

CIMB FTSE ASEAN 40

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

FINANCIAL STATEMENTS

Annual Report

For the financial year ended 31 December 2008

CIMB FTSE ASEAN 40

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

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For Financial Year ended 31 December 2008

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MANAGER'S INVESTMENT REPORT

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 2008 | 5.13 |
| NAV as at 31 December 2008 | 99.58 million |
| Number of units as at 31 December 2008 | 19,200,000 |
| NAV per unit as at 31 December 2008 | 5.186 |
| Management Fee | 0.65% |

Performance

Cumulative Performance (%) as at 31 Dec 08

| 31/12/2008 | From | Fund's Performance | Index's Performance |
|-----------------|------------------------|--------------------|---------------------|
| 1 Month | 28/11/2008--31/12/2008 | 8.70% | 8.56% |
| 3 Month | 30/09/2008--31/12/2008 | -25.19% | -25.35% |
| 6 Month | 30/06/2008--31/12/2008 | -42.09% | -42.96% |
| 1 Year | 31/12/2007--31/12/2008 | -47.41% | -48.75% |
| Since Inception | 21/09/2006--31/12/2008 | -17.64% | -20.67% |

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 Fund also invests in the Index Return ASEAN Access Product ("IRAAP").

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.

The IRAAP is linked to the performance of the Index itself. The final settlement price of each IRAAP is determined by reference to the actual closing price of the Index plus any applicable accumulated dividends, less any applicable expenses.

From 1 January 2008 to 31 December 2008, the NAV of the Fund decreased by 47.41%, while the Index decreased by 48.75%.

MANAGER'S INVESTMENT REPORT

Performance (continued)

2008 was a year of two faces for ASEAN. Oil price reached a high of US\$147 per barrel in July 08, thus causing inflation to reach near 10%. Things changed quickly as oil prices tumbled down to US\$40 towards the end of the year and talks of deflation arose. The real GDP forecasts for 2009 of Singapore, Malaysia, Thailand, Indonesia and Philippines are -3.0%, 1.0%, 2.5%, 3.5% and 2.0% respectively.

ASEAN-5 economies addressed rising inflation pressures by tightening monetary policy as well as cutting fuel subsidies. Unlike the Asian crisis, ASEAN-5 economies now enjoy strong foreign reserves and balance of payment surpluses. The strong reserves position can be used to help reduce the vulnerability of the domestic economy to any external shocks as well as for stimulus packages. In Indonesia, the government plans to spend an Rp12.5tr (US\$1bn) tax relief program and another Rp120tr to fund various projects. Other measures include more tax and import duty incentives for manufacturing industries, including food and beverage, electronics, automotive and steel among others. Malaysia's growth will slow down but it may avoid the worst. The growth catalyst is the fiscal stimulus package, which will provide support to domestic demand. The RM7bn package will focus on projects with high multiplier effects and low import content, covering housing, infrastructure, public transport and maintenance work. In Philippines, real GDP figures for 3Q08 indicate the Philippine economy is more robust than expected. However, with remittance figures beginning to soften, this could put pressure on the economy in 2009. Discussions on fiscal policy to support the economy are progressing, including a spending plan for fiscal 2009 to expand infrastructure investment. Singapore, being the first ASEAN economy to slip into technical recession, is expected to face a broad-based slowdown in 2009. With external demand waning, Singapore has to shore up domestic demand as much as possible. The substantial fiscal stimulus budget announced in the government Budget is expected to enable businesses to retain workers for as long as possible. In Thailand, 2008 have been a year of political uncertainty, thereby hindering efforts to put in any substantial stimulus package. With the election of Mr Abhisit Vejjajiva as Prime Minister on 15 Dec 2008, there should be stability. The new PM has promised to boost the economy through government spending with money channelled to rejuvenating tourism and helping poor Thais to deal with global and local economic woes. With a 'war chest' of US\$103,7bn foreign reserves as at mid-November 2008, the government is in a good position to fend off further external shocks.

The top 10 holdings of the Fund as of 31 December 2008 represented US\$49,596,962, approximately 49.94% of the Fund's net asset, while it was US\$84,153,792 as of 31 December 2007, 48.09% of the Fund.

MANAGER'S INVESTMENT REPORT

Performance (continued)

Investments at market value and as a percentage of NAV as at 31 December 2008 classified by:

| Investments at market value and as a percentage of NAV | | Market Value | % of NAV |
|--|----------------------|---------------------|-----------------|
| i) | Country | USD | |
| | Thailand | 10,252,281 | 10.32 |
| | Singapore | 40,974,349 | 41.26 |
| | Philippines | 1,056,404 | 1.06 |
| | Malaysia | 29,386,835 | 29.59 |
| | Indonesia | 13,193,032 | 13.27 |
| | Luxembourg | 3,984,800 | 4.01 |
| | | Market Value | % of |
| ii) | Industry | USD | NAV |
| | Consumers | 13,814,342 | 13.91 |
| | Diversified | 6,664,220 | 6.71 |
| | Financials | 42,914,335 | 43.19 |
| | Industrials | 5,010,199 | 5.06 |
| | Energy | 6,319,249 | 6.36 |
| | Communications | 17,923,159 | 18.04 |
| | Utilities | 2,217,397 | 2.23 |
| | Warrants | 3,984,800 | 4.01 |
| | | Market Value | % of NAV |
| iii) | Asset Class | USD | |
| | Equities | 94,862,901 | 95.50 |
| | Warrants | 3,984,800 | 4.01 |
| | Cash and Equivalents | 488,251 | 0.49 |

MANAGER'S INVESTMENT REPORT

Performance (continued)

Details of Top 10 Holdings of the Fund

As at 31 December 2008

| | Cost USD | Market Value USD | % of total net assets |
|-------------------------------|-------------------|---------------------|--------------------------|
| 1 Singapore Telecom | 8,901,463 | 9,065,483 | 9.13 |
| 2 United Overseas Bank | 7,529,335 | 6,610,548 | 6.66 |
| 3 Public Bank Fgn | 5,704,085 | 5,653,613 | 5.69 |
| 4 Overseas Chinese Banking | 6,151,260 | 5,274,026 | 5.31 |
| 5 DBS Group Holdings | 8,117,833 | 4,309,668 | 4.34 |
| 6 Sime Darby Berhad Ord | 6,275,172 | 4,306,650 | 4.34 |
| 7 Telekomunikasi Indonesia | 5,247,054 | 4,047,156 | 4.07 |
| 8 Bumiputra-Commerce Holdings | 4,312,620 | 3,840,069 | 3.87 |
| 9 Malayan Banking | 5,307,126 | 3,451,197 | 3.47 |
| 10 IOI Corp | 2,764,169 | 3,038,553 | 3.06 |
| | <u>60,310,116</u> | <u>49,596,962</u> | <u>49.94</u> |

As at 31 December 2007

| | Cost USD | Market Value USD | % of total net assets |
|-------------------------------|-------------------|---------------------|--------------------------|
| 1 Singapore Telecom | 6,133,261 | 10,940,171 | 6.25 |
| 2 DBS Group Holdings | 8,421,782 | 10,025,641 | 5.73 |
| 3 Sime Darby Bhd | 6,088,534 | 9,707,837 | 5.55 |
| 4 United Overseas Bank | 7,332,902 | 9,638,176 | 5.51 |
| 5 Overseas Chinese Banking | 6,052,385 | 8,266,381 | 4.72 |
| 6 Malayan Banking | 7,318,198 | 8,226,656 | 4.70 |
| 7 Public Bank Fgn | 5,466,876 | 7,118,899 | 4.07 |
| 8 Bumiputra-Commerce Holdings | 3,920,574 | 6,873,420 | 3.93 |
| 9 Telekomunikasi Indonesia | 5,660,783 | 6,689,944 | 3.82 |
| 10 Keppel Corp | 3,348,983 | 6,666,667 | 3.81 |
| | <u>59,744,277</u> | <u>84,153,792</u> | <u>48.09</u> |

Exposure to derivatives

| No of Warrants | Warrants on FTSE ASEAN Tradable Inex Index Return ASEAN Securities Access (IRAAPs) | Fair Value USD | Percentage of total net assets % |
|----------------|--|--|--|
| 800,000 | | <u>3,984,800</u> | <u>4.00</u> |
| | | Unrealised loss as at 31 Dec 2008 USD <u>(23,200)</u> | |
| | | Net loss on realisation of IRAAPs for the financial year ended 31 Dec 2008 USD <u>(1,548,000)</u> | |

MANAGER'S INVESTMENT REPORT

Index constituent's weights

| Constituent Name | As at 31/12/2008 % | Constituent Name | As at 31/12/2007 % |
|--|--------------------------|--|--------------------------|
| Singapore Telecommunications Limited | 9.35 | Singapore Telecommunications Limited | 6.51 |
| United Overseas Bank Limited | 6.86 | DBS Group Holdings Limited | 5.98 |
| DBS Group Holdings Limited | 6.64 | Sime Darby Berhad | 5.96 |
| Public Bank Berhad (Foreign Market) | 5.86 | United Overseas Bank Limited | 5.86 |
| Overseas Chinese Banking Corporation Limited | 5.38 | Overseas Chinese Banking Corporation Limited | 4.96 |
| Sime Darby Berhad | 4.49 | Malayan Banking Berhad | 4.95 |
| Telekomunikasi Indonesia | 4.24 | Public Bank Berhad (Foreign Market) | 4.27 |
| Bumiputra-Commerce Holdings Berhad | 4.02 | Bumiputra-Commerce Holdings Berhad | 4.12 |
| Malayan Banking Berhad | 3.58 | Telekomunikasi Indonesia | 4.01 |
| IOI Corporation Berhad | 3.14 | Keppel Corporation Limited | 3.94 |
| Singapore Airlines Limited | 3.08 | IOI Corporation Berhad | 3.85 |
| Capitaland Limited | 3.03 | Wilmar International Limited | 3.52 |
| PTT Public Company Limited | 2.79 | PTT Public Company Limited | 3.45 |
| PTT Exploration & Production Public Company Limited | 2.68 | Astra International | 3.22 |
| Bank Central Asia | 2.43 | Singapore Airlines Limited | 2.81 |
| MISC Berhad (Foreign) | 2.40 | City Developments Limited | 2.48 |
| Keppel Corporation Limited | 2.37 | Genting Berhad | 2.44 |
| City Developments Limited | 2.00 | PTT Exploration & Production Public Company Limited | 2.36 |
| Genting Berhad | 1.97 | Capitaland Limited | 2.23 |
| Telekom Malaysia International Berhad | 1.96 | Singapore Press Holdings | 1.81 |
| Astra International | 1.94 | Bank Rakyat Indonesia | 1.75 |
| Bank Rakyat Indonesia | 1.69 | Bank Central Asia | 1.75 |
| Wilmar International Limited | 1.64 | MISC Berhad (Foreign) | 1.64 |
| Singapore Technologies Engineering Limited | 1.62 | Singapore Technologies Engineering Limited | 1.42 |
| Advanced Info Service Public Company Limited | 1.33 | SembCorp Industries Limited | 1.32 |
| Tenaga Nasional Berhad | 1.30 | Telekom Malaysia Berhad | 1.28 |
| Resorts World Berhad | 1.27 | Resorts World Berhad | 1.25 |
| Bangkok Bank Public Company Limited | 1.23 | Bangkok Bank Public Company Limited | 1.21 |
| Philippine Long Distance Telephone Company | 1.11 | Tenaga Nasional Berhad | 1.15 |
| Bumi Resources Tbk Pt | 1.08 | Kasikornbank Public Company Limited | 1.11 |
| Siam Commercial Bank Public Company Limited | 1.04 | Perusahaan Gas Negara | 1.09 |
| Perusahaan Gas Negara | 1.03 | Philippine Long Distance Telephone Company | 1.07 |
| Kasikornbank Public Company Limited | 1.00 | Advanced Info Service Public Company Limited | 0.93 |
| SembCorp Industries Limited | 0.95 | Siam Commercial Bank Public Company Limited | 0.87 |
| Golden Agri-Resources Limited | 0.81 | Siam Cement Public Company Limited | 0.76 |
| Unilever Indonesia | 0.73 | Plus Expressways | 0.73 |
| Telekom Malaysia Berhad | 0.63 | British American Tobacco (Malaysia) | 0.66 |
| Siam Cement Public Company Limited | 0.59 | Bank Mandiri | 0.56 |
| Bank Mandiri | 0.50 | Unilever Indonesia | 0.40 |
| International Nickel Indonesia | 0.23 | Krung Thai Bank | 0.31 |

MANAGER'S INVESTMENT REPORT

Creation/redemption for the financial year ended 31 December 2008

Total subscription during the financial year under review amounted to US\$ 22,638,800 (4,400,000 units), while total redemption during the financial year under review amounted to US\$ 23,184,000 (2,400,000 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.

| | |
|---------------------------------------|---------------|
| Management expense ratio (annualised) | <u>0.73%</u> |
| Turnover ratio | <u>32.52%</u> |

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.

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 SGD332 million as at 31 December 2008.

Directors of the Manager

Datuk Noripah binti Hj Kamso

Datuk Noripah of 90, Jalan TR 8/3, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor, Malaysia, 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 also the Chief Executive Officer of CIMB-Principal Islamic Asset Management Berhad. Prior to that 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 of 14, Jalan Batai Barat, Damansara Heights, 50490, Kuala Lumpur, Malaysia, 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 18 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 is a fellow of the Chartered Institute of Management Accountants (CIMA) United Kingdom. He obtained his fund manager's representative's license in 1992.

MANAGER'S INVESTMENT REPORT

Goh Zee Wei Ken

Mr Goh of 33 Mount Sinai Rise #22-08 Singapore 276954, 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 Manager of the Fund

The appointed individual/principal portfolio manager of the Fund who will be primarily performing the investment management functions for the Fund is Mr Goh Zee Wei Ken who is also one of the directors of the Manager. Please see his write-up above for more information on his qualification, experience and employment history.

REPORT OF THE TRUSTEE

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 12 to 27, 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
31 March 2009

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 12 to 27, 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 2008 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
31 March 2009

**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 financial statements of CIMB FTSE ASEAN 40 (the "Fund") set out on pages 12 to 27, which comprise the Balance Sheet and Portfolio Statement as at 31 December 2008, the Statement of Total Return for the year ended 31 December 2008, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Manager of the Fund 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 2008 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,
31 March 2009

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 2008*

| | Notes | Year ended 31 December 2008 US\$ | Year ended 31 December 2007 US\$ |
|--|-------|---|---|
| INVESTMENT INCOME | | | |
| Dividends | | 5,171,420 | 6,488,189 |
| Interest | | 1,492 | 31,681 |
| | | 5,172,912 | 6,519,870 |
| LESS : EXPENSES | | | |
| Transaction Fees | | (16,440) | (5,021) |
| Management Fees | | (916,633) | (1,102,416) |
| Preliminary Expenses | | - | (170,436) |
| Others | | (3,345) | (114,661) |
| | 3 | (936,418) | (1,392,534) |
| Net Investment Income | | 4,236,494 | 5,127,336 |
| NET GAINS OR LOSSES ON VALUE OF INVESTMENTS | | | |
| Net change in fair value on investments | | (82,104,687) | 33,074,859 |
| Net realised gains on investments | | 8,424,007 | 9,791,534 |
| Net foreign exchange losses | | (97,024) | (30,339) |
| NET (LOSSES)/GAINS ON VALUE OF INVESTMENTS | | (73,777,704) | 42,836,054 |
| Distribution to unitholders | 6 | (4,560,000) | - |
| Total Return for the period before income tax | | (74,101,210) | 47,963,390 |
| Less: Income tax | 4 | (581,221) | 3,339,166 |
| TOTAL RETURN/(DEFICIT) FOR THE PERIOD | 6 | (74,682,431) | 51,302,556 |

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 2008

| | | Year ended 31 December 2008 US\$ | Year ended 31 December 2007 US\$ |
|--|---|---|---|
| ASSETS | | | |
| Portfolio of investments | | 98,847,701 | 173,102,667 |
| Net dividend receivables | | 207,741 | 517,198 |
| Tax recoverable | | 11,149 | 11,149 |
| Cash and bank balances | 5 | 508,671 | 994,640 |
| Total assets | | 99,575,262 | 174,625,654 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Financial derivatives | | - | 449 |
| Due to manager | | 158,910 | 373,578 |
| Other payable | | 80,400 | 26,044 |
| Net assets attributable to unitholders | 6 | 99,335,952 | 174,225,583 |
| Total liabilities | | 99,575,262 | 174,625,654 |

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 2008*

| | Holdings at 31 December 2008 | Fair Value At 31 December 2008 | Percentage of total assets attributable to unitholders at 31 December 2008 |
|--|---------------------------------|-----------------------------------|--|
| Primary – by Industry Quoted | | US\$ | % |
| EQUITIES | | | |
| Communications | | | |
| Telekomunikasi Indonesia | 6,440,000 | 4,047,156 | 4.07 |
| Telekom Malaysia Berhad | 685,400 | 606,163 | 0.61 |
| Telekom Malaysia International | 1,807,800 | 1,880,948 | 1.89 |
| Philippine Long Distance Telephone Company | 23,920 | 1,056,404 | 1.06 |
| Singapore Telecommunications Limited | 5,106,000 | 9,065,483 | 9.13 |
| Advanced Info Service Public Company Limited (NVDR) ¹ | 556,600 | 1,267,005 | 1.28 |
| | | <u>17,923,159</u> | <u>18.04</u> |
| Consumer | | | |
| Astra International | 1,909,000 | 1,847,702 | 1.86 |
| Unilever Indonesia | 943,000 | 674,807 | 0.68 |
| Genting Berhad | 1,748,000 | 1,869,249 | 1.88 |
| IOI Corporation Berhad | 2,953,200 | 3,038,553 | 3.06 |
| Resorts World Berhad | 1,886,000 | 1,210,092 | 1.22 |
| Singapore Airlines Limited | 368,000 | 2,885,069 | 2.91 |
| Wilmar International Limited | 782,000 | 1,513,636 | 1.52 |
| Golden Agri-Resources Limited | 4,738,000 | 775,234 | 0.78 |
| | | <u>13,814,342</u> | <u>13.91</u> |
| Diversified | | | |
| Sime Darby Berhad | 2,893,400 | 4,306,650 | 4.34 |
| Keppel Corporation Limited | 782,000 | 2,357,570 | 2.37 |
| | | <u>6,664,220</u> | <u>6.71</u> |
| Energy | | | |
| Bumi Resources Tbk Pt | 12,420,000 | 1,025,505 | 1.03 |
| PTT Exploration & Production Public Company Limited (NVDR) ¹ | 841,800 | 2,595,378 | 2.61 |
| PTT Public Company Limited (NVDR) ¹ | 538,200 | 2,698,366 | 2.72 |
| | | <u>6,319,249</u> | <u>6.36</u> |
| Financial | | | |
| Bank Central Asia | 7,820,000 | 2,295,780 | 2.31 |
| Bank Mandiri | 2,622,000 | 487,115 | 0.49 |
| Bank Rakyat Indonesia | 3,841,000 | 1,603,353 | 1.61 |
| Malayan Banking Berhad | 2,341,400 | 3,451,197 | 3.47 |
| Bumiputra-Commerce Holdings Bhd | 2,290,800 | 3,840,069 | 3.87 |
| Public Bank Berhad (Foreign Market) | 2,235,600 | 5,653,613 | 5.69 |
| City Developments Limited | 460,000 | 2,040,174 | 2.05 |
| United Overseas Bank Limited | 736,000 | 6,610,548 | 6.66 |
| Overseas Chinese Banking Corporation Limited | 1,518,000 | 5,274,026 | 5.31 |

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 2008*

| | Holdings at 31 December 2008 | Fair Value At 31 December 2008 | Percentage of total assets attributable to unitholders at 31 December 2008 |
|--|---------------------------------|-----------------------------------|--|
| | | USD | % |
| Primary – by Industry (continued) | | | |
| Quoted | | | |
| EQUITIES | | | |
| DBS Group Holdings Limited | 736,000 | 4,309,668 | 4.34 |
| Capitaland Limited | 1,334,000 | 2,888,592 | 2.91 |
| Bangkok Bank Public Company Limited (NVDR) ¹ | 593,400 | 1,179,790 | 1.19 |
| Siam Commercial Bank Public Company Limited (NVDR) ¹ | 717,600 | 997,672 | 1.00 |
| Kasikornbank Public Company Limited (NVDR) ¹ | 736,000 | 954,329 | 0.96 |
| Siam Cement Public Company Limited (NVDR) ¹ | 188,600 | 559,741 | 0.56 |
| DBS Group Holdings Limited (Rights issue) | 368,000 | 768,668 | 0.77 |
| | | <u>42,914,335</u> | <u>43.19</u> |
| Industrial | | | |
| International Nickel Indonesia | 1,265,000 | 223,986 | 0.23 |
| MISC Berhad (Foreign) | 947,600 | 2,300,532 | 2.32 |
| SembCorp Industries Limited | 552,000 | 891,655 | 0.90 |
| Singapore Technologies Engineering Limited | 966,000 | 1,594,026 | 1.61 |
| | | <u>5,010,199</u> | <u>5.06</u> |
| Utilities | | | |
| Perusahaan Gas Negara | 5,819,000 | 987,628 | 0.99 |
| Tenaga Nasional Berhad | 680,800 | 1,229,769 | 1.24 |
| | | <u>2,217,397</u> | <u>2.23</u> |
| WARRANTS | | | |
| Citigroup Index Return ASEAN Securities Access Products (AAPs) ² | 800,000 | 3,984,800 | 4.01 |
| Portfolio of investments | | 98,847,701 | 99.51 |
| Cash & Other net assets | | 488,251 | 0.49 |
| Net assets attributable to unitholders | | <u>99,335,952</u> | <u>100.00</u> |

¹ Non-Voting Depository Receipts² Index Return Access Asean Product low exercise price warrant*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 2008*

| | Percentage of total net assets attributable to unit holders at 2008 | Percentage of total net assets attributable to unit holders at 2007 |
|---|--|--|
| | % | % |
| Primary – by Industry (continued) | | |
| Summary | | |
| Quoted | | |
| EQUITIES | | |
| Communications | 18.04 | 14.88 |
| Consumer | 13.91 | 17.76 |
| Diversified | 6.71 | 9.37 |
| Energy | 6.36 | 5.50 |
| Financial | 43.19 | 40.42 |
| Industrial | 5.06 | 4.83 |
| Utilities | 2.23 | 2.14 |
| WARRANTS | 4.01 | 4.46 |
| Portfolio of investments | 99.51 | 99.36 |
| Other net assets | 0.49 | 0.64 |
| Net assets attributable to unitholders | 100.00 | 100.00 |

| | Fair Value at 31 December 2008 | Percentage of total net assets at 31 December 2008 % | Percentage of total net assets at 31 December 2007 % |
|---|--------------------------------------|---|---|
| Secondary - By Geography | | | |
| <u>By Country of Listing</u> | | | |
| Singapore SG | 40,974,349 | 41.26 | 40.60 |
| Malaysia MY | 29,386,835 | 29.59 | 30.64 |
| Indonesia ID | 13,193,032 | 13.27 | 12.14 |
| Thailand TH | 10,252,281 | 10.32 | 10.46 |
| Philippines PH | 1,056,404 | 1.06 | 1.06 |
| Luxembourg | 3,984,800 | 4.01 | 4.46 |
| Portfolio of Investments | 98,847,701 | 99.51 | 99.36 |
| Other net assets / (liabilities) | 488,251 | 0.49 | 0.64 |
| Net assets attributable to unitholders | 99,335,952 | 100.00 | 100.00 |

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

CIMB FTSE ASEAN 40

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

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 invests into Index Return AAPs issued by the Participating Dealer, Citigroup Global Markets Holdings Inc. 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 or to be 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

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 non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated 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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

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 will be borne by the Manager and will not be charged to the Fund.

4. Income tax

| | Year ended 31 December 2008 US\$ | Year ended 31 December 2007 US\$ |
|---|---|---|
| Tax expense attributable to total return is made up of: | | |
| Current income tax | | |
| - Singapore | - | 201,316 |
| - Overseas | 581,221 | 746,747 |
| Deferred income tax | - | (4,287,229) |
| | 581,221 | (3,339,166) |

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.

As DUT status has been granted the Fund will not have a deferred tax liability. All deferred tax liabilities provided before attaining DUT status were reversed in the prior year.

The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The overseas income tax represents tax withheld on foreign source income.

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 2008***5. Cash and bank balances**

| | Year ended 31 Dec 2008 US\$ | Year ended 31 Dec 2007 US\$ |
|--------------------------|-----------------------------------|-----------------------------------|
| Cash at bank and on hand | <u>508,671</u> | <u>994,640</u> |

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

6. Net assets attributable to unitholders

| | Year ended 31 December 2008 US\$ | Year ended 31 December 2007 US\$ |
|--|---|---|
| At the beginning of the financial year | 174,225,583 | 142,127,027 |
| OPERATIONS | | |
| Change in net assets attributable to unitholders resulting from operations | (70,122,431) | 51,302,556 |
| UNITHOLDERS' CONTRIBUTION/(WITHDRAWALS) | | |
| Creation of units | 22,959,600 | 3,116,000 |
| Cancellation of units | (23,166,800) | (22,320,000) |
| Change in net assets attributable to unitholders resulting from net creation and cancellation of units | (207,200) | (19,204,000) |
| DISTRIBUTION TO UNITHOLDERS | (4,560,000) | - |
| At the end of the financial year | <u>99,335,952</u> | <u>174,225,583</u> |
| TOTAL INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | <u>(74,889,631)</u> | <u>32,098,556</u> |
| Units in issue (note 7) | <u>19,200,000</u> | <u>17,200,000</u> |
| Net assets attributable to unitholders per unit | <u>5.17</u> | <u>10.13</u> |

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

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NOTES TO THE FINANCIAL STATEMENTS

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6. Net assets attributable to unitholders (continued)

| | Year ended 31 December 2008 US\$ | Year ended 31 December 2007 US\$ |
|--|---|---|
| Net assets attributable to unitholders per unit for issuing/redeeming units | 5.17 | 10.18 |
| Effect of adopting bid prices as fair value | (0.01) | (0.05) |
| Net assets attributable to unitholders per unit per the financial statements | <u>5.18</u> | <u>10.13</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

| | Year ended 31 December 2008 Units | Year ended 31 December 2007 Units |
|--|--|--|
| Units at the beginning of the financial year | 17,200,000 | 19,200,000 |
| Units created during the financial year | 4,400,000 | 400,000 |
| Units cancelled during the financial year | (2,400,000) | (2,400,000) |
| Units at the end of the financial year | <u>19,200,000</u> | <u>17,200,000</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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

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 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\$4,966,798 for the year ended 31 December 2008 ("being 5% of the year end NAV") and US\$8,711,279 for the year ended 31 December 2007 ("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\$4,966,798 for the year ended 31 December 2008 ("being 5% of the year end NAV") and US\$8,711,279 for the year ended 31 December 2007 ("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.

(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.

(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 financial year ended 31 December 2008***8. Financial risk management (continued)****(d) Foreign currency risk (continued)**

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

| 31 December 2008 | USD Equivalent | | | | | | Total |
|--|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| | USD | SGD | THB | PHP | IDR | MYR | |
| ASSETS | | | | | | | |
| Portfolio of investments | 3,984,800 | 40,974,349 | 10,252,281 | 1,056,404 | 13,193,032 | 29,386,835 | 98,847,701 |
| Net dividend receivables | 8,656 | 199,085 | - | - | - | - | 207,741 |
| Cash and bank balances | 508,671 | - | - | - | - | - | 508,671 |
| Tax recoverable | - | 11,149 | - | - | - | - | 11,149 |
| Total assets | 4,502,127 | 41,184,583 | 10,252,281 | 1,056,404 | 13,193,032 | 29,386,835 | 99,575,262 |
| LIABILITIES | | | | | | | |
| Due to Manager | 158,910 | - | - | - | - | - | 158,910 |
| Other payables | 80,400 | - | - | - | - | - | 80,400 |
| Net assets attributable to unitholders | 99,335,952 | - | - | - | - | - | 99,335,952 |
| Total liabilities | 99,575,262 | - | - | - | - | - | 99,575,262 |

| 31 December 2007 | USD Equivalent | | | | | | Total |
|--|--------------------|-------------------|-------------------|------------------|-------------------|-------------------|--------------------|
| | USD | SGD | THB | PHP | IDR | MYR | |
| ASSETS | | | | | | | |
| Portfolio of investments | 7,776,000 | 70,739,886 | 18,215,819 | 1,847,236 | 21,150,640 | 53,373,086 | 173,102,667 |
| Net dividend receivables | 247,171 | 153,162 | - | - | - | 116,865 | 517,198 |
| Cash and bank balances | 716,260 | 124,502 | - | - | - | 153,878 | 994,640 |
| Tax recoverable | - | 11,149 | - | - | - | - | 11,149 |
| Total assets | 8,739,431 | 71,028,699 | 18,215,819 | 1,847,236 | 21,150,640 | 53,643,829 | 174,625,654 |
| LIABILITIES | | | | | | | |
| Financial derivatives | - | 78 | - | - | - | 371 | 449 |
| Due to Manager | 373,578 | - | - | - | - | - | 373,578 |
| Other payables | 26,044 | - | - | - | - | - | 26,044 |
| Net assets attributable to unitholders | 174,225,583 | - | - | - | - | - | 174,225,583 |
| Total liabilities | 174,625,205 | 78 | - | - | - | 371 | 174,625,654 |

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

8. Financial risk management (continued)

(d) Foreign currency risk (continued)

The following table shows the Fund's sensitivity to foreign currency exposure should those currencies increase by 5% (2007: 5%) against the USD with all other variables held constant.

| Currency | Decrease in net assets attributable to unitholders | |
|----------|--|------------------------|
| | 31-Dec-2008 US\$000 | 31-Dec-2007 US\$000 |
| SGD | 2,059 | 3,551 |
| THB | 513 | 911 |
| PHP | 53 | 92 |
| IDR | 660 | 1,058 |
| MYR | 1,469 | 2,682 |

A 5% strengthening of the USD against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(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 are approved, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

8. Financial risk management (continued)

(e) Credit risk (continued)

Credit risk also arises from cash and cash equivalents held with custodians. The tables below summarise the credit rating of custodians in which the Fund's assets are held as at 31 December 2008 and 31 December 2007.

| As at 31 December 2008 | Amount | Credit rating | Source of credit rating |
|-------------------------------|---------------|----------------------|--------------------------------|
|-------------------------------|---------------|----------------------|--------------------------------|

US\$000

Custodian

| | | | |
|-------------------------------------|-----|-----|---------------------|
| State Street Bank and Trust Company | 509 | AA- | Standard and Poor's |
|-------------------------------------|-----|-----|---------------------|

| As at 31 December 2007 | Amount | Credit rating | Source of credit rating |
|-------------------------------|---------------|----------------------|--------------------------------|
|-------------------------------|---------------|----------------------|--------------------------------|

US\$000

Custodian

| | | | |
|-------------------------------------|-----|-----|---------------------|
| State Street Bank and Trust Company | 995 | AA- | Standard and 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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

9. Related party disclosures

The Fund is managed by CIMB-Principal Asset Management (S) Pte. Ltd. The Trustee of the Fund is DBS Trustee Limited. CIMB-Principal Asset Management (S) Pte. Ltd. is a fully-owned subsidiary of CIMB-Principal Asset Management Berhad. DBS Trustee Limited 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.

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. All other fees are borne by the Manager as set out in Note 3.

10. Financial ratios

| | Year ended 31 December 2008 | Year ended 31 December 2007 |
|--|--------------------------------|--------------------------------|
| Ratio of expenses to average net assets ¹ | 0.73% | 0.80% |
| Portfolio turnover rate ² | 32.52% | 8.82% |

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.