	1.29
Utilities	624,629	3.37	926,459	3.67
<hr/>				
(iii) Asset Class				
Equities	18,353,591	98.99	25,167,280	99.69
Other net assets	188,171	1.01	78,630	0.31
<hr/>				

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:**

2018	Cost USD	Market value USD	Net assets %
DBS Group Holdings	1,120,742	1,505,894	8.12
Overseas Chinese Banking	1,079,905	1,319,941	7.12
United Overseas Bank	918,021	1,109,153	5.98
PTT Public Company Limited (NVDR)	747,673	975,245	5.26
Public Bank Berhad	778,974	886,088	4.78
Bank Central Asia	445,175	837,497	4.52
Singapore Telecommunications Limited	836,792	768,444	4.15
PT Bank Rakyat Indonesia (Persero) Tbk	354,881	646,379	3.48
Malayan Banking Berhad	635,283	644,549	3.48
Tenaga Nasional Berhad	643,928	624,629	3.37
	7,561,374	9,317,819	50.26
2017			
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 Telecommunications Limited	1,053,845	1,200,689	4.76
PTT Public Company Limited (NVDR)	780,491	1,166,493	4.62
Public Bank Berhad	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 Berhad	808,909	926,459	3.67
Kasikornbank PCL (NVDR)	543,158	865,640	3.43
	8,550,230	12,358,068	48.95

Creations/redemptions for the year ended 31 December 2018

Total creations during the financial year under review amounted to USD 6,635,400 (equivalent to 700,000 units) (2017: USD 477,400.00 (equivalent to 50,000 units)) while total redemptions amounted to USD 10,969,900 (equivalent to 1,150,000 units) (2017: USD 14,585,000 (equivalent to 1,550,000 units)).

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

Manager's investment report

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.

	2018 %
Expense Ratio ¹	<u>0.79</u>
Turnover Ratio ²	<u>9.56</u>

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.

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 2018 (2017: SGD3.71 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 Executive 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 Investment Officer for Asia, Principal International, and a Director of the Manager, and was previously 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 2018**

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
26 March 2019

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 2018

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 2018, 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
26 March 2019

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 2018

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 2018, 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 2018 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 2018**

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 2018**

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
26 March 2019

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 2018

	Note	2018 USD	2017 USD
Investment income			
Dividends		859,095	927,072
		859,095	927,072
Less: Expenses			
Management fees	3, 8	(176,892)	(207,147)
Transaction fees		(38,749)	(33,882)
Others		(15,439)	(10,008)
		(231,080)	(251,037)
Net investment income		628,015	676,035
Net (loss)/gain on value of investments			
Net change in unrealised (loss)/gain in fair value of investments		(3,801,657)	5,092,410
Net realised gains on investments		1,808,186	2,624,166
Net foreign exchange losses		(44,808)	(4,767)
Net (loss)/gain on value of investments		(2,038,279)	7,711,809
Total (deficit)/return for the year before income tax and distribution			
		(1,410,264)	8,387,844
Less: Income tax expense	4	(47,384)	(58,744)
Total (deficit)/return for the year after income tax before distribution		(1,457,648)	8,329,100
Less: Distribution	5	(912,000)	(1,365,000)
Total (deficit)/return for the year after income tax and distribution		(2,369,648)	6,964,100

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 2018

	Note	2018 USD	2017 USD
Assets			
Portfolio of investments (cost: USD 15,799,157; 2017: USD18,811,189)		18,353,591	25,167,280
Net dividend receivables		32,793	39,109
Cash and cash equivalents	6	250,668	85,703
Total assets		18,637,052	25,292,092
Liabilities			
Due to the Manager	8	88,375	43,820
Other payables		6,915	2,362
Total liabilities		95,290	46,182
Equity			
Net assets attributable to unitholders	7	18,541,762	25,245,910

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 2018

	Note	2018 USD	2017 USD
Net assets attributable to unitholders at beginning of year		25,245,910	32,389,410
Operations			
Change in net assets attributable to unitholders resulting from operations		(1,457,648)	8,329,100
Unitholders' contributions/(withdrawals)			
Creation of units		6,635,400	477,400
Cancellation of units		(10,969,900)	(14,585,000)
Change in net assets attributable to unitholders resulting from net cancellation and creation of units		(4,334,500)	(14,107,600)
Distribution to unitholders	5	(912,000)	(1,365,000)
Total decrease in net assets attributable to unitholders		(6,704,148)	(7,143,500)
Net assets attributable to unitholders at end of year		18,541,762	25,245,910

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 2018

Primary - by Industry			Percentage of total net assets attributable to unitholders at 31 December 2018 %
Quoted	Holdings at 31 December 2018	Fair value at 31 December 2018 USD	
EQUITIES			
Telecommunications			
Advanced Info Service Public Company Limited (NVDR) ¹	53,700	285,991	1.54
Axiata Group Berhad	213,231	202,782	1.09
Digi.com Berhad	175,800	191,434	1.03
Maxis Berhad	131,600	170,371	0.92
Singapore Telecommunications Limited	357,300	768,444	4.15
Pt Telekomunikasi Indonesia Tbk	2,227,400	580,859	3.13
		2,199,881	11.86
Consumer goods			
PT Astra International Tbk	971,200	555,502	3.00
PT Gudang Garam Tbk	22,200	129,101	0.70
PT HM SAMPOERNA TBK	419,500	108,230	0.58
Sime Darby Plantation Bhd	169,301	195,009	1.05
Unilever Indonesia	55,000	173,644	0.94
Wilmar International Limited	93,400	213,901	1.15
		1,375,387	7.42
Consumer services			
CP ALL Public Company Limited (NVDR) ¹	250,500	531,703	2.87
Jardine Cycle & Carriage Limited	4,766	123,667	0.67
Singapore Airlines Limited	24,400	168,714	0.91
SM Investments Corporation	23,170	404,769	2.18
		1,228,853	6.63
Oil and gas			
PTT Public Company Limited (NVDR) ¹	686,700	975,245	5.26
PTT Exploration & Production Public Company Limited (NVDR) ¹	66,300	232,326	1.25
		1,207,571	6.51

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 2018

Primary - by Industry (cont'd)		Fair value at 31 December 2018 USD	Percentage of total net assets attributable to unitholders at 31 December 2018 %
Quoted (cont'd)	Holdings at 31 December 2018		
EQUITIES (cont'd)			
Financials			
Bangkok Bank Public Company Limited (NVDR) ¹	22,900	143,523	0.77
PT Bank Mandiri (Persero) Tbk	888,600	455,732	2.46
PT Bank Negara Indonesia (Persero) Tbk	355,100	217,307	1.17
PT Bank Rakyat Indonesia (Persero) Tbk	2,539,600	646,379	3.48
CIMB Group Holdings Berhad	323,310	446,727	2.41
DBS Group Holdings Ltd	86,600	1,505,894	8.12
Kasikornbank PCL(NVDR) ¹	96,700	552,316	2.98
Malayan Banking Berhad	280,379	644,549	3.48
Oversea-Chinese Banking Corporation Limited	159,700	1,319,941	7.12
Public Bank Berhad	147,890	886,088	4.78
PT Bank Central Asia Tbk	463,200	837,497	4.52
The Siam Commercial Bank Public Company Limited (NVDR) ¹	115,600	476,462	2.57
United Overseas Bank Limited	61,500	1,109,153	5.98
		9,241,568	49.84
Real Estate			
Ayala Land, Inc.	332,800	257,268	1.39
SM Prime Holdings, Inc.	433,500	295,493	1.59
CapitaLand Limited	120,700	275,536	1.49
		828,297	4.47
Industrials			
Airports of Thailand Public Company Limited (NVDR) ¹	206,100	408,828	2.21
The Siam Cement Public Company Limited (NVDR) ¹	40,400	543,822	2.93
		952,650	5.14
Healthcare providers			
IHH Healthcare Berhad	134,000	174,776	0.94
		174,776	0.94
Basic materials			
Petronas Chemicals Group Berhad	135,800	305,283	1.65
PTT Global Chemical PCL (NVDR) ¹	97,600	214,696	1.16
		519,979	2.81

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 2018

Primary - by Industry (cont'd)	Holdings at 31 December 2018	Fair value at 31 December 2018 USD	Percentage of total net assets attributable to unitholders at 31 December 2018 %
Quoted (cont'd)			
Utilities			
Tenaga Nasional Berhad	189,800	624,629	3.37
		624,629	3.37
Portfolio of investments		18,353,591	98.99
Other net assets		188,171	1.01
Net assets attributable to unitholders		18,541,762	100.00

¹ Non-voting Depository Receipts.

Summary	Percentage of total net assets attributable to unitholders at 31 December 2018 %	Percentage of total net assets attributable to unitholders at 31 December 2017 %
Quoted equities		
Telecommunications	11.86	13.53
Consumer goods	7.42	8.86
Consumer services	6.63	6.93
Oil and gas	6.51	6.43
Financials	49.84	47.36
Real estate	4.47	5.06
Industrials	5.14	5.59
Healthcare providers	0.94	0.97
Basic materials	2.81	1.29
Utilities	3.37	3.67
Portfolio of investments	98.99	99.69
Other net assets	1.01	0.31
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 2018

Secondary - by Geography	Fair value at 31 December 2018 USD	Fair value at 31 December 2017 USD	Percentage of total net assets attributable to unitholders at 31 December 2018 %	Percentage of total net assets attributable to unitholders at 31 December 2017 %
By country of listing				
Singapore	5,485,250	7,669,198	29.59	30.38
Thailand	4,364,912	5,570,370	23.54	22.08
Malaysia	3,841,648	5,525,502	20.72	21.88
Indonesia	3,704,251	4,778,561	19.98	18.92
Philippines	957,530	1,623,649	5.16	6.43
Portfolio of investments	18,353,591	25,167,280	98.99	99.69
Other net assets	188,171	78,630	1.01	0.31
Net assets attributable to unitholders	18,541,762	25,245,910	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 2018

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.

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) Financial assets carried at amortised cost

Non-derivative financial assets carried at amortised cost that are not quoted in an active market include cash and cash equivalents and 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.

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 2018

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 2018

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.

	2018	2017
	USD	USD
Overseas income tax	47,384	58,744

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

5. Distribution

	2018	2017
	USD	USD
Final US\$0.38 (2017: US\$0.35) per unit	912,000	1,365,000

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 2018

6. Cash and cash equivalents

Cash and cash equivalents comprise of:

	2018 USD	2017 USD
Bank balances	250,668	85,703

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:

	2018	2017
Units at beginning of year	2,400,000	3,900,000
Units created	700,000	50,000
Units cancelled	(1,150,000)	(1,550,000)
Units at end of year	1,950,000	2,400,000
Net assets attributable to unitholders - USD	18,541,762	25,245,910
Net Asset Value ("NAV") per unit - USD	9.509	10.519

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 2018

9. Financial ratios

	2018	2017
	%	%
Expense ratio ¹	0.79	0.74
Turnover ratio ²	9.56	3.35

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 2018

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:

2018	Due on demand USD	Less than 3 months USD
Due to the Manager	-	88,375
Other payables	-	6,915
Net assets attributable to unitholders	18,541,762	-
<hr/>		
2017		
Due to the Manager	-	43,820
Other payables	-	2,362
Net assets attributable to unitholders	25,245,910	-
<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% (2017: 5%) with all other variables held constant, this would have increased/decreased the NAV of the Fund by approximately US\$917,680 (2017: US\$1,258,364) for the financial year ended 31 December 2018 ("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 2018

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:

2018	SGD USD	THB USD	PHP USD	IDR USD	MYR USD	Total USD
Portfolio of investments	5,485,250	4,364,912	957,530	3,704,251	3,841,648	18,353,591
Net dividend receivables	17,614	8,327	-	-	6,852	32,793
Cash and bank balances	4,444	-	-	-	2,549	6,993
Total assets	5,507,308	4,373,239	957,530	3,704,251	3,851,049	18,393,377
2017						
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

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 %
2018	
SGD/USD	±1.49%
THB/USD	±1.18%
PHP/USD	±0.26%
IDR/USD	±1.00%
MYR/USD	±1.04%
2017	
SGD/USD	±1.53%
THB/USD	±1.10%
PHP/USD	±0.32%
IDR/USD	±0.95%
MYR/USD	±1.10%

(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 2018

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 2018 and 31 December 2017:

2018	Amount USD	Credit rating	Source of credit rating
<i>Custodian</i>			
State Street Bank and Trust Company	18,604,259	A	Standard & Poor's
2017			
<i>Custodian</i>			
State Street Bank and Trust Company	25,252,983	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).

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 2018 and 2017:

2018	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Equities	18,353,591	-	-	18,353,591
2017				
Assets				
Equities	25,167,280	-	-	25,167,280

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 2018 were authorised for issue by Trustee on 26 March 2019.