

CIMB FTSE ASEAN 40

(Constituted under a Trust Deed in the Republic of Singapore)

ANNUAL REPORT

For the financial year ended 31 December 2011

CIMB FTSE ASEAN 40

(Constituted under a Trust Deed in the Republic of Singapore)

FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

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CIMB FTSE ASEAN 40

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MANAGER'S INVESTMENT REPORT

For the financial year ended 31 December 2011

About the CIMB FTSE ASEAN 40 (the "Fund")

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 Currency	US Dollar
Listing Date on SGX-ST	21-Sep-06
Stock Code on SGX-ST	M62
Board Lot	100 units
Price as at 31 December 2011	USD 9.54
NAV as at 31 December 2011	USD 152.36 million
Number of units as at 31 December 2011	16 million
NAV per unit as at 31 December 2011	USD 9.523
Management Fee	0.65% per annum

Performance

Cumulative Performance (%) as at 31 December 2011:

<u>From 31/12/2011</u>	<u>Period</u>	<u>Fund's Performance</u>	<u>Index's Performance</u>
1 Month	30/11/2011 - 31/12/2011	2.03%	1.48%
3 Month	30/09/2011 - 31/12/2011	5.18%	4.66%
6 Month	30/06/2011 - 31/12/2011	-7.11%	-11.01%
1 Year	31/12/2010 - 31/12/2011	-4.68%	-6.10%
3 Years	31/12/2008 - 31/12/2011	104.48%	92.79%
5 Years	29/12/2006 - 31/12/2011	38.83%	29.12%
Since Inception	21/09/2006 - 31/12/2011	66.60%	52.93%

The Fund's performance is calculated on a bid-to-bid basis with dividends reinvested at the bid price, in line with the Code on Collective Investment Schemes.

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). The Fund 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 5 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.

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MANAGER'S INVESTMENT REPORT

For the financial year ended 31 December 2011

Performance (continued)

From 1 January 2011 to 31 December 2011, the NAV of the Fund decreased by 4.23%, while the Index decreased by 6.10%.

The top 10 holdings of the Fund as of 31 December 2011 represented US\$70,566,953, approximately 46.31% of the Fund's net assets, while it was US\$72,064,161 as of 31 December 2010, 42.19% of the Fund.

South-East Asia outperformed the Asia-Pacific ex-Japan market in 2011, with the FTSE/ASEAN 40 index down 6.10% and the Fund down 4.23%. This is in comparison to the returns of -15.23% for the Asia-Pac ex-Japan market (MSCI Asia Pacific ex-Japan Index). Philippines was the best performing market - up 7.48% (Philippine Stock Exchange Index), followed by Indonesia - up 3.49% (Jakarta Composite Index), Malaysia - up 1.57% (FTSE Bursa Malaysia KLCI Index), Thailand - down 1.22% (Stock Exchange of Thailand Index) and Singapore - down 14.85% (FTSE Straits Times Index). (All returns are in USD terms)

The ASEAN markets started 2011 on a weaker note as most bourses underperformed, dragged by inflationary concerns. The markets slipped as the central bank of China announced further measures to avoid overheating and tame inflation. The markets were further hit as S&P downgraded Japan's sovereign rating which consequently led to a sharp plunge across the region. In Indonesia, even though Moody's upgraded the sovereign credit rating to Baa1, which is a notch below investment grade, it was still unable to restore confidence among investors. ASEAN markets remained jittery as the political upheaval in the Middle East left a negative impact among investors. The earthquake and tsunami disaster in Japan followed by the nuclear accident, social unrest in Libya, and the Gulf Cooperation Council's efforts to minimize contagion in Bahrain, collectively increased risk aversion. The ASEAN markets, however, received a boost as a few of the world's largest central banks came together to help alleviate Japan's situation through intervention in the foreign-exchange markets. Easing nuclear concerns from Japan further improved sentiment. Libya, however, continued to make news, as foreign armed forces began to enter the country as an effort to resolve the on-going crisis. The common fear among investors was the possibility that the crisis in Libya would lead to a longer shutdown in oil production and consequently cause oil prices to move even higher. Stubborn inflation and fear of further monetary tightening in the region also led to weaker sentiment among investors.

Stock markets in the second quarter of 2011 were hit by the same headwinds which the markets faced a year earlier in 2010: European sovereign debt crisis and concerns about the US economy. The Asian markets were in a policy tightening mode to combat the worsening inflation environment. Bank Indonesia left the benchmark interest rate unchanged at 6.75% in its policy board meeting in June 2011. The policy statement tone was that of comfort - the overall economic performance was satisfactory, characterized by large capital inflows, trend exchange rate appreciation, and decelerating inflation pressure. The government announced new infrastructure projects worth Rp190 trillion as part of a program to accelerate long term growth. Markets were nervous ahead of the Thailand elections, but cheered the prospect for a stable government post elections.

CIMB FTSE ASEAN 40

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MANAGER'S INVESTMENT REPORT

For the financial year ended 31 December 2011

Performance (continued)

The ASEAN markets were strong at the start of the third quarter of 2011 as investors cheered the Thailand general election which saw the opposition party victorious. Investor confidence was further boosted by a rally on Wall Street, fuelled by encouraging US manufacturing data. However, global markets were soon shaken by the continued debt concerns in the Eurozone as well as a downgrade of the United States' credit rating. The global situation led investors to retreat from risky assets to defensives, including a massive sell down by foreigners in the ASEAN markets. The ASEAN markets were further dragged down on news of the possibility of a debt default in Greece. Positive sentiment was restored temporarily as France and Germany came forward to reiterate their support to Greece and extended efforts to avoid further financial deterioration to the debt-ridden country. However, the move was unable to completely pare down earlier losses as most regional bourses remained in negative territory due to continued macro uncertainty. The situation was further worsened as S&P downgraded Italy's credit rating and as markets reacted negatively to the Fed's USD 400 billion debt-swap program. Into the final week of September 2011, leaders of the debt-troubled Eurozone region struggled to find a plan to solve the crisis and investors were left unimpressed by the lack of commitment from the G20 meeting to avoid another global financial crisis. Markets temporarily surged on plans to leverage money from the European Financial Stability Facility (EFSF) to buy sovereign debt to help European banks, but the recovery were insufficient to wipe out earlier losses.

The ASEAN markets rallied during the last quarter of 2011. Renewed optimism emerged from the Eurozone as EU leaders collaborated on ways to solve the debt turmoil in the region. However, some correction was seen in November 2011, as most investors remained concerned on the resurfacing of the Eurozone debt crisis and its contagion effect, pushing regional markets lower. Most ASEAN bourses rebounded towards the end of the quarter as the European Central Bank extended a €500 billion facility to banks in the Eurozone at an interest rate of 1.0% per annum. This was effectively "quantitative easing" following the United States Federal Reserve's lead. Markets were further encouraged by the improving economic numbers coming out of the United States. Both the Manufacturing and Services Indicators strengthened while initial jobless claims fell. Lower inflation in the Asia ex-Japan region also raised the possibility of interest rate cuts in the region. ASEAN markets continued on an uptrend on news of China's reserve requirement ratio cut and of an agreement among global central banks to make cheaper dollar loans accessible to the struggling European banks. Despite the heavy flooding in Thailand which caused disruption to the agriculture and manufacturing industry, the Stock Exchange of Thailand Index remained resilient and closed in positive territory for the quarter. Indonesia received positive news in December 2011 as Fitch Ratings upgraded the nation's sovereign debt rating to investment grade. In the Philippines, the market took its cue from the strong US market and was boosted by the successful awarding of the first public-private partnership (PPP) projects and expectations that the central bank may ease monetary policy in 2012 amid a benign inflation trend.

CIMB FTSE ASEAN 40*(Constituted under a Trust Deed in the Republic of Singapore)***MANAGER'S INVESTMENT REPORT***For the financial year ended 31 December 2011***Performance** (continued)**Investments at market value and as a percentage of NAV as at 31 December 2011 classified by:**

	<u>Market value</u> USD	<u>% of NAV</u>
(i) Country		
Singapore	54,748,546	35.93
Malaysia	45,702,108	30.00
Indonesia	31,317,343	20.55
Thailand	17,804,309	11.68
Philippines	1,105,023	0.73
(ii) Industry		
Telecommunications	22,276,842	14.62
Consumer Goods	22,201,481	14.56
Consumer Services	12,895,027	8.47
Oil & Gas	13,165,105	8.64
Financials	63,959,244	41.98
Industrials	10,628,380	6.98
Basic Materials	2,879,054	1.89
Utilities	2,672,196	1.75
(iii) Asset Class		
Equities	150,677,329	98.89
Other net assets	1,686,281	1.11

Details of Top 10 Holdings of the Fund**As at 31 December 2011**

	<u>Cost</u> USD	<u>Market value</u> USD	<u>% of total</u> <u>assets</u>
1 Astra International Tbk	3,394,038	10,765,261	7.06
2 Singapore Telecommunications Limited	7,150,664	8,756,170	5.75
3 DBS Group Holdings Limited	7,398,026	7,096,600	4.65
4 Overseas-Chinese Banking Corporation Limited	5,773,797	6,994,032	4.59
5 Malayan Banking Bhd	5,400,387	6,820,290	4.48
6 Public Bank Bhd (Foreign Market)	4,872,409	6,717,426	4.41
7 United Overseas Bank Limited	6,463,320	6,584,684	4.32
8 Sime Darby Bhd	4,846,310	5,926,751	3.89
9 CIMB Group Holdings Berhad	3,743,522	5,894,435	3.87
10 PT Bank Central Asia Tbk	2,219,751	5,011,304	3.29
	<u>51,262,224</u>	<u>70,566,953</u>	<u>46.31</u>

CIMB FTSE ASEAN 40*(Constituted under a Trust Deed in the Republic of Singapore)***MANAGER'S INVESTMENT REPORT***For the financial year ended 31 December 2011***Performance** (continued)**Details of Top 10 Holdings of the Fund** (continued)**As at 31 December 2010**

	<u>Cost</u> USD	<u>Market value</u> USD	<u>% of total</u> <u>assets</u>
1 Singapore Telecommunications Limited	6,645,641	8,580,167	5.00
2 Overseas-Chinese Banking Corporation Limited	4,907,256	8,484,520	4.95
3 DBS Group Holdings Limited	6,907,256	8,480,966	4.94
4 Astra International Tbk	2,670,226	8,274,806	4.82
5 United Overseas Bank Limited	5,654,835	7,545,217	4.40
6 CIMB Group Holdings Berhad	2,942,489	6,832,199	3.98
7 Public Bank Bhd (Foreign Market)	4,394,904	6,734,362	3.93
8 Malayan Banking Bhd	4,511,310	6,622,943	3.86
9 Sime Darby Bhd	4,501,471	5,812,823	3.39
10 Wilmar International Limited	4,208,643	5,001,519	2.92
	<u>47,151,489</u>	<u>72,064,161</u>	<u>42.19</u>

Exposure to derivatives

<u>No. of Warrants</u>	<u>Warrants on FTSE ASEAN Tradable Index</u> <u>Index Return ASEAN Securities Access</u>	<u>Fair value</u> USD	<u>Percentage of</u> <u>total net assets</u> %
NIL	(IRAAPs)	-	-
		Unrealised gain as at 31 December <u>2011</u> USD	
		-	
		Net gain on realisation of IRAAPs for the financial year ended 31 December <u>2011</u> USD	
		<u>5,520,267</u>	

CIMB FTSE ASEAN 40*(Constituted under a Trust Deed in the Republic of Singapore)***MANAGER'S INVESTMENT REPORT***For the financial year ended 31 December 2011***Index constituent's weights**

<u>Constituent name</u>	<u>As at 31.12.2011 %</u>	<u>Constituent name</u>	<u>As at 31.12.2010 %</u>
DBS Group Holdings Limited	4.65	DBS Group Holdings Limited	5.62
Overseas-Chinese Banking Corporation Limited	4.59	Overseas-Chinese Banking Corporation Limited	5.62
Singapore Telecommunications Limited	5.75	Singapore Telecommunications Limited	5.50
Astra International Tbk	7.06	Astra International Tbk	5.31
United Overseas Bank Limited	4.32	United Overseas Bank Limited	4.76
CIMB Group Holdings Berhad	3.87	CIMB Group Holdings Berhad	4.48
Public Bank Bhd (Foreign Market)	4.41	Public Bank Bhd (Foreign Market)	4.34
Malayan Banking Bhd	4.48	Malayan Banking Bhd	4.26
Sime Darby Bhd	3.89	Sime Darby Bhd	3.74
Wilmar International Limited	3.03	Wilmar International Limited	3.26
Keppel Corp Limited	2.82	Keppel Corp Limited	3.08
Genting Singapore PLC	2.17	Genting Singapore PLC	3.02
Genting Bhd	2.92	Genting Bhd	2.93
Axiata Group Bhd	3.09	Axiata Group Bhd	2.84
IOI Corporation Bhd	2.48	IOI Corporation Bhd	2.74
Capitaland Limited	1.60	Capitaland Limited	2.67
PTT Public Company Limited (NVDR)	2.61	PTT Public Company Limited (NVDR)	2.65
Telekomunikasi Indonesia	2.34	Telekomunikasi Indonesia	2.59
PT Bank Central Asia Tbk	3.29	PT Bank Central Asia Tbk	2.54
Noble Group Ltd	1.26	Noble Group Ltd	2.22
PTT Exploration & Production Public Company Limited	2.11	PTT Exploration & Production Public Company Limited	2.15
Bank Rakyat Indonesia	2.77	Bank Rakyat Indonesia	2.07
Singapore Airlines Limited	1.44	Singapore Airlines Limited	2.06
City Developments Limited	1.44	City Developments Limited	1.94
Siam Commercial Bank PCL	1.74	Siam Commercial Bank PCL	1.56
Kasikornbank PCL	1.36	Kasikornbank PCL	1.42
MISC Berhad	-	MISC Berhad	1.41
Perusahaan Gas Negara PT	1.02	Perusahaan Gas Negara PT	1.39
Digi.com Berhad	-	Digi.com Berhad	1.35
Bangkok Bank Public Company	1.38	Bangkok Bank Public Company	1.33
Singapore Technologies Engineering Limited	0.92	Singapore Technologies Engineering Limited	1.18
Maxis Bhd	1.14	Maxis Bhd	1.13
Siam Cement PCL (NVDR)	0.91	Siam Cement PCL (NVDR)	0.99
Advanced Info Service PCL	1.57	Advanced Info Service PCL	0.98
Bank Mandiri Tbk	2.08	Bank Mandiri Tbk	0.87
Tenaga Nasional Berhad	0.73	Tenaga Nasional Berhad	0.85
Plus Expressways Berhad	-	Plus Expressways Berhad	0.85
Petronas Gas Berhad	1.10	Petronas Gas Berhad	0.83
Unilever Indonesia	0.91	Unilever Indonesia	0.81
Philippine Long Distance Telephone Company	0.73	Philippine Long Distance Telephone Company	0.64
Jardine Cycle & Carriage Ltd	1.94	Jardine Cycle & Carriage Ltd	-
Gudang Garam Tbk	1.08	Gudang Garam Tbk	-
Petronas Chemical Group Berhad	1.89	Petronas Chemical Group Berhad	-

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MANAGER'S INVESTMENT REPORT

For the financial year ended 31 December 2011

Creation/redemption for the financial year ended 31 December 2011

Total subscription during the financial year under review amounted to US\$ 24,821,600 (2.4 million units), while total redemption during the financial year under review amounted to US\$ 31,689,600 (3.2 million units).

Other information

During the reporting period, 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.

Management expense ratio ¹ (annualised)	<u>0.69 %</u>
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Turnover ratio ²	<u>7.92 %</u>
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¹ The expense ratio is computed in accordance with the revised IMAS' guidelines on disclosure of expense ratios dated 25 May 2005. Refer to Note 10 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 10 for details.

Change in investment personnel

There are no changes in investment personnel.

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 10 years.

The Manager obtained its capital markets services licence on 24th April 2007 and presently manages the Fund and several other discretionary accounts, with total assets under management of about SGD 594 million as at 31 December 2011.

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MANAGER'S INVESTMENT REPORT

For the financial year ended 31 December 2011

Directors of the Manager

John Campbell Tupling

Mr Tupling was appointed as a director of CIMB-Principal Asset Management (S) Pte Ltd on 24 November 2010. He has been the Chief Executive Officer of CIMB-Principal Asset Management Berhad since 1 November 2008. Prior to this, he spent 9 years in various capacities with the Principal Financial Group. Mr Tupling has over 25 years of financial services experience, working in Latin America, Europe, the U.S.A. and Asia. He received his Bachelor of Arts from the University of Ontario, Canada.

Datuk Noripah binti Hj Kamsu

Datuk Noripah has been a Director of CIMB-Principal Asset Management (S) Pte Ltd since 18 May 2006, and a Director of CIMB-Principal Asset Management Berhad since 2 February 2005. She is the Chief Executive Officer of CIMB-Principal Islamic Asset Management Sdn Bhd. Prior to that, she was the Chief Executive Officer of CIMB-Principal Asset Management Berhad. She was the Executive Director/Chief Executive Officer of CIMB Futures Sdn Bhd from October 1996 to September 2004, where she was responsible in strategic direction, business plans, marketing initiative and client requisition. From January 1993 to August 2004, she was with Commerce International Merchant Bankers Berhad, and held various positions (Deputy General Manager, General Manager and Director) in the Corporate Banking Division. From March 1983 to January 1993, she was in Corporate Banking with Bank of Commerce (M) Berhad where she was responsible for managing loan portfolios. Datuk Noripah's experience in the asset management business was derived when she sat as one of the Investment Panel of Commerce Asset Fund Managers from 1997 to 2001. Datuk Noripah and the other team members of the Investment Panel of Commerce Asset Fund Managers were responsible for ensuring that the investment management of the funds is consistent with the objectives of the funds, the deeds of trusts constituting the funds, Securities Commission Guidelines and relevant securities laws, any internal investment restrictions and policies of the investment managers. She received her Bachelor in Business Administration from the Northern Illinois University, Dekalb, Illinois, USA and a Master in Business Administration from the Marshall University, Huntington, West Virginia, USA.

Tang Chee Kin

Mr Tang has been a Director of CIMB-Principal Asset Management (S) Pte Ltd since 18 May 2006. He joined CIMB-Principal Asset Management Berhad on 1 October 2004 as the Chief Investment Officer. He has 19 years of experience in the asset management business. Prior to joining the CIMB-Principal Asset Management Berhad, he was the Chief Investment Officer/Executive Director of CMS Dresdner Asset Management from 1996 to 2004 and was jointly responsible in making regional asset allocation decisions within Asia Pacific ex-Japan.

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MANAGER'S INVESTMENT REPORT

For the financial year ended 31 December 2011

Directors of the Manager (continued)**Tang Chee Kin (continued)**

He began his career as an investment officer in Rashid Hussain Asset Management in 1987 for 4 years before moving on to CIMB Securities Sdn. Bhd. as an investment executive for 1 year. In 1992, he joined SBB Asset Management as a fund manager until 1996. Mr Tang is a fellow of the Chartered Institute of Management Accountants (CIMA) United Kingdom. He obtained his fund manager's representative's license in 1992.

Goh Zee Wei Ken

Mr Goh joined CIMB-Principal Asset Management (S) Pte Ltd as Head, International Investment. Besides this functional role, he is also the CEO and a Director of CIMB-Principal Asset Management (S) Pte Ltd. Before his current appointment, Mr Goh was Director of Investment at APS Asset Management. Mr Goh has also served as Head of Investment Advisory, Asia for MeesPierson as well as Chief Investment Officer, Singapore for Allianz Dresdner Asset Management. Prior to joining Allianz Dresdner Asset Management in 2001, Mr Goh was the Executive Director of Phillip Capital Management during its start-up phase. From 1994 to 2000, Mr Goh served as an Investment Manager with the GIC (Government of Singapore Investment Corp). Mr Goh graduated from the National University of Singapore as Bachelor of Business Administration with a 1st Class Honours. He is a Chartered Financial Analyst (CFA) charter-holder since 1997.

Appointed Portfolio Managers 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 Goh Zee Wei Ken and Ms. Zhu Yeqing, Roslin.

Ms. Zhu joined CIMB-Principal Asset Management (S) Pte Ltd as an assistant fund manager in June 2010 from Astrid Nazreen Investment Pte Ltd. Before that, she was a research analyst in Tantallon Capital Advisors working directly with fund managers since 2006. She brought with her 4 years of experience in the asset management industry. Prior to joining Tantallon Capital, she worked in Hewlett-Packard and Chartered Semiconductor as an engineer since 2003. Ms. Zhu holds a Master of Engineering from the National University of Singapore. She is also a Chartered Financial Analyst.

CIMB FTSE ASEAN 40

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REPORT OF THE TRUSTEE

For the financial year ended 31 December 2011

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 which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the period covered by these financial statements set out on pages 13 to 29, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Director

Singapore, 9 March 2012

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 2011

In the opinion of the directors of CIMB-Principal Asset Management (S) Pte. Ltd., the accompanying financial statements set out on pages 13 to 29, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Fund as at 31 December 2011 and the total return for the financial year then ended, in accordance with the recommendations of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. 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 directors of
CIMB-Principal Asset Management (S) Pte. Ltd

Goh Zee Wei Ken
Chief Executive Officer/Director

Singapore, 9 March 2012

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
CIMB FTSE ASEAN 40**

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the accompanying financial statements of CIMB FTSE Asean 40 (the "Fund") set out on pages 13 to 29, which comprise the Balance Sheet and Portfolio Statement as at 31 December 2011, the Statement of Total Return for the year ended 31 December 2011, and a summary of significant accounting policies and other explanatory information.

Manager's Responsibility 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 Certified Public Accountants of Singapore, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2011 and the total return for the 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 Certified Public Accountants of Singapore.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 9 March 2012

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 2011*

	Note	2011 US\$	2010 US\$
INVESTMENT INCOME			
Dividends		6,156,475	4,794,208
Interest		47	55
		<u>6,156,522</u>	<u>4,794,263</u>
LESS: EXPENSES			
Sub-custodian fees		(13,366)	(22,429)
Management fees	3	(1,164,271)	(1,039,428)
Others		12,236	15,805
		<u>(1,165,401)</u>	<u>(1,046,052)</u>
Net investment income		<u>4,991,121</u>	<u>3,748,211</u>
NET (LOSSES)/GAINS ON VALUE OF INVESTMENTS			
Net change in fair value of investments		(26,295,954)	17,326,286
Net realised gains on investments		13,768,041	15,366,534
Net foreign exchange (losses)/gains		(65,364)	47,694
NET (LOSSES)/GAINS ON VALUE OF INVESTMENTS		<u>(12,593,277)</u>	<u>32,740,514</u>
Total (deficit)/return for the financial year before income tax and distribution		(7,602,156)	36,488,725
Less: Income tax	4	(420,464)	(397,076)
Change in net assets attributable to unitholders resulting from operations	6	(8,022,620)	36,091,649
Less: Distribution	6	(4,264,000)	(3,772,000)
TOTAL (DEFICIT)/RETURN FOR THE FINANCIAL YEAR		<u>(12,286,620)</u>	<u>32,319,649</u>

The accompanying notes form an integral part of these financial statements.

CIMB FTSE ASEAN 40

(Constituted under a Trust Deed in the Republic of Singapore)

BALANCE SHEET

For the financial year ended 31 December 2011

	Note	2011 US\$	2010 US\$
ASSETS			
Cash and bank balances	5	1,793,701	1,141,751
Portfolio of investments		150,677,329	170,009,578
Net dividend receivables		192,057	777,794
Tax recoverable		-	11,149
Total assets		152,663,087	171,940,272
LIABILITIES			
Current liabilities			
Due to the Manager		272,175	293,279
Other payables		27,302	128,763
Net assets attributable to unitholders	6	152,363,610	171,518,230
Total liabilities		152,663,087	171,940,272

The accompanying notes form an integral part of these financial statements.

CIMB FTSE ASEAN 40*(Constituted under a Trust Deed in the Republic of Singapore)***PORTFOLIO STATEMENT***For the financial year ended 31 December 2011*

	Holdings at 31 December 2011	Fair Value at 31 December 2011 US\$	Percentage of total net assets attributable to unitholders at 31 December 2011 %
Primary - by Industry			
Quoted			
EQUITIES			
Telecommunications			
Advanced Info Service Public Company Limited (NVDR) ¹	540,000	2,395,437	1.57
AXIATA Group Berhad	2,936,000	4,714,271	3.09
Maxis Berhad	1,008,000	1,739,357	1.14
Philippine Long Distance Telephone Company	19,200	1,105,023	0.73
Singapore Telecommunications Limited	3,680,000	8,756,170	5.75
Telekomunikasi Indonesia	4,620,000	3,566,584	2.34
		22,276,842	14.62
Consumer Goods			
Astra International Tbk	1,320,000	10,765,261	7.06
Gudang Garam Tbk	240,000	1,647,643	1.08
IOI Corporation Berhad	2,232,000	3,781,022	2.48
Unilever Indonesia Tbk	680,000	1,387,372	0.91
Wilmar International Limited	1,200,000	4,620,183	3.03
		22,201,481	14.56
Consumer Services			
Genting Berhad	1,288,000	4,445,022	2.92
Genting Singapore PLC	2,840,000	3,302,198	2.17
Jardine Cycle & Carriage Ltd	80,000	2,959,381	1.94
Singapore Airlines Limited	280,000	2,188,426	1.44
		12,895,027	8.47
Oil & Gas			
Keppel Corp Limited	600,000	4,296,770	2.82
Petronas Gas Berhad	356,000	1,675,559	1.10
PTT Exploration & Production Public Company Limited (NVDR) ¹	604,000	3,215,209	2.11
PTT Public Company Limited (NVDR) ¹	396,000	3,977,567	2.61
		13,165,105	8.64

The accompanying notes form an integral part of these financial statements.

CIMB FTSE ASEAN 40*(Constituted under a Trust Deed in the Republic of Singapore)***PORTFOLIO STATEMENT***For the financial year ended 31 December 2011*

	Holdings at 31 December 2011	Fair Value at 31 December 2011 US\$	Percentage of total net assets attributable to unitholders at 31 December 2011 %
Primary - by Industry (continued)			
Quoted			
EQUITIES			
Financials			
PT Bank Central Asia Tbk	5,680,000	5,011,304	3.29
Bank Mandiri Tbk	4,280,000	3,162,504	2.08
Bank Rakyat Indonesia	5,660,000	4,213,400	2.77
Malayan Banking Berhad	2,608,000	6,820,290	4.48
CIMB Group Holdings Berhad	2,588,000	5,894,435	3.87
Public Bank Berhad (Foreign Market)	1,628,000	6,717,426	4.41
City Developments Limited	320,000	2,193,047	1.44
United Overseas Bank Limited	560,000	6,584,684	4.32
Overseas Chinese Banking Corporation Limited	1,160,000	6,994,032	4.59
DBS Group Holdings Limited	800,000	7,096,600	4.65
Capitaland Limited	1,440,000	2,439,456	1.60
Bangkok Bank Public Company (NVDR) ¹	436,000	2,106,781	1.38
Siam Commercial Bank Public Company Limited (NVDR) ¹	720,000	2,646,388	1.74
Kasikornbank Public Company Limited (NVDR) ¹	540,000	2,078,897	1.36
		<u>63,959,244</u>	<u>41.98</u>
Industrials			
Noble Group Ltd	2,200,000	1,914,296	1.26
Siam Cement Public Company Limited (NVDR) ¹	140,000	1,384,030	0.91
Sime Darby Berhad Ord	2,076,000	5,926,751	3.89
Singapore Technologies Engineering Limited	680,000	1,403,303	0.92
		<u>10,628,380</u>	<u>6.98</u>
Basic Materials			
Petronas Chemical Group Berhad	1,484,000	2,879,054	1.89
		<u>2,879,054</u>	<u>1.89</u>
Utilities			
Perusahaan Gas Negara PT	4,500,000	1,563,275	1.02
Tenaga Nasional Berhad	604,000	1,108,921	0.73
		<u>2,672,196</u>	<u>1.75</u>
Portfolio of Investments		150,677,329	98.89
Other net assets		<u>1,686,281</u>	<u>1.11</u>
Net assets attributable to unitholders		<u>152,363,610</u>	<u>100.00</u>

¹ Non-Voting Depository Receipts*The accompanying notes form an integral part of these financial statements.*

CIMB FTSE ASEAN 40*(Constituted under a Trust Deed in the Republic of Singapore)***PORTFOLIO STATEMENT***For the financial year ended 31 December 2011*

	Percentage of total net assets attributable to unitholders at 31 December 2011 %
Summary	
QUOTED EQUITIES	
Telecommunications	14.62
Consumer Goods	14.56
Consumer Services	8.47
Oil & Gas	8.64
Financials	41.98
Industrials	6.98
Basic Materials	1.89
Utilities	1.75
Portfolio of investments	98.89
Other net assets	1.11
Net current assets attributable to unitholders	100.00

	Percentage of total net assets attributable to unit holders at 31 December 2010 %
Summary	
QUOTED EQUITIES AND WARRANTS	
Telecommunications	13.57
Consumer	20.11
Diversified	7.40
Energy	4.30
Financials	39.88
Industrials	1.84
Utilities	2.49
Warrants	9.54
Portfolio of investments	99.12
Other net assets	0.88
Net current assets attributable to unitholders	100.00

The 2011 industry classification is based on the Industry Classification Benchmark (ICB) developed by FTSE. The 2010 industry classification was based on the Global Industry Classification Standard developed by Morgan Stanley Capital International. The Manager believes that the ICB better reflects the industry classification of the Fund's investments as the Fund's objective is to track the performance of the FTSE/ASEAN 40 Index.

The accompanying notes form an integral part of these financial statements.

CIMB FTSE ASEAN 40*(Constituted under a Trust Deed in the Republic of Singapore)***PORTFOLIO STATEMENT***For the financial year ended 31 December 2011*

	Fair value at 31 December 2011 US\$	Percentage of total net assets attributable to unitholders at 31 December 2011 %	Percentage of total net assets attributable to unitholders at 31 December 2010 %
Secondary - by Geography			
<u>By country of listing</u>			
Singapore	54,748,546	35.93	36.72
Malaysia	45,702,108	30.00	28.43
Indonesia	31,317,343	20.55	13.93
Thailand	17,804,309	11.68	9.92
Philippines	1,105,023	0.73	0.58
Luxembourg	-	-	9.54
Portfolio of Investments	150,677,329	98.89	99.12
Other net assets	1,686,281	1.11	0.88
Net current assets attributable to unitholders	152,363,610	100.00	100.00

The accompanying notes form an integral part of these 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 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

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"). 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.

In addition to equity securities, the Fund invested into Index Return AAPs issued by Citigroup Global Markets Holdings Inc during the financial year. The legal form of these AAPs are low strike price American style transferable call warrants linked to underlying shares which comprise of the constituent stocks from time to time of the Index. The strike price of the Index Securities is notional, being only US\$0.00001. These AAPs are transferable securities, listed on the Luxembourg Stock Exchange and settled through Euroclear and Clearstream and seek to provide the full economic benefits of the underlying shares in terms of price appreciation, corporate actions and dividends. The Fund liquidated its full holdings of Index Return AAPs on 11 February 2011, and did not hold any Index Return AAPs subsequently.

2. Significant accounting policies

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Certified Public Accountant of Singapore ("ICPAS").

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 2011

2. Significant accounting policies (continued)

(b) Recognition of income

Dividend income is recorded gross in the financial statements in the financial year in which the security is quoted ex-dividend.

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

(c) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchase of investments are recognised on trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statement of Total Return in the year which they arise.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and recognised in the Statement of Total Return.

(d) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the Balance Sheet date. The quoted market price for these investments held by the Fund is the current market quoted bid price.

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 2011

2. Significant accounting policies (continued)

(e) Foreign currency translation

(i) *Functional and presentation currency*

The Fund's investors are mainly seeking returns in US Dollar term, with subscriptions and redemptions of the units denominated in United States dollars.

The performance of the Fund is measured and reported to the investors in United States dollars. The financial statements are expressed in United States dollars ("US\$"), which is the Fund's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency monetary assets and liabilities are translated into United States dollars at the rates of exchange prevailing at the date of the Balance Sheet. The net unrealised gain or loss is taken to the Statement of Total Return. Transactions during the year are recorded in United States dollars at the rates of exchange ruling on transaction dates. All realised gains or losses are recognised in the Statement of Total Return.

(f) Preliminary expenses

Preliminary expenses incurred by the Fund are expensed off to the Statement of Total Return in the period in which they are incurred.

(g) Receivables

Receivables are recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method less impairment losses.

(h) Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

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 2011

2. Significant accounting policies (continued)

(i) Distribution

The Manager may, in its absolute discretion, decide to distribute income to unitholders at such times as it may determine in each financial year. The amount to be distributed to unitholders will be derived from the net income of the Fund. Distributions will only be paid to the extent that they are available for distribution pursuant to the Trust Deed.

3. Expenses

The management fees for the Fund are currently set at 0.65% of its net asset value per annum (maximum 2.00% per annum).

Fees paid to the Trustee, Custodian, Registrar, Investment Advisor, Index Provider and Auditors are borne by the Manager.

4. Income tax

The Fund was granted the status of a Designated Unit Trust by the Inland Revenue of Singapore. In accordance to Section 35(12) and (12A) of the Income Tax Act (Cap 134) of Singapore, subject to certain conditions, the following income 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) interest (other than interest for which tax has been deducted under section 45 of the Income Tax Act);
- (c) dividends derived from outside Singapore and received in Singapore;
- (d) 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 of financial index; and

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 2011***4. Income tax (continued)**

- (e) distribution from foreign unit trusts derived from outside Singapore and received in Singapore.

	2011	2010
	US\$	US\$
Overseas income tax	420,464	397,076

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

5. Cash and bank balances

	2011	2010
	US\$	US\$
Cash at bank	1,793,701	1,141,751

6. Net assets attributable to unitholders

	2011	2010
	US\$	US\$
At beginning of financial year	171,518,230	158,631,781
OPERATIONS		
Change in net assets attributable to unitholders resulting from operations	(8,022,620)	36,091,649
UNITHOLDERS' CONTRIBUTIONS/(WITHDRAWALS)		
Creation of units	24,821,600	21,211,200
Cancellation of units	(31,689,600)	(40,644,400)
Change in net assets attributable to unitholders resulting from creation and cancellation of units	(6,868,000)	(19,433,200)
DISTRIBUTION TO UNITHOLDERS	(4,264,000)	(3,772,000)
TOTAL (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	(19,154,620)	12,886,449
At end of financial year	152,363,610	171,518,230
Units in issue (Note 7)	16,000,000	16,800,000
	US\$	US\$
Net assets attributable to unitholders per unit	9.523	10.209

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 2011

6. Net assets attributable to unitholders (continued)

Reconciliation of net assets attributable to unitholders per unit for issuance/redemption units at year end and the net assets attributable to unitholders per unit in the financial statements:

	2011 US\$	2010 US\$
Net assets attributable to unitholders per unit for issuance/redemption units	9.580	10.223
Effect of adopting bid prices as fair value	(0.057)	(0.014)
Net assets attributable to unitholders per unit per the financial statements	<u>9.523</u>	<u>10.209</u>

Quoted investments have been valued at the current bid prices in accordance with the revised Statement of Recommended Account Practice 7. For the purpose of the net assets attributable to unitholders per unit calculation for the issuance and redemption of units, quoted investments are stated at the last available transacted price, in accordance with the Code on Collective Investment Schemes.

7. Units in issue

	2011 Units	2010 Units
Beginning of financial year	16,800,000	19,200,000
Created during the financial year	2,400,000	2,400,000
Cancelled during the financial year	(3,200,000)	(4,800,000)
End of financial year	<u>16,000,000</u>	<u>16,800,000</u>

8. 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) 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, is closely aligned to the FTSE/ASEAN 40 Index characteristics.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

8. Financial risk management (continued)

(a) Market risk (continued)

The Fund's market risk is affected by changes in actual market prices. If the FTSE ASEAN 40 index in fund currency (US\$) had increased/decreased by 5% with all other variables held constant, this would have increased/decreased the net asset value of the Fund by approximately US\$7,618,181 for the year ended 31 December 2011 ("being 5% of the year end NAV") and US\$8,575,912 for the year ended 31 December 2010 ("being 5% of the year end NAV").

(b) Interest rate risk

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.

(c) Liquidity risk

The Fund is exposed to daily 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.

The Manager may employ derivatives to implement a portfolio strategy, to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would be typically be expected for traditional investment instruments. No such investments were held at the balance sheet date.

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 2011***8. Financial risk management (continued)****(c) Liquidity risk (continued)**

The tables below analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due on <u>demand</u> US\$	Less than <u>3 months</u> US\$
31 December 2011		
Due to Manager	-	272,175
Other payables	-	27,302
Net assets attributable to unit holders	<u>152,363,610</u>	<u>-</u>
31 December 2010		
Due to Manager	-	293,279
Other payables	-	128,763
Net assets attributable to unit holders	<u>171,518,230</u>	<u>-</u>

(d) Foreign currency risk

The Fund holds assets denominated in currencies other than US dollars, 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.

	<u>USD</u> US\$	<u>SGD</u> US\$	<u>THB</u> US\$	<u>PHP</u> US\$	<u>IDR</u> US\$	<u>MYR</u> US\$	<u>Total</u> US\$
31 December 2011							
ASSETS							
Portfolio of investments	-	54,748,546	17,804,309	1,105,023	31,317,343	45,702,108	150,677,329
Net dividend receivables	-	192,057	-	-	-	-	192,057
Cash and bank balances	251,284	-	-	-	-	1,542,417	1,793,701
Total assets	<u>251,284</u>	<u>54,940,603</u>	<u>17,804,309</u>	<u>1,105,023</u>	<u>31,317,343</u>	<u>47,244,525</u>	<u>152,663,087</u>
LIABILITIES							
Due to the Manager	272,175	-	-	-	-	-	272,175
Other payables	27,302	-	-	-	-	-	27,302
Net assets attributable to unitholders	<u>152,363,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,363,610</u>
Total liabilities	<u>152,663,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,663,087</u>
Net currency exposure	<u>(152,411,803)</u>	<u>54,940,603</u>	<u>17,804,309</u>	<u>1,105,023</u>	<u>31,317,343</u>	<u>47,244,525</u>	

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 2011***8. Financial risk management (continued)****(d) Foreign currency risk (continued)**

	<u>USD</u> US\$	<u>SGD</u> US\$	<u>THB</u> US\$	<u>PHP</u> US\$	<u>IDR</u> US\$	<u>MYR</u> US\$	<u>Total</u> US\$
31 December 2010							
ASSETS							
Portfolio of investments	16,363,200	62,983,611	17,007,599	995,321	23,900,356	48,759,491	170,009,578
Net dividend receivables	556,861	186,783	19,664	-	14,486	-	777,794
Cash and bank balances	1,064,554	-	-	-	14,371	62,826	1,141,751
Tax recoverable	11,149	-	-	-	-	-	11,149
Total assets	17,995,764	63,170,394	17,027,263	995,321	23,929,213	48,822,317	171,940,272
LIABILITIES							
Due to the Manager	293,279	-	-	-	-	-	293,279
Other payables	128,763	-	-	-	-	-	128,763
Net assets attributable to unitholders	171,518,230	-	-	-	-	-	171,518,230
Total liabilities	171,940,272	-	-	-	-	-	171,940,272
Net currency exposure	(153,944,508)	63,170,394	17,027,263	995,321	23,929,213	48,822,317	

Portfolio of investments, which is a significant item in the Balance Sheet is 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.

As of 31 December 2011 and 2010, the Fund does not hold substantial monetary assets/liabilities. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Consequently no separate sensitivity analysis on foreign currency risk has been presented.

(e) 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 dealer, issuers, brokers, custodians and banks.

Concentrations of credit risk are minimised primarily by ensuring:

- counterparties, together with the respective credit limits, are approved,
- that transactions are undertaken with a large number of counterparties, and
- that the majority of 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 2011***8. Financial risk management (continued)****(e) Credit risk (continued)**

The Fund invests in financial assets, which have an investment grade as rated by Standard and Poor's or Moody'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 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 derivative positions 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 2011 and 31 December 2010.

	<u>Amount</u> US\$	<u>Credit rating</u>	<u>Source of credit rating</u>
As at 31 December 2011			
<u>Custodian</u>			
State Street Bank and Trust Company	1,793,701	AA-	Standard & Poor's
As at 31 December 2010			
<u>Custodian</u>			
State Street Bank and Trust Company	1,141,751	AA-	Standard & Poor's

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

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

(f) 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 unitholder redemptions.

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 2011

9. Related party disclosures

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. Fees that are borne by the Manager are set out in Note 3.

10. Financial ratios

	31 December 2011	31 December 2010
Expense ratio ¹	0.69%	0.70%
Portfolio turnover rate ²	7.92%	8.99%

¹ The expense ratio is computed in accordance with the revised IMAS’ guidelines on disclosure of expense ratios dated 25 May 2005. 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.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the “Code on Collective Investment Schemes”. In accordance with the Fund’s Trust Deed, units are issued through a creation of an Index Basket. For each creation Unit (comprising 400,000 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.