

## **CIMB FTSE ASEAN 40**

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

### **Semi - Annual Report (Unaudited)**

For the six months ended 30 June 2012

# CIMB FTSE ASEAN 40

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## SEMI-ANNUAL REPORT (Unaudited)

For the six months ended 30 June 2012

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## **CIMB FTSE ASEAN 40**

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### **MANAGER'S INVESTMENT REPORT**

About CIMB FTSE ASEAN 40

CIMB FTSE ASEAN 40 is an exchange traded fund, designed to track the performance of the FTSE/ASEAN 40 Index.

Details of the Fund

Fund Base Currency	US dollar
Trading Currencies	US dollar (USD), Singapore dollar (SGD)
Listing Date of US dollar counter on SGX-ST	21 September 2006
Listing Date of Singapore dollar 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 30 Jun 2012	15,600,000
NAV per unit as at 30 June 2012	USD 9.865
Management Fee	0.65% of NAV per annum

### **Performance**

Cumulative Performance (%) as at 30 Jun 12

	From	Fund's Performance	Index's Performance
1 Month	31/05/2012—30/06/2012	2.92%	3.68%
3 Month	31/03/2012—30/06/2012	-0.06%	-2.96%
6 Month	31/12/2011—30/06/2012	6.23%	5.29%
1 Year	30/06/2011—30/06/2012	-4.27%	-6.30%
3 Years	30/06/2009—30/06/2012	151.22%	129.77%
5 Years	30/06/2007—30/06/2012	48.42%	33.83%
Since Inception	21/09/2006—30/06/2012	78.27%	61.02%

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**

#### **Performance (continued)**

From 1 January 2012 to 30 June 2012, the Fund NAV increased by 6.23%, while the Index increased by 5.29%.

The top 10 holdings of the Fund as of 30 June 2012 represented US\$73,699,551, approximately 47.81% of the Fund's NAV, while it was US\$82,171,240 as of 30 June 2011, 47.22% of the Fund's NAV.

Markets were volatile in the first half of 2012, with a good first quarter on the back of Long-Term Refinancing Operation (LTRO) injections by the European Central Bank and a bad second quarter where economic worries started to creep back in.

January was a positive month for regional bourses amidst improving consumer confidence in US and progress on Greek debt talks. ASEAN equities experienced a liquidity-driven rally in January, helped by strong inflows into emerging markets. As macro uncertainty remained, investor generally stayed cautious but many were compelled to participate in the rally. This drove the ASEAN markets higher, as it climbed a wall of worries. All regional bourses closed in positive territory as investors picked up on both macro and internal factors. High beta sectors outperformed in Singapore for the month although 4Q 2011 GDP numbers contracted. Investors continued to remain optimistic on the Philippines' easing monetary policy and the Public-Private Partnership (PPP) infrastructure program finally taking off this year. Meanwhile, government fiscal plans and flood related news led a rally in Thailand towards the end of the month as investors returned from the Chinese New Year holidays. The best performing markets in ASEAN for the month was Singapore (FTSE Straits Times Index +14.4%), followed by the Philippines (Philippine Stock Exchange Index +10.3%), Thailand (Stock Exchange of Thailand Index +8.2%), Malaysia (FTSE Bursa Malaysia KLCI Index +4.4%) and Indonesia (+3.9%).

February was a good month as markets reacted positively to the 2<sup>nd</sup> bailout package for Greece, a series of strong US economic data and the easing of monetary policy in China. However, the upward momentum in ASEAN equity markets slowed in February, as continued strong inflows into emerging markets was offset somewhat by heavy equity issuance. Following the slowing price momentum, ASEAN markets moved from a cyclically-driven to a fundamental-driven phase, as investors re-examined their equity holdings as a "reality check" against the recent strong rally. Most regional bourses closed in positive territory, with Thailand outperforming most of its regional peers. February's outperformance was mainly driven by the strong domestic recovery to the commerce banking sectors. Indonesia saw market decline, as the state of its economy remained uncertain. The Indonesian President announced that the increase in subsidized fuel prices was to move in tandem with rising crude oil prices. For the month, Thailand led the pack, up 11.9% month-on-month (in USD terms), followed by Philippines (+5.0%) and Singapore (+4.7%). Indonesia declined 1.3% for the month.

Markets had no clear direction in March, as investors' sentiments were underpinned by the 2<sup>nd</sup> bailout package for Greece and the uncertainty on the outcome. Regional markets meanwhile saw downward pressure as China began to illustrate a slowdown in its economy's growth. Performance of the ASEAN equity markets as a whole slowed further in March, in part dragged by the negative news flow out of China and India coupled with investors trimming and reallocating their portfolio. Within ASEAN, inflationary pressures from higher oil prices continued to vex Indonesia despite the Parliament rejecting the President's proposal to increase retail fuel prices. Philippines remained as the focus market in ASEAN in March on renewed news flow of more PPP projects to be awarded soon. The structural change theme that drove the Indonesian market over the last few years appear to be taking place in the Philippines. Within ASEAN, Philippines outperformed its peers, buoyed by an easy monetary policy environment and constant news flow on the government's initiatives to promote the PPP program.

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

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### **MANAGER'S INVESTMENT REPORT**

#### **Performance (continued)**

The other markets were relatively quiet and hardly moved in March. In Malaysia, the KLCI despite hitting a new all-time high still underperformed its peers, being a defensive market coupled with the upcoming elections overhang. Philippines led the pack, up 3.7% month-on-month (in USD terms) and followed by Indonesia (+1.5%). Malaysia, Singapore and Thailand ended the month in negative territory, down by 0.7%, 0.6% and 0.6% respectively.

In April, global markets remained underpinned by the Eurozone debt crisis and further political uncertainty in France that may have negative impact on the crisis. Within the region, investors remained cautious in reaction to signals of a slowdown to China's economy and consequently, ASEAN markets were rather lacklustre for the month. Performance of the ASEAN equity markets moderated further in April, with renewed negative news flow from Europe taking over from China and India as the main depressant of market sentiment. Within ASEAN, inflationary pressures appeared to be in abeyance despite continued high oil prices. Thailand continued to attract investors' interest on further evidence of a "V" shape recovery from the floods and the banks reporting a good set of 1Q 2012 numbers. For 5 straight months, Philippines moved higher, boosted by strong macroeconomic data and more corporate news developments, with financials and industrials leading the outperformance. Thailand saw seven successive months of gains, while Singapore and Indonesia remained relatively flat. Malaysia underperformed the region underpinned by the Bersih 3.0 rally which called for electoral reform and consequently, pushed the market down in April. For the month, Philippines led the pack, up 2.7% month-on-month (in USD terms) and followed closely by Thailand (+2.6%) and Singapore (+0.1%). Malaysia and Indonesia ended the month in negative territory, down by 1.1% and 0.9%, respectively.

In May, growth in the global economy faded as the global economy faced multiple headwinds. Unforeseen events such as the political unrest in the Middle East in February drove oil prices higher and also put a dampener on risk appetite. The Japan earthquake, tsunami and nuclear incident on 11th March affected sentiment in Asian markets but only temporarily. The Bank of Japan subsequently poured liquidity into the financial system and doubled the size of its asset purchase plan to stabilize markets. The Eurozone was subsequently hit by a sovereign debt crisis in Portugal, Ireland, Greece and Spain, which continued to worsen through the second quarter of 2012. ASEAN markets were mostly down in May except for Malaysia, which rose on the back of the annual Invest Malaysia conference held towards month end. Indonesia was the worst performer, down 8.3% for the month, due to mining tax, bank ownership law changes and cut in fuel subsidy.

June was underpinned by events in Europe, namely the Greek elections, the downgrade of Spanish banks and Cyprus being the 5<sup>th</sup> Eurozone country to seek a bailout. However, global markets were driven higher on the successful Greek election, which saw the pro-austerity New Democrat party gain majority votes. China continued to signal a slowdown in its economy with weak economic data and the downward revision of the country's growth. Nonetheless, global and regional markets rallied for the month and focused on the positive news in Greece. Singapore benefited from falling commodity prices which helped improve margins across several sectors. In the Philippines, markets were also driven by the clear progress in the government's PPP program. The weakest bourse was Malaysia as investors continued to remain on the sidelines in anticipation of the general elections. For the month, Singapore led the pack, up 6.2% month-on-month and was followed by the Philippines (+5.4%) and Indonesia (+4.4%).

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**MANAGER'S INVESTMENT REPORT****Investments at market value and as a percentage of NAV as at 30 June 2012 classified by:**

<b>Investments at market value and as a percentage of NAV</b>		<b>Market Value</b>	<b>% of NAV</b>
<b>i)</b>	<b>Country</b>	<b>USD</b>	
	Singapore	58,369,817	37.93
	Malaysia	42,467,235	27.59
	Indonesia	32,827,889	21.33
	Thailand	18,989,475	12.34
	Philippines	1,226,415	0.80
		<hr/>	<hr/>
<b>ii)</b>	<b>Industry</b>	<b>USD</b>	
	Financials	64,870,900	42.15
	Telecommunications	24,655,135	16.02
	Consumer Goods	19,909,006	12.94
	Oil & Gas	14,260,529	9.27
	Consumer Services	11,909,707	7.74
	Industrials	9,453,150	6.14
	Basic Materials	5,856,343	3.80
	Utilities	2,966,061	1.93
		<hr/>	<hr/>
<b>iii)</b>	<b>Asset Class</b>	<b>USD</b>	
	Equities	153,880,831	99.99
	Cash and Equivalents	18,842	0.01

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*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)***MANAGER'S INVESTMENT REPORT****Details of Top 10 Holdings of the Fund****As at 30 June 2012**

	Cost USD	Market Value USD	% of total net assets
Astra International	3,980,248	9,543,529	6.20
Singapore Telecom	7,106,780	9,293,434	6.04
DBS Group Holdings	7,660,388	8,943,103	5.81
Oversea-Chinese Banking Corporation	5,996,366	8,087,388	5.25
United Overseas Bank	6,443,194	8,021,068	5.21
Malayan Banking Berhad	5,592,312	7,180,274	4.67
Sime Darby Berhad	4,918,393	6,381,753	4.15
CIMB Group Holdings Berhad	3,856,508	6,072,283	3.94
Keppel Corporation	3,094,798	5,045,253	3.28
Axiata Group Berhad	3,204,517	4,982,347	3.24
	<b>51,853,504</b>	<b>73,550,432</b>	<b>47.79</b>

**As at 30 June 2011**

	USD	USD	net assets
Astra International	3,178,177	10,178,523	5.85
DBS Group Holdings	7,473,704	9,782,888	5.62
Singapore Telecommunications	7,188,981	9,669,434	5.56
Oversea-Chinese Banking Corporation	5,767,562	9,047,160	5.20
United Overseas Bank	5,896,832	8,510,303	4.89
Malayan Banking Berhad	5,334,108	7,820,959	4.49
CIMB Group Holdings Berhad	3,595,846	7,770,515	4.47
Public Bank Berhad	4,874,920	7,346,027	4.22
Sime Darby Berhad	4,898,338	6,510,031	3.74
Keppel Corporation	2,734,814	5,535,400	3.18
	<b>50,943,282</b>	<b>82,171,240</b>	<b>47.22</b>

**Exposure to derivatives**

The fund had no holdings in derivatives for the period from 1 January 2012 to 30 June 2012.

*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)***MANAGER'S INVESTMENT REPORT****Index constituent's weights**

Constituent Name	As at 30.06.2012 %	Constituent Name	As at 30.06.2011 %
Astra International	6.20	Astra International	6.06
Singapore Telecom	6.04	DBS Group Holdings	5.61
DBS Group Holdings	5.81	Singapore Telecom	5.55
Oversea-Chinese Banking	5.25	Oversea-Chinese Banking	5.18
United Overseas Bank	5.21	United Overseas Bank	5.09
Malayan Banking	4.67	Malayan Banking	4.51
Sime Darby Bhd	4.15	CIMB Group Holdings	4.48
CIMB Group Holdings	3.94	Public Bank	4.21
Keppel Corp	3.28	Sime Darby Bhd	3.73
Axiata Group Bhd	3.24	Keppel Corp	3.27
Bank Central Asia	2.84	Wilmar International Limited	3.05
PTT	2.58	Bank Central Asia	2.97
Telekomunikasi Indonesia	2.57	Axiata Group Bhd	2.85
Bank Rakyat Indonesia	2.44	Genting	2.80
Genting Berhad	2.44	Genting Singapore	2.59
IOI	2.34	PTT	2.52
Wilmar International Limited	2.16	Bank Rakyat Indonesia	2.51
Siam Commercial Bank PCL	2.15	Telekomunikasi Indonesia	2.35
Bank Mandiri	2.09	IOI	2.29
PTT Exploration & Production	2.08	Bank Mandiri	2.11
Advanced Info Serv	2.04	Noble Group	2.09
Genting Singapore PLC	2.00	PETRONAS Chemicals Group Bhd	2.04
Capitaland	1.99	Capitaland	2.04
Petronas Chemical Group Bhd	1.93	PTT Exploration & Production	1.99
United Tractors Tbk	1.87	Singapore Airlines	1.86
Jardine Cycle & Carriage	1.85	City Developments	1.57
City Developments	1.79	Siam Commercial Bank PCL	1.52
Kasikornbank	1.76	Jardine Cycle & Carriage	1.35
Singapore Airlines	1.45	Bangkok Bank	1.30
Public Bank	1.36	Kasikornbank	1.27
Maxis Bhd	1.33	Perusahaan Gas Negara	1.24
Petronas Gas	1.33	Maxis Bhd	1.11
Gudang Garam Tbk	1.16	Advanced Info Serv	1.09
Singapore Technologies Engineering	1.11	Singapore Technologies Engineering	1.01
Unilever Indonesia	1.08	Petronas Gas	0.94
Perusahaan Gas Negara	1.07	Siam Cement	0.94
Siam Cement	0.88	Tenaga Nasional	0.82
Tenaga Nasional	0.86	Plus Expressways	0.81
Bangkok Bank	0.85	Unilever Indonesia	0.72
Phil Long Dist Tel	0.80	Phil Long Dist Tel	0.55

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**MANAGER'S INVESTMENT REPORT****Creation/redemption for the six months ended 30 June 2012**

Total subscription during the financial period under review amounted to US\$4,108,800 (400,000 units) while total redemption amounted to US\$8,229,600 (800,000 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.

Expense Ratio	<u>0.35%</u>
Turnover Ratio	<u>7.98%</u>

<sup>1</sup> 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.

<sup>2</sup> 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**

Mr Vivek Singh Jamwal has taken over the responsibilities of Ms. Zhu Yeqing, Roslin in assisting in the investment management functions for the Fund.

**Soft dollar commissions**

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

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### **MANAGER'S INVESTMENT REPORT**

#### **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 760 million as at 30 June 2012.

#### **Directors of the Manager**

##### **John Campbell Tupling**

Mr Tupling was appointed as a Director of the Manager on 24 November 2009. 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 Western Ontario, Canada.

##### **Tang Chee Kin**

Mr Tang has been a Director of the Manager since 18 May 2006. He joined CIMB-Principal Asset Management Berhad on 1 October 2004 as the Chief Investment Officer. He has over 20 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. 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 has won numerous awards from Lipper and Standard & Poor's for the funds that he managed. He is the chairman of the Malaysian Association of Asset Managers, a committee member of the FTSE Bursa Malaysia Index Advisory Committee, as well as an invitee in the Executive Committee of the Malaysia International Islamic Financial Centre (MIFC). Mr Tang is a Fellow of the Chartered Institute of Management Accountants (CIMA) United Kingdom. He holds a Capital Markets Services Representative's License for fund management under Malaysia's Capital Markets and Services Act 2007.

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**MANAGER'S INVESTMENT REPORT****Directors of the Manager (Continued)****Goh Zee Wei Ken**

Mr Goh joined the Manager as Head, International Investment. Besides this functional role, he is also the CEO and a Director of the Manager. Before his current appointment, Mr Goh was Director of Investment at APS Asset Management. Mr Goh has also served as Head, 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 Government of Singapore Investment Corporation. Mr Goh graduated from the National University of Singapore with a Bachelor of Business Administration (1<sup>st</sup> 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 Mr Vivek Singh Jamwal.

Mr Vivek joined CIMB-Principal Asset Management (S) Pte Ltd as an assistant fund manager in July 2011. Prior to joining CIMB-Principal Asset Management (S) Pte Ltd, Vivek was working as an analyst with a long short equity hedge fund in Singapore where he was involved with financial modelling and equity research. He has 7 years of prior experience in technology consulting for big multinationals. He holds a MBA from INSEAD and a Msc in applied finance from the Singapore Management University.

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**STATEMENT BY THE MANAGER**

In the opinion of the directors of CIMB-Principal Asset Management (S) Pte. Ltd., the accompanying financial statements set out on pages 13 to 28, 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 30 June 2012 and the total return for the financial period 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 materialize.

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

Goh Zee Wei Ken  
Chief Executive Officer/Director

Singapore  
6 August 2012

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the six months ended 30 June 2012 (Unaudited)*

	Notes	Six months ended 30 June 2012 US\$	Six months ended 30 June 2011 US\$
<b>INVESTMENT INCOME</b>			
Dividends		2,918,054	2,807,253
Interest		-	24
		<u>2,918,054</u>	<u>2,807,277</u>
<b>LESS : EXPENSES</b>			
Custody Fees		(7,797)	(6,413)
Management Fees	3	(549,970)	(587,994)
Others		(1,085)	17,692
		<u>(558,852)</u>	<u>(576,715)</u>
<b>NET INVESTMENT INCOME</b>		<u>2,359,202</u>	<u>2,230,562</u>
<b>NET GAINS ON VALUE OF INVESTMENTS</b>			
Net change in fair value of investments		3,803,086	(1,579,557)
Net realised gains on investment		5,244,906	9,982,972
Net foreign exchange (losses)		(29,337)	(14,225)
<b>NET GAINS ON VALUE OF INVESTMENTS</b>		<u>9,018,655</u>	<u>8,389,190</u>
Total return for the financial year before income tax and distribution		11,377,857	10,619,752
Less: Income tax	4	<u>(260,994)</u>	<u>(263,502)</u>
Change in net assets attributable to unitholders resulting from operations	6	11,116,863	10,356,250
Less: Distribution	6	<u>(5,460,000)</u>	<u>(4,264,000)</u>
<b>TOTAL RETURN FOR THE FINANCIAL PERIOD</b>		<u>5,656,863</u>	<u>6,092,250</u>

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**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***BALANCE SHEET***For the six months ended 30 June 2012 (Unaudited)*

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	Note	As at 30 June 2012 US\$	As at 31 December 2011 US\$
<b>ASSETS</b>			
<b>Current assets</b>			
Portfolio of investments		153,880,831	150,677,329
Net dividend receivables		205,537	192,057
Sales awaiting settlement		82,904	-
Cash and bank balances	5	344,938	1,793,701
<b>Total assets</b>		<b>154,514,210</b>	<b>152,663,087</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Purchases awaiting settlement		317,597	-
Due to Manager		271,904	272,175
Other payables		25,036	27,302
Net assets attributable to unitholders	6	153,899,673	152,363,610
<b>Total liabilities</b>		<b>154,514,210</b>	<b>152,663,087</b>

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**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***PORTFOLIO STATEMENT***For the six months ended 30 June 2012 (Unaudited)*

	Holdings at 30 June 2012	Fair Value at 30 June 2012 US\$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
<b>Primary - by Industry</b>			
<b>Quoted</b>			
<b>EQUITIES</b>			
<b>Telecommunications</b>			
Advanced Info Service Public Company Limited (NVDR) <sup>1</sup>	542,100	3,140,630	2.04
Axiata Group Berhad	2,897,700	4,982,347	3.24
Maxis Berhad	1,021,800	2,052,932	1.33
Philippine Long Distance Telephone Company	19,500	1,226,415	0.80
Singapore Telecommunications Limited	3,588,000	9,293,434	6.04
Telekomunikasi Indonesia	4,563,000	3,959,377	2.57
		24,655,135	16.02
<b>Consumer Goods</b>			
Astra International Tbk	13,182,000	9,543,529	6.20
Gudang Garam Tbk	273,000	1,790,450	1.16
IOI Corporation Berhad	2,199,600	3,595,000	2.34
Unilever Indonesia Tbk	682,500	1,664,014	1.08
Wilmar International Limited	1,170,000	3,316,013	2.16
		19,909,006	12.94
<b>Consumer Services</b>			
Genting Berhad	1,267,500	3,763,982	2.44
Genting Singapore PLC	2,769,000	3,073,760	2.00
Jardine Cycle & Carriage Ltd	78,000	2,843,174	1.85
Singapore Airlines Limited	273,000	2,228,791	1.45
		11,909,707	7.74
<b>Oil &amp; Gas</b>			
Keppel Corporation Limited	624,000	5,045,253	3.28
Petronas Gas Berhad	362,700	2,051,359	1.33
PTT Public Company Limited (NVDR)	390,000	3,966,310	2.58
PTT Exploration & Production (NVDR)	604,500	3,197,607	2.08
		14,260,529	9.27

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**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***PORTFOLIO STATEMENT***For the six months ended 30 June 2012 (Unaudited)*

	Holdings at 30 June 2012	Fair Value at 30 June 2012 US\$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
<b>Primary - by Industry (continued)</b>			
<b>Quoted</b>			
<b>EQUITIES</b>			
<b>Financials</b>			
Bank Central Asia	5,616,000	4,364,844	2.84
Bank Mandiri	4,231,500	3,221,211	2.09
Bank Rakyat Indonesia	5,596,500	3,753,841	2.44
Malayan Banking Berhad	2,620,800	7,180,274	4.67
CIMB Group Holdings Berhad	2,550,600	6,072,283	3.94
Public Bank Berhad (Foreign Market)	483,600	2,095,524	1.36
City Developments Limited	312,000	2,748,607	1.79
United Overseas Bank Limited	546,000	8,021,068	5.21
Overseas Chinese Banking Corporation Limited	1,170,000	8,087,388	5.25
DBS Group Holdings Limited	819,000	8,943,103	5.81
Capitaland Limited	1,443,000	3,055,952	1.99
Bangkok Bank Public Company Limited (NVDR) <sup>1</sup>	218,400	1,306,549	0.85
Kasikornbank Public Company Limited (NVDR) <sup>1</sup>	534,300	2,716,922	1.76
Siam Commercial Bank Public Company Limited (NVDR) <sup>1</sup>	713,700	3,303,334	2.15
		64,870,900	42.15
<b>Industrials</b>			
Siam Cement (NVDR)	136,500	1,358,123	0.88
Sime Darby Berhad Ord	2,055,300	6,381,753	4.15
Singapore Technologies Engineering Limited	702,000	1,713,274	1.11
		9,453,150	6.14
<b>Basic Materials</b>			
United Tractors Tbk	1,267,500	2,881,142	1.87
Petronas Chemical Group Bhd	1,462,500	2,975,201	1.93
		5,856,343	3.80

*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 six months ended 30 June 2012 (Unaudited)*

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	<b>Holdings at 30 June 2012</b>	<b>Fair Value at 30 June 2012 US\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2012 %</b>
<b>Primary - by Industry (continued)</b>			
<b>Quoted</b>			
<b>Utilities</b>			
Perusahaan Gas Negara	4,426,500	1,649,481	1.07
Tenaga Nasional Berhad	624,000	1,316,580	0.86
		<hr/>	<hr/>
		2,966,061	1.93
<b>Portfolio of Investments</b>		153,880,831	99.99
<b>Other net assets/ (liabilities)</b>		18,842	0.01
		<hr/>	<hr/>
<b>Net assets attributable to unitholders</b>		153,899,673	100.00

<sup>1</sup> Non-Voting Depository Receipts

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*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 six months ended 30 June 2012 (Unaudited)*

	Fair Value at 30 June 2012 US\$	Percentage of total net assets attributable to unitholders at 30 June 2012 %	Percentage of total net assets attributable to unitholders at 31 December 2011 %
<b>Primary - by Industry (continued)</b>			
<b>Summary</b>			
<b>Quoted</b>			
<b>EQUITIES</b>			
Telecommunications	24,655,135	16.02	14.62
Consumer Goods	19,909,006	12.94	14.56
Consumer Services	11,909,707	7.74	8.47
Oil & Gas	14,260,529	9.27	8.64
Financials	64,870,900	42.15	41.98
Industrials	9,453,150	6.14	6.98
Basic Materials	5,856,343	3.80	1.89
Utilities	2,966,061	1.93	1.75
<b>Portfolio Of Investments</b>	<b>153,880,831</b>	<b>99.99</b>	<b>98.89</b>
<b>Other net assets/ (liabilities)</b>	<b>18,842</b>	<b>0.01</b>	<b>1.11</b>
<b>Net assets attributable to unitholders</b>	<b>153,899,673</b>	<b>100.00</b>	<b>100.00</b>
	Fair Value at 30 June 2012 US\$	Percentage of total net assets attributable to unitholders at 30 June 2012 %	Percentage of total net assets attributable to unitholders at 31 December 2011 %
<b>Secondary - By Geography</b>			
<b>By Country of Listing</b>			
Singapore	58,369,817	37.93	35.93
Malaysia	42,467,235	27.59	30.00
Indonesia	32,827,889	21.33	20.55
Thailand	18,989,475	12.34	11.68
Philippines	1,226,415	0.80	0.73
<b>Portfolio Of Investments</b>	<b>153,880,831</b>	<b>99.99</b>	<b>98.89</b>
<b>Other net assets/ (liabilities)</b>	<b>18,842</b>	<b>0.01</b>	<b>1.11</b>
<b>Net assets attributable to unitholders</b>	<b>153,899,673</b>	<b>100.00</b>	<b>100.00</b>

*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 six months ended 30 June 2012 (Unaudited)*

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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 the Second Supplemental Deed dated 13 March 2012, 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.

#### **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").

##### **(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.

**CIMB FTSE ASEAN 40**

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the six months ended 30 June 2012 (Unaudited)

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**2. Significant accounting policies** (continued)**(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 period 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 taken up 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.

**(e) Foreign currency translation**

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

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 date. Transactions in foreign currencies during the period are translated into United States dollars at the rates of exchange prevailing at transaction dates. All exchange 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 it is incurred.

**CIMB FTSE ASEAN 40**

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the six months ended 30 June 2012 (Unaudited)*

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**2. Significant accounting policies** (continued)**(g) Income taxes**

Current income tax liabilities (and assets) for current periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for all deductible taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets/liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at:

- (i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date; and
- (ii) the tax consequence that would follow from the manner in which the Fund expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax are recognised as income or expenses in the Statement of Total Return for the period.

**(h) Receivables**

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

**(i) 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.

**(j) 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.

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2012 (Unaudited)*

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**3. Expenses**

The management fees for the Fund are currently set at 0.65% of its net asset value per annum (maximum 1.00% per annum).

The fees of the Trustee, Custodian, Registrar, Investment Advisor, Index Provider and Auditors are borne by the Manager and are not charged to the Fund.

**4. Income tax**

The Fund was granted the status of Designated Unit Trusts (“DUT”) and, therefore, the following income is exempted from tax in accordance with Section 35(12) and (12A) of the Singapore Income Tax Act:

- (a) gains or profits derived from Singapore and elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Singapore Income Tax Act); and
- (c) dividends derived from outside Singapore and received in Singapore.
- (d) gains or profits derived from foreign exchange transactions, transactions in futures 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
- (e) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

	<b>Six months ended 30 June 2012 US\$</b>	<b>Six months ended 30 June 2011 US\$</b>
Overseas income tax	260,994	263,502

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

**5. Cash and bank balances**

	<b>As at 30 June 2012 US\$</b>	<b>As at 31 December 2011 US\$</b>
Cash at bank and on hand	344,938	1,793,701

At the balance sheet date, the carrying amounts of cash and bank balances approximated their fair values.

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**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2012 (Unaudited)***6. Net assets attributable to unitholders**

	<b>Six months ended 30 June 2012 US\$</b>	<b>Financial year ended 31 December 2011 US\$</b>
<b>At the beginning of the financial period</b>	152,363,610	171,518,230
<b>OPERATIONS</b>		
Change in net assets attributable to unitholders resulting from operations	11,116,863	(8,022,620)
<b>UNITHOLDERS' CONTRIBUTION/(WITHDRAWALS)</b>		
Creation of units	4,108,800	24,821,600
Cancellation of units	(8,229,600)	(31,689,600)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(4,120,800)	(6,868,000)
<b>DISTRIBUTION TO UNITHOLDERS</b>	(5,460,000)	(4,264,000)
<b>TOTAL DECREASE/ INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	1,536,063	(19,154,620)
<b>At the end of the financial period</b>	<b>153,899,673</b>	<b>152,363,610</b>
<b>Units in issue (note 7)</b>	<b>15,600,000</b>	<b>16,000,000</b>
	US\$	US\$
<b>Net assets attributable to unitholders per unit</b>	<b>9.865</b>	<b>9.523</b>

Reconciliation of net assets attributable to unitholders per unit for issuing/redeeming units at period end and the net assets attributable to unitholders per unit per the financial statements:

	<b>As at 30 June 2012 US\$</b>	<b>As at 31 December 2011 US\$</b>
Net assets attributable to unitholders per unit for issuing/redeeming units	9.884	9.580
Effect of adopting bid prices as fair value	(0.019)	(0.057)
Net assets attributable to unitholders per unit per the financial statements	9.865	9.523

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2012 (Unaudited)***6. Net assets attributable to unitholders** (continued)

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**

	<b>Six months ended 30 June 2012</b>	<b>Financial year ended 31 December 2011</b>
	<b>US\$</b>	<b>US\$</b>
Units at beginning of the period	16,000,000	16,800,000
Units created	400,000	2,400,000
Units cancelled	<u>(800,000)</u>	<u>(3,200,000)</u>
Units at end of the period	<u>15,600,000</u>	<u>16,000,000</u>

**8. Financial risk management**

The Manager continually monitors the Fund's exposure to risk and 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 financial 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.

The Fund's market risk is affected by changes in actual market prices. If the FTSE ASEAN 40 index in fund currency, US Dollar (USD), had increased by 5% with all other variables held constant, this would have increased the net asset value of the Fund by approximately US\$7,694,984 for the year ended 30 June 2012 ("being 5% of the year end NAV") and US\$7,618,181 for the year ended 31 December 2011 ("being 5% of the year end NAV"). Conversely, if the FTSE ASEAN 40 Index in fund currency had decreased by 5%, this would have decreased the net asset value of the Fund by approximately US\$7,694,984 for the year ended 30 June 2012 ("being 5% of the year end NAV") and US\$7,618,181 for the year ended 31 December 2011 ("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 risk of fluctuations in the prevailing levels of market interest rates.

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2012 (Unaudited)***8. Financial risk management (continued)****(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 established 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 expected for traditional investment instruments. No such investments were held at the balance sheet date.

The tables below analyse the Fund's financial liabilities and net settled derivative 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.

	<u>Due on demand</u> US\$	<u>Less than 3 months</u> US\$
<b>30 June 2012</b>		
Purchases awaiting settlement		317,597
Due to manager		271,904
Other payables		25,036
Net assets attributable to unit holders	153,899,673	
<b>31 December 2011</b>		
Due to manager		272,175
Other payables		27,302
Net assets attributable to unit holders	152,363,610	

**(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.

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2012 (Unaudited)***8. Financial risk management (continued)**

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

30 June 2012	USD Equivalent						Total
	USD	SGD	THB	PHP	IDR	MYR	
<b>ASSETS</b>							
Portfolio of investments	-	58,369,817	18,989,475	1,226,415	32,827,889	42,467,235	<b>153,880,831</b>
Sales awaiting settlement	-	-	-	-	70,870	12,034	<b>82,904</b>
Net dividend receivables	-	174,546	-	-	17,600	13,391	<b>205,537</b>
Cash and bank balances	207,693	-	-	-	76,833	60,412	<b>344,938</b>
Other receivable	-	-	-	-	-	-	-
<b>Total assets</b>	<b>207,693</b>	<b>58,544,363</b>	<b>18,989,475</b>	<b>1,226,415</b>	<b>32,993,192</b>	<b>42,553,072</b>	<b>154,514,210</b>
<b>LIABILITIES</b>							
Purchases awaiting settlement	-	93,892	42,374	-	126,326	55,005	<b>317,597</b>
Due to Manager	271,904	-	-	-	-	-	<b>271,904</b>
Other payables	25,036	-	-	-	-	-	<b>25,036</b>
Net assets attributable to unitholders	153,899,673	-	-	-	-	-	<b>153,899,673</b>
<b>Total liabilities</b>	<b>154,196,613</b>	<b>93,892</b>	<b>42,374</b>	<b>-</b>	<b>126,326</b>	<b>55,005</b>	<b>154,514,210</b>
<b>30 June 2011</b>							
<b>ASSETS</b>							
Portfolio of investments	-	69,960,921	18,263,461	928,851	30,807,731	53,024,562	<b>172,985,526</b>
Sales awaiting settlement	-	-	-	-	-	-	-
Net dividend receivables	610,042	184,529	-	-	157,509	42,807	<b>994,887</b>
Cash and bank balances	583,751	-	-	-	50,087	28,598	<b>662,436</b>
Other receivable	11,149	-	-	-	-	-	<b>11,149</b>
<b>Total assets</b>	<b>1,204,942</b>	<b>70,145,450</b>	<b>18,263,461</b>	<b>928,851</b>	<b>31,015,327</b>	<b>53,095,967</b>	<b>174,653,998</b>
<b>LIABILITIES</b>							
Purchase awaiting settlement	212,150	-	-	-	-	-	<b>212,150</b>
Due to Manager	298,845	-	-	-	-	-	<b>298,845</b>
Other payables	138,124	-	-	-	-	-	<b>138,124</b>
Net assets attributable to unitholders	174,004,880	-	-	-	-	-	<b>174,004,880</b>
<b>Total liabilities</b>	<b>174,653,998</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,653,998</b>

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2012 (Unaudited)***8. Financial risk management (continued)****(e) Credit risk**

The Fund takes on exposure to 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 and custodians.

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.

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 summarize the credit rating of banks and custodians in which the Fund's assets are held as at 30 June 2010 and 31 December 2009

<b>As at 30 June 2012</b>	<b>Amount</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
	<b>US\$000</b>		

Custodian

State Street Bank and Trust Company	345	AA-	Standard & Poor's
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<b>As at 30 June 2011</b>	<b>Amount</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
	<b>US\$000</b>		

Custodian

State Street Bank and Trust Company	662	AA-	Standard & Poor's
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The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

## **CIMB FTSE ASEAN 40**

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

### **NOTES TO THE FINANCIAL STATEMENTS**

*For the six months ended 30 June 2012 (Unaudited)*

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#### **8. Financial risk management** (continued)

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.

#### **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, which is incorporated in Singapore, and is 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 borne by the Manager are as set out in Note 3.

#### **10. Financial ratios**

	<b>Six months ended 30 June 2012</b>	<b>Six months ended 30 June 2011</b>
Ratio of expenses to average net assets <sup>1</sup>	<b>0.35%</b>	<b>0.34%</b>
Portfolio turnover rate <sup>2</sup>	<b>7.98%</b>	<b>5.60%</b>

<sup>1</sup> 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.

<sup>2</sup> 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.