

<b>CONTENTS</b>	<b>PAGE(S)</b>
INVESTORS' LETTER	1
MANAGER'S REPORT	2 - 8
Fund Objective and Policy	
Performance Data	
Market Review	
Fund Performance	
Portfolio Structure	
Market Outlook	
Investment Strategy	
Unit Holdings Statistics	
Soft Commissions and Rebates	
STATEMENT BY MANAGER	9
TRUSTEE'S REPORT	10
INDEPENDENT AUDITORS' REPORT	11 - 14
STATEMENT OF COMPREHENSIVE INCOME	15
STATEMENT OF FINANCIAL POSITION	16
STATEMENT OF CHANGES IN EQUITY	17
STATEMENT OF CASH FLOWS	18
NOTES TO THE FINANCIAL STATEMENTS	19 - 47
DIRECTORY	48
LIST OF CWA (an Agency force of CIMB-Principal) OFFICES	49 - 53

**INVESTORS' LETTER**

Dear Valued Investors,

Happy New Year!

Thank you for your continued support and for the confidence that you have placed in us. We are pleased to share that CIMB-Principal Asset Management Berhad ("CIMB-Principal") Malaysia concluded the year with RM48 billion in Asset Under Management ("AUM") and the CIMB-Principal's Group AUM has increased by 7.6% to RM67.6 billion, for 1-year period ending 31 December 2016. Our AUM for Private Retirement Scheme business has increased by 27% year-on-year ("y-o-y") to RM343 million as at 31 December 2016.

We continue to achieve prestigious recognitions from The Edge | Thomson Reuters Lipper Malaysia, Thomson Reuters Lipper and Morningstar such as:

**The Edge | Thomson Reuters Lipper Malaysia Fund Awards 2016**

- Best Overall Group
- Best Equity Asia Pacific Ex-Japan, 3 years : CIMB-Principal Asia Pacific Dynamic Income Fund
- Best Equity Global, 3 years & 5 years : CIMB-Principal Global Titans Fund
- Best Equity Asia Pacific Ex-Japan, 5 years : CIMB-Principal Asian Equity Fund
- Best Equity Asia Pacific Ex-Japan - Malaysia Islamic, 3 years : CIMB Islamic Asia Pacific Equity Fund

**Thomson Reuters Lipper Fund Award Global Islamic 2016**

- Best Equity Asia Pacific Ex-Japan (Islamic), 3 years : CIMB Islamic Asia Pacific Equity Fund

**Morningstar Awards Malaysia 2016**

- Best Asia-Pacific Equity Fund : CIMB-Principal Asia Pacific Dynamic Income Fund

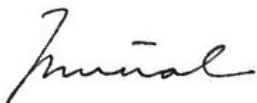
This reflects our consistent fund performance and investment capabilities, in tandem with our commitment to provide the best customer experience to our investors.

Through your support, CIMB-Principal has also managed to garner the **Best Asset and Fund Manager, Malaysia (2007-2016)** award from Alpha Southeast Asia and the **Asset Management Company of the Year, Malaysia** award from The Asset Triple A Investor Awards 2016.

As part of our on-going effort to further expand the payment options offered to our customers, CIMB-Principal has introduced the Virtual Account facility effective 7 December 2016. Please contact your servicing CWA Consultant or our Customer Care Centre at 03-77183000 to find out more.

Thank you once again and we wish you a happy and prosperous new year ahead.

Yours faithfully,  
for **CIMB-Principal Asset Management Berhad**



**Munirah Khairuddin**  
Chief Executive Officer/Executive Director

**MANAGER'S REPORT****FUND OBJECTIVE AND POLICY****What is the investment objective of the Fund?**

The Fund aims to provide regular income as well as to achieve medium to long-term capital appreciation through investments primarily in Malaysian bonds.

**Has the Fund achieved its objective?**

For the financial year under review, the Fund is in line with its stated objective as stated under the fund performance review.

**What are the Fund investment policy and principal investment strategy?**

The Fund may invest between 70% to 98% (both inclusive) of the Fund's Net Asset Value ("NAV") in debentures carrying at least a "BBB3" or "P2" rating by RAM Ratings ("RAM") or equivalent rating by Malaysia Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country or "BBB" by Standard & Poor's ("S&P") or equivalent rating by Moody's or Fitch. The Fund may invest up to 25% of its NAV in unrated debentures. The rest of the Fund is maintained in the form of liquid assets to meet any redemption payments to Unit holders. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of approved fixed income securities consisting primarily of bonds, and aims to provide a steady stream of income.

**Fund category/type**

Bond/Income

**How long should you invest for?**

Recommended three (3) years or more

**Indication of short-term risk (low, moderate, high)**

Low

**When was the Fund launched?**

15 November 1995

**What was the size of the Fund as at 31 December 2016?**

RM224.15 million (197.47 million units)

**What is the Fund's benchmark?**

Quant shop Malaysian Government Securities ("MGS") Bond Index (Medium Sub-Index)

**What is the Fund distribution policy?**

Distribution (if any) is expected to be distributed once a year every January at the Manager's discretion\*.

\*Note: Pursuant to the Master Deed, the Manager has the right to make provisions for reserves in respect of distribution of the Fund. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders.

**What was the net income distribution for the financial year ended 31 December 2016?**

The Fund distributed a total net income of RM13.26 million to unit holders for the financial year ended 31 December 2016. As a result, the NAV per unit dropped from RM1.1626 to RM1.0961 on 22 January 2016.

**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the last three financial years are as follows:

	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	%	%	%
Unquoted fixed income securities	94.49	95.96	96.92
Cash and other net assets	5.51	4.04	3.08
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last three financial years are as follows:

	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
NAV (RM Million)	224.15	229.37	274.58
Units in circulation (Million)	197.47	198.13	231.51
NAV per unit (RM)	1.1351	1.1577	1.1860
Highest NAV per unit (RM)	1.1614	1.1878	1.2091
Lowest NAV per unit (RM)	1.0961	1.1241	1.1452
Total return (%)	3.98	3.12	3.45
- Capital growth (%)	(1.93)	(2.37)	(1.80)
- Income distribution (%)	6.06	5.64	5.37
Management Expense Ratio ("MER") (%) ^	1.13	1.11	1.06
Portfolio Turnover Ratio ("PTR") (times) #	2.46	1.97	0.27

^ The Fund's MER increased from 1.11% to 1.13% mainly due to the decrease in average NAV during the financial year under review.

# The Fund's PTR for the financial year under review was 2.46 times which reflected the higher number of transactions compared to previous financial year. Rebalancing may be done when there are redemptions or potential credit event.

Date of distribution	22.01.2016	19.01.2015	23.01.2014
Gross/Net distribution per unit (sen)	6.65	6.35	6.15

	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	%	%	%	%	%
Annual total return	3.98	3.12	3.45	3.51	3.87

(Launch date: 15 November 1995)

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures for the financial year have been extracted from Lipper.

**MARKET REVIEW (1 JANUARY 2016 TO 31 DECEMBER 2016)**

During the first quarter of 2016 Bank Negara Malaysia (“BNM”) kept its Overnight Policy Rate (“OPR”) at 3.25% stating that current stance of monetary policy remains supportive of growth despite downside risks to growth. BNM reiterated that the stance of monetary policy remains accommodative and supportive of economic activity. Assessment on the global and domestic economy has turned more cautious as BNM highlighted increased downside risks to domestic growth outlook. BNM believes that recovery in the advanced economies has not been as strong as earlier expected and that growth in emerging economies has slowed. The latest statement also highlighted heightened financial market volatility poses additional downside risk to global growth.

On the inflation front, Consumer Prices Index (“CPI”) inched higher by 3.5% y-o-y in January 2016 and 4.2% y-o-y in February 2016 due to low-base effect and seasonality. The increase in inflation was mainly due to price increase of food and non-alcoholic beverages as well as alcoholic beverages and tobacco. However, the cost of transportation continues to remain low which helped to offset the rise the prices.

Meanwhile, the MGS market rallied in the first quarter of 2016 driven by foreign counterparties after a dovish Federal Open Market Committee (“FOMC”) statement coupled with improving oil prices and stronger Malaysian Ringgit (“MYR”). MGS demand continued as onshore real money extended out the curve to search for yield as BNM cut its Statutory Reserve Requirement (“SRR”) by 50 basis points (“bps”) and the Government assured that fiscal consolidation remains on track in meeting the budget deficit of 3.1% in 2016. In tandem with the rally in the government securities, corporate bond yields were also traded lower across all rating and tenors. This saw spread between corporate bond yields and sovereign yields widened for the 3-year and above as sovereign yields moved much lower.

BNM maintained its overnight policy rate throughout the second quarter of 2016 stating that current stance of monetary policy remains supportive of growth despite downside risks to growth. The Malaysian economy advanced slower at 4.2% in the first quarter 2016 due to a slowdown in investment growth and lower exports. It is the weakest growth since the first quarter of 2013 as a faster increase in private and public consumption were not sufficient enough to offset a significant slowdown in investment and a decline in exports. On a quarterly basis, the economy grew by 1.0%, slowing from a 1.5% expansion in the previous three months.

During the 3-month period from April 2016 until June 2016, MGS market experienced some volatility as investors turned slightly cautious in April 2016 after a hawkish FOMC minutes coupled with “Brexit” uncertainty. However, MGS yield rallied towards the end of June 2016 due to strong buying interest from foreign investors after the United Kingdom (“UK”) voted to exit the European Union (“EU”). Yields were pushed lower as investors continue to anticipate prospects of further monetary stimulus to be injected by Bank of England, Bank of Japan (“BOJ”) and European Central Bank (“ECB”). Similarly, corporate bond yields were traded slightly lower for most ratings and tenors. As result, the spread between corporate bond yields and sovereign yields have widened slightly during the period.

On 13 July 2016, BNM cut its OPR for the first time in 7 years by 25 bps to 3.0% at its bi-monthly Monetary Policy Committee (“MPC”) meeting. This came as a surprise to the market as the domestic economy is on track to report stable growth in 2016. The Central Bank cited risks from uncertainties in the global environment on the prospects of domestic growth to be the key rationale behind the pre-emptive rate cut. BNM also lowered its inflation outlook from 2.5% and 3.5% to 2.0% and 3.0% for 2016.

Economic growth was also lackluster as indicated by Malaysia’s second quarter of 2016 real Gross Domestic Product (“GDP”) that moderated for the fifth consecutive quarter to 4.00% y-o-y from 4.2% in first quarter of 2016. The slower growth was mainly due to a scale back in inventories and subdued exports. Domestic demand remained the key driver of growth which grew by 6.3% y-o-y in second quarter of 2016 from 3.6% in the previous quarter. The improvement in domestic demand was led by private investment arising from a rebound in capital spending in machinery and equipment.

**MARKET REVIEW (1 JANUARY 2016 TO 31 DECEMBER 2016) (CONTINUED)**

Another major event in 2016 was when the UK held an in-or-out referendum on whether to leave EU on 23 June 2016 with the leave campaign winning 52% of the votes. The loss saw David Cameron resigning from his position as Prime Minister but will continue on for another 3 months to ensure smooth succession. Theresa May was formally appointed on 14 July 2016 by the Queen to replace him. The UK bond curve flattened by more than 20 bps post Brexit with 10-year Gilt trading below 1% and the British Pound has depreciated by more than 10%. Although the withdrawal process could take 2 years or more, it appears that Britain is in no rush to invoke Article 50 and begin its exit negotiations. Meanwhile, German Chancellor Angela Merkel and fellow EU leaders are pressuring the new British Government to begin withdrawal proceedings as soon as possible.

August 2016 was again another eventful month for investors taking cue from Jackson Hole symposium, with Yellen's recent comment resonating a stronger case for monetary policy response in the US as economic conditions have started to improve, with inflation and unemployment levels nearing the US Federal Reserve's (the "Fed") target range. Trading volume for local govies started off on a cautious momentum before regaining traction especially for the Government Investment Issues ("GII") front after it was announced that GI 7/23 and GI 9/26 will be included to the JP Morgan Government Bond Index-Emerging Markets ("GBI-EM") effective end October 2016.

In November 2016, a stunning US election result saw Donald Trump comfortably secure the presidency after a string of formerly Democratic states swung his way. His victory caught many by surprise, as did the rapid selloff in global markets that followed. Expectations of higher inflation stemming from the President-elect's promised infrastructure spending and tax cuts ripped into bond markets with the 10-year Treasury jumping by 50 bps within the first week. Meanwhile, following the FOMC's November 2016 meeting, a December 2016 rate hike is deemed a virtual certainty. The FOMC left the Fed funds rate unchanged in a range of 0.25% to 0.5% in November 2016, paving the way for the aforementioned rate hike. Further bolstering the argument for the Fed funds rate hike by the end of the year was the stronger than expected third quarter US GDP. The second estimate indicates that the US economy had expanded even faster than initially thought, by an annualised 3.2% versus the initial 2.9%, the strongest pace of growth since third quarter of 2014.

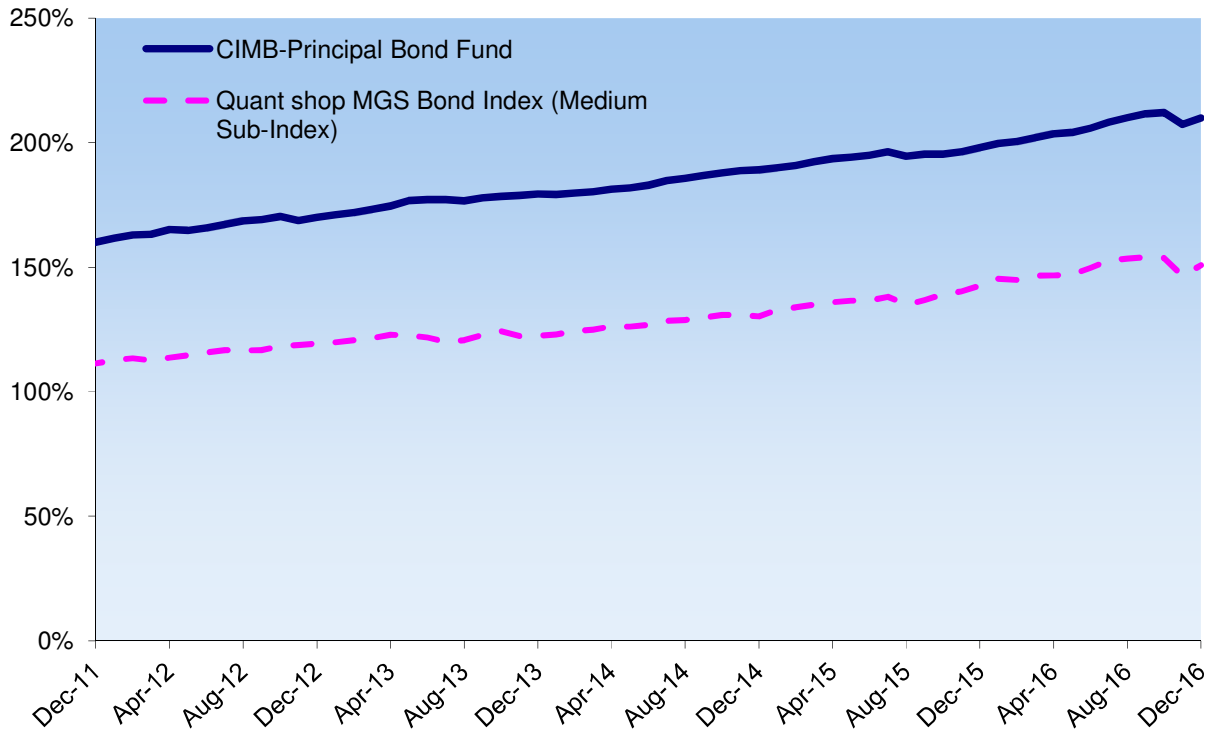
Meanwhile, the MYR bond yields have been creeping higher in November 2016 post US Election as investors continue to anticipate proposed policies/measures under the new Trump administration when he moves into office come January 2017. Foreign holdings of MYR bonds saw a reduction in November 2016 post US Election with looming December 2016 Fed rate hike. Foreign holdings of MGS saw a reduction of RM11.5 billion to RM173 billion versus October 2016 RM184.5 billion. Foreign ownership of GI eased lower to RM23 billion versus October 2016 RM30.2 billion. In percentage wise, foreign ownership of MGS and GI was reduced to 48.4% (October 2016: 51.9%) and 9.6% (October 2016: 12.6%) respectively.

BNM maintained its OPR level unchanged at 3.00% at the November 2016 MPC meeting. The Central Bank commented that the global economy continues to grow at a moderate pace, whilst private sector activities to remain as key driver of growth for the domestic economy. In terms of inflation prospects, headline inflation in 2016 is expected to be at the lower end of the projected 2.0% to 2.5%. Additionally, BNM mentioned that it will continue to provide liquidity to ensure the orderly functioning of the domestic foreign exchange market. The Central Bank also assured that the Malaysian capital market remains accessible, deep and liquid whilst reiterating that the banking system liquidity remains ample. Going forward, there is still room for monetary easing if a need is required going into 2017, as maintaining domestic growth continues to take precedence.

**FUND PERFORMANCE**

	<b>1 year to 31.12.2016</b>	<b>3 years to 31.12.2016</b>	<b>5 years to 31.12.2016</b>	<b>Since inception to 31.12.2016</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Income	6.06	18.05	23.62	165.06
Capital	(1.93)	(5.98)	(3.45)	17.10
Total Return	3.98	10.93	19.27	209.93
Benchmark	3.38	12.69	19.21	150.77
Average Total Return	3.98	3.52	3.59	5.50

For the financial year under review, the Fund delivered a total return of 3.98% versus the benchmark Quant shop MGS Bond Index (Medium Sub-Index) return of 3.38%.



**Changes in NAV**

	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>Changes %</b>
NAV (RM Million)	224.15	229.37	(2.28)
NAV/Unit (RM)	1.1351	1.1577	(1.95)

The Fund's NAV reduced by 2.28% to RM224.15 million as at 31 December 2016 due to unit redemptions. Meanwhile NAV per unit decreased slightly by 1.95% y-o-y to end at RM1.1351 during the financial year under review. The Fund ranked 31<sup>st</sup> out of 54 funds, in the third quartile in the Lipper ranking for one year ended 31 December 2016.

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the Fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial year have been extracted from Lipper.

**PORTFOLIO STRUCTURE**

(% of NAV)	31.12.2016	31.12.2015
Unquoted fixed income securities	94.49	95.96
Cash and other net assets	5.51	4.04
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The Fund was 94.49% invested with 5.51% in cash and other net assets as liquidity for redemption purposes.

**MARKET OUTLOOK\***

Going into 2017, we expect global economic recovery to be low but firmer and broader even as the world muddles through a “disruptive growth” phase. Global inflation has bottomed in 2016 and would inch higher in 2017 leading the Fed to tighten further in 2017. The BOJ and ECB on the other hand are likely to stay dovish for longer given their respective regions’ inflations are below desired target levels. As a consequence, we expect an upward bias for the US Dollar (“USD”) in 2017. With Trump as President, and a House and Senate under Republican Party, the US economic and corporate earnings growth could see upside risk from expansionist fiscal programs and tax reforms. Monetary policy should be less accommodative next year but systemic risks should still be contained by vigilant and dovish central banks. With this background, we expect increase volatility in the bond market until further clarity in the new US President’s administration.

On the local front, Malaysia’s economy is expected to continue to be challenging stemming from slower global growth. The Government forecasted that the economy will grow between 4% to 4.5% in 2017. All eyes will be focused towards BNM’s decisions in the MPC meetings. Market is expected to scrutinize the MPC’s statements closely for any signs of monetary policy change in the near term as there is a possibility that BNM may cut its OPR given Malaysia’s GDP is expected to decline due to slower global growth. We expect the fixed income market to be volatile in the near term driven by external uncertainties from the Fed tightening, political developments in Europe and future US policies under Trump.

\*This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of CIMB-Principal or based on data obtained from sources believed to be reliable by CIMB-Principal. Whilst every care has been taken in preparing this, CIMB-Principal makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

**INVESTMENT STRATEGY**

We expect higher volatility going forward due to external uncertainties especially from the US. For the domestic market, we have a preference for sovereign bonds due to the better valuations especially as corporate spreads has tightened significantly post US election. However considering the weak MYR, higher longer tenured government bond new issuances and the still high foreign ownership in the domestic sovereign bonds, these may mitigate any potential rallies in the MGS. In the credit segment, we continue to remain selective as downgrades and defaults on credit market may be increasing in 2017 in view of potential slower domestic growth.



**UNIT HOLDINGS STATISTICS**

Breakdown of unit holdings by size as at 31 December 2016 are as follows:

<b>Size of unit holdings (units)</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	670	1.98	1.00
5,001 to 10,000	502	3.71	1.88
10,001 to 50,000	816	18.44	9.34
50,001 to 500,000	252	29.34	14.86
500,001 and above	24	144.00	72.92
<b>Total</b>	<b>2,264</b>	<b>197.47</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

CIMB-Principal Asset Management Berhad (the "Manager") and the Trustee (including their officers) will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial year under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers but have retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL BOND FUND**

I, being a Director of CIMB-Principal Asset Management Berhad (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 15 to 47 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2016 and of its financial performance, changes in equity and cash flows for the financial year then ended in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

For and on behalf of the Manager  
**CIMB-Principal Asset Management Berhad**  
**(Company No.: 304078-K)**

**MUNIRAH KHAIRUDDIN**  
Chief Executive Officer/Executive Director

Kuala Lumpur  
16 February 2017

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL BOND FUND**

We have acted as the Trustee of CIMB-Principal Bond Fund (the "Fund") for the financial year ended 31 December 2016. To the best of our knowledge, CIMB-Principal Asset Management Berhad (the "Manager") has managed the Fund in accordance with the following:

- (a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission Malaysia Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deeds of the Fund and applicable regulatory requirements; and
- (c) creation and cancellation of units have been carried out in accordance with the Deeds of the Fund and applicable regulatory requirements.

During the financial year, a total distribution of 6.65 sen per unit (gross) has been distributed to the unit holders of the Fund. We are of the view that the distribution is consistent with the objectives of the Fund.

For and on behalf of the Trustee  
**PB TRUSTEE SERVICES BERHAD**

**JULIA BINTI MUSTAFFA**  
Chief Executive Officer

Kuala Lumpur  
16 February 2017

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL BOND FUND**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the financial statements of CIMB-Principal Bond Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 47.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL BOND FUND (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Information other than the financial statements and auditors' report thereon

The Manager of the Fund are responsible for the other information. The other information comprises:

- Manager's report
- Statement by Manager;
- Trustee's report;

(but does not include the financial statements of the Fund and our auditors' report thereon).

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

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund are responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia. The Manager is also responsible for such internal control as the Manager determine is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL BOND FUND (CONTINUED)****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB-PRINCIPAL BOND FUND (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements (continued)

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

**OTHER MATTERS**

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**PRICEWATERHOUSECOOPERS**  
(No. AF: 1146)  
Chartered Accountants

**WILLIAM MAH JIN CHEK**  
(No. 3085/07/17 (J))  
Chartered Accountant

Kuala Lumpur  
16 February 2017

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Note	2016 RM	2015 RM
<b>INVESTMENT INCOME</b>			
Interest income	4	11,087,876	12,052,051
Net gain/(loss) on financial assets at fair value through profit or loss	9	869,004	(1,534,847)
		<u>11,956,880</u>	<u>10,517,204</u>
<b>EXPENSES</b>			
Management fee	5	2,366,875	2,510,739
Trustee's fee	6	118,344	125,537
Audit fee		10,620	10,210
Tax agent's fee		3,500	4,000
Other expenses		172,417	136,772
		<u>2,671,756</u>	<u>2,787,258</u>
<b>PROFIT BEFORE TAXATION</b>		9,285,124	7,729,946
Taxation	8	-	-
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<u>9,285,124</u>	<u>7,729,946</u>
Profit after taxation is made up as follows:			
Realised amount		8,637,909	6,734,076
Unrealised amount		647,215	995,870
		<u>9,285,124</u>	<u>7,729,946</u>

The accompanying notes to the financial statements form an integral part of the audited financial statements.



**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	Note	2016 RM	2015 RM
<b>ASSETS</b>			
Cash and cash equivalents	10	12,181,667	16,456,140
Financial assets at fair value through profit and loss	9	211,770,056	220,112,427
Amount due from stockbrokers		-	10,118,219
Amount due from Manager		573,133	440,685
<b>TOTAL ASSETS</b>		<u>224,524,856</u>	<u>247,127,471</u>
<b>LIABILITIES</b>			
Amount due to stockbrokers		-	17,240,229
Amount due to Manager		147,551	277,322
Accrued management fee		189,511	194,933
Amount due to Trustee		9,476	9,747
Other payables and accruals		29,608	32,209
<b>TOTAL LIABILITIES</b>		<u>376,146</u>	<u>17,754,440</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>224,148,710</u>	<u>229,373,031</u>
<b>EQUITY</b>			
Unit holders' capital			207,426,679
Retained earnings		17,966,566	21,946,352
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>224,148,710</u>	<u>229,373,031</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	11	<u>197,469,305</u>	<u>198,125,731</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.1351</u>	<u>1.1577</u>

The accompanying notes to the financial statements form an integral part of the audited financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 January 2016</b>		207,426,679	21,946,352	229,373,031
Movement in unit holders' contributions:				
- Creation of units from applications		90,408,715	-	90,408,715
- Creation of units from distribution		12,627,931	-	12,627,931
- Cancellation of units		(104,281,181)	-	(104,281,181)
Total comprehensive income for the financial year		-	9,285,124	9,285,124
Distribution	7	-	(13,264,910)	(13,264,910)
<b>Balance as at 31 December 2016</b>		<u>206,182,144</u>	<u>17,966,566</u>	<u>224,148,710</u>
<b>Balance as at 1 January 2015</b>		245,648,175	28,927,254	274,575,429
Movement in unit holders' contributions:				
- Creation of units from applications		70,709,712	-	70,709,712
- Creation of units from distribution		13,817,874	-	13,817,874
- Cancellation of units		(122,749,082)	-	(122,749,082)
Total comprehensive income for the financial year		-	7,729,946	7,729,946
Distribution	7	-	(14,710,848)	(14,710,848)
<b>Balance as at 31 December 2015</b>		<u>207,426,679</u>	<u>21,946,352</u>	<u>229,373,031</u>

The accompanying notes to the financial statements form an integral part of the audited financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Note	2016 RM	2015 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of unquoted fixed income securities		591,825,462	508,139,954
Proceeds from redemption of unquoted fixed income securities		12,213,273	28,631
Purchase of unquoted fixed income securities		(600,027,926)	(455,251,371)
Interest income received from deposits with financial institutions		433,817	373,313
Interest income received from unquoted fixed securities		8,732,615	15,455,155
Management fee paid		(2,372,297)	(2,553,132)
Trustee's fee paid		(118,615)	(127,656)
Payments for other fees and expenses		(189,138)	(134,903)
<b>Net cash generated from operating activities</b>		<u>10,497,191</u>	<u>65,929,991</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		90,276,267	71,133,357
Payments for cancellation of units		(104,410,952)	(123,307,855)
Distribution paid		(636,979)	(892,974)
<b>Net cash generated from/(used in) financing activities</b>		<u>14,771,664</u>	<u>(53,067,472)</u>
Net (decrease)/increase in cash and cash equivalents		(4,274,473)	12,862,519
Cash and cash equivalents at beginning of the financial year		16,456,140	3,593,621
Cash and cash equivalents at end of the financial	<b>10</b>	<u>12,181,667</u>	<u>16,456,140</u>

The accompanying notes to the financial statements form an integral part of the audited financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY**

CIMB-Principal Bond Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, an Eighth Supplemental Master Deed dated 14 June 2010 and an Eighteenth Supplemental Master Deed dated 25 March 2015 (collectively referred to as the “Deeds”) made between CIMB-Principal Asset Management Berhad (the “Manager”) and PB Trustee Services Berhad (the “Trustee”).

The Fund may invest between 70% to 98% (both inclusive) of the Fund’s NAV in debentures carrying at least a “BBB3” or “P2” rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or “BBB” by S&P or equivalent rating by Moody’s or Fitch. The Fund may invest up to 25% of its NAV in unrated debentures. The rest of the Fund is maintained in the form of liquid assets to meet any redemption payments to Unit holders. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of approved fixed income securities consisting primarily of bonds, and aims to provide a steady stream of income.

All investments are subjected to the Securities Commission Malaysia (“SC”) Guidelines on Unit Trust Funds, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager, a company incorporated in Malaysia, is a subsidiary of CIMB Group Sdn Bhd and regards CIMB Group Holdings Berhad as its ultimate holding company. The Manager is also an associate of Principal International (Asia) Limited, which is a subsidiary of Principal Financial Group Inc. The principal activities of the Manager are the establishment and management of unit trust and fund management activities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

**(a) Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the MFRS and IFRS.

The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year.

It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and assumptions are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(k).

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (continued)

Standards, amendments to published standards and interpretations to existing standards that are effective:

The Fund has applied the following amendments for the first time for the financial year beginning 1 January 2016:

- Annual Improvements to MFRS 101 "Presentation of Financial Statements - Disclosure Initiative" provide clarifications on a number of issues, including:

Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

Disaggregation and subtotals – line items specified in MFRS 101 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.

Notes – confirmation that the notes do not need to be presented in a particular order.

Other comprehensive income ("OCI") arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss.

Each group should then be presented as a single line item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in MFRS 108 regarding the adoption of new standards/accounting policies are not required for these amendments.

- Annual Improvements to MFRS 2012 – 2014 Cycle

The adoption of these amendments did not have any impact on the current financial year or any prior financial year and is not likely to affect future financial years.

The standards, amendments to published standards and interpretations to existing standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

#### (i) Financial year beginning on/after 1 January 2017

- Amendments to MFRS 107 "Statement of Cash Flows - Disclosure Initiative" (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund's financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (continued)

#### (ii) Financial year beginning on/after 1 May 2018

- MFRS 15 “Revenue from Contracts with Customers” (effective from 1 January 2018) replaces MFRS 118 “Revenue” and MFRS 111 “Construction Contracts” and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

A new five-step process is applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
  - If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk of reversal.
  - The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
  - There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements, to name a few.
  - As with any new standard, there are also increased disclosures.
- MFRS 9 “Financial Instruments” (effective from 1 January 2018) will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through OCI. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (continued)

#### (ii) Financial year beginning on/after 1 May 2018 (continued)

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment—that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund's financial statements.

### (b) Financial assets and financial liabilities

#### Classification

The Fund designates its investments in unquoted fixed income securities as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance are evaluated on a fair value basis.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's loan and receivables comprise cash and cash equivalents, amount due from stockbrokers and amount due from Manager.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as other financial liabilities.

#### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(b) Financial assets and financial liabilities (continued)**Recognition and measurement (continued)

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial year which they arise.

Unquoted fixed income securities denominated in Ringgit Malaysia (“RM”) are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency (“BPA”) registered with the SC as per the SC Guidelines on Unit Trust Funds. Refer to Note 2(k) for further explanation.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

Loans and receivables and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

Impairment for assets carried at amortised costs

For assets carried at amortised cost, the Fund assesses at the end of the reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The asset’s carrying amount is reduced and the amount of the loss is recognised in statement of comprehensive income. If ‘loans and receivables’ has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent financial year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(c) Income recognition**

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on cost adjusted for accretion of discount or amortisation of premium.

**(d) Functional and presentation currency**

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 RM, which is the Fund's functional and presentation currency.

**(e) Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalent comprise bank balances and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(f) Taxation**

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial year.

**(g) Distribution**

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

**(h) Amount due from/to stockbrokers**

Amounts due from and amount due to stockbrokers represent receivables for unquoted fixed income securities sold and payable for unquoted fixed income securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amount due from stockbrokers. A provision for impairment of amount due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbroker. Significant financial difficulties of the stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of yield used to discount the future cash flows for the purpose of measuring the impairment loss.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (i) Unit holders' capital

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

### (j) Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

### (k) Critical accounting estimates and judgments in applying accounting policies

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Estimate of fair value of unquoted fixed income securities

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Unit Trust Funds.

Ringgit-denominated unquoted fixed income securities are valued using fair value prices quoted by a BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted fixed income securities differs from the market price by more than 20 bps, the Manager may use market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Loans and receivables RM</b>	<b>Total RM</b>
<b>2016</b>			
Cash and cash equivalents (Note 10)	-	12,181,667	12,181,667
Unquoted fixed income securities (Note 9)	211,770,056	-	211,770,056
Amount due from Manager	-	573,133	573,133
	<u>211,770,056</u>	<u>12,754,800</u>	<u>224,524,856</u>
<b>2015</b>			
Cash and cash equivalents (Note 10)	-	16,456,140	16,456,140
Unquoted fixed income securities (Note 9)	220,112,427	-	220,112,427
Amount due from stockbrokers	-	10,118,219	10,118,219
Amount due from Manager	-	440,685	440,685
	<u>220,112,427</u>	<u>27,015,044</u>	<u>247,127,471</u>

All current liabilities are financial liabilities which are carried at amortised cost.

The investment objective of the Fund is to provide regular income as well as to achieve medium to long-term capital appreciation through investments primarily in Malaysian bonds.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on Unit Trust Funds.

**(a) Market risk**

**(i) Price risk**

This is the risk that the fair value of an investment in unquoted fixed income securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of investments in unquoted fixed income securities may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of unquoted fixed income securities and other financial instruments within specified limits according to the Deeds.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Price risk (continued)

The Fund's overall exposure to price risk was as follows:

	2016 RM	2015 RM
Financial assets at fair value through profit or loss:		
- Unquoted fixed income securities*	<u>211,770,056</u>	<u>220,112,427</u>

\* Includes interest receivables of RM2,247,309 (2015: RM2,520,338).

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices of unquoted fixed income securities excluding interest receivable at the end of each financial year. The analysis is based on the assumptions that the price of the unquoted fixed income securities excluding interest receivable fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the unquoted fixed income securities, having regard to the historical volatility of the prices.

% Change in price of unquoted fixed income securities	Market value RM	Impact on profit after taxation/NAV RM
<b>2016</b>		
-5%	199,046,610	(10,476,137)
0%	209,522,747	-
5%	<u>219,998,884</u>	<u>10,476,137</u>
<b>2015</b>		
-5%	206,712,485	(10,879,604)
0%	217,592,089	-
5%	<u>228,471,693</u>	<u>10,879,604</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Investors should note that movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to meet the obligation under the instrument, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

% Change in interest rate	Impact on profit after tax/NAV	
	RM 2016	RM 2015
+1%	(502,489)	(425,127)
-1%	504,632	426,697

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the deposits are held on short-term basis.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(b) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Fund.

Investment in unquoted fixed income securities may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted fixed income securities and subsequently depress the NAV of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk.

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. For this Fund, the unquoted fixed income securities must satisfy a minimum rating requirement of at least "BBB3" or "P2" rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB" by S&P or equivalent rating by Moody's or Fitch.

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in unquoted fixed income securities are settled or paid upon delivery using approved stockbrokers.

### 3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (b) Credit risk (continued)

The following table sets out the credit risk concentration of the Fund:

	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from Manager RM	Total RM
<b>2016</b>				
Construction				
- AA3	-	5,537,904	-	5,537,904
Consumer Products				
- AA2	-	7,567,041	-	7,567,041
Energy				
- AA1	-	2,012,946	-	2,012,946
Finance				
- AAA	-	4,996,653	-	4,996,653
- AA2	-	21,038,994	-	21,038,994
- AA3	-	2,212,926	-	2,212,926
- A1	-	13,418,705	-	13,418,705
- Government guaranteed	-	4,994,172	-	4,994,172
- CIMB Bank Bhd (AAA)	27,503	-	-	27,503
- Hong Leong Bank Bhd (AA1)	7,008,986	-	-	7,008,986
- Maybank Islamic Bhd (AAA)	1,813,353	-	-	1,813,353
- Public Islamic Bank Bhd (AA1)	3,331,825	-	-	3,331,825
Government				
- AA1	-	4,080,711	-	4,080,711
Industrials				
- AAA	-	5,025,828	-	5,025,828
- A1	-	19,178,063	-	19,178,063
- Government guaranteed	-	5,053,487	-	5,053,487
Plantation				
- AA1	-	5,077,590	-	5,077,590
- AA2	-	10,063,134	-	10,063,134
- A1	-	12,972,844	-	12,972,844
Real Estate				
- AAA	-	15,163,939	-	15,163,939
- B3	-	1,340,459	-	1,340,459
Telecommunication				
- AAA	-	5,028,383	-	5,028,383
Utilities				
- AAA	-	22,407,551	-	22,407,551
- AA1	-	25,236,533	-	25,236,533
- AA2	-	5,121,296	-	5,121,296
- AA3	-	5,700,789	-	5,700,789
- A1	-	8,540,108	-	8,540,108
Others				
- Not rated	-	-	573,133	573,133
	<u>12,181,667</u>	<u>211,770,056</u>	<u>573,133</u>	<u>224,524,856</u>

### 3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (b) Credit risk (continued)

The following table sets out the credit risk concentration of the Fund (continued):

	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Amount due from stock-brokers RM	Amount due from Manager RM	Total RM
<b>2015</b>					
Construction					
- AA3	-	9,053,632	-	-	9,053,632
Consumer Products					
- AA3	-	2,553,547	-	-	2,553,547
Diversified Holdings					
- AAA	-	5,217,092	-	-	5,217,092
- AA2	-	10,834,470	-	-	10,834,470
- AA3	-	5,055,820	-	-	5,055,820
Finance					
- AAA	-	10,072,111	-	-	10,072,111
- AA2	-	-	10,118,219	-	10,118,219
- AA3	-	7,319,627	-	-	7,319,627
- A1	-	25,110,963	-	-	25,110,963
- A3	-	5,038,110	-	-	5,038,110
- Government guaranteed	-	5,056,121	-	-	5,056,121
- Affin Bank Bhd (AA3)	1,940,733	-	-	-	1,940,733
- Al Rajhi Bank Bhd (Not Rated)	1,500,193	-	-	-	1,500,193
- AmIslamic Bank Bhd (AA2)	4,500,997	-	-	-	4,500,997
- CIMB Bank Bhd (AAA)	20,230	-	-	-	20,230
- Hong Leong Bank Bhd (AA1)	2,000,504	-	-	-	2,000,504
- Public Bank Bhd (AAA)	3,000,773	-	-	-	3,000,773
- Public Islamic Bank Bhd (AAA)	1,492,200	-	-	-	1,492,200
- RHB Bank Bhd (AAA)	2,000,510	-	-	-	2,000,510
Government guaranteed	-	4,977,480	-	-	4,977,480



**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**(b) Credit risk (continued)**

The following table sets out the credit risk concentration of the Fund (continued):

	<b>Cash and cash equivalents RM</b>	<b>Financial assets at fair value through profit or loss RM</b>	<b>Amount due from stock-brokers RM</b>	<b>Amount due from Manager RM</b>	<b>Total RM</b>
<b>2015 (continued)</b>					
Infrastructure and Utilities					
- AAA	-	989,612	-	-	989,612
- AA1	-	24,411,484	-	-	24,411,484
- AA2	-	8,274,655	-	-	8,274,655
- AA3	-	18,161,896	-	-	18,161,896
- A1	-	20,288,623	-	-	20,288,623
- A3	-	2,025,936	-	-	2,025,936
Plantation					
- AA2	-	5,112,077	-	-	5,112,077
- AA3	-	34,124,977	-	-	34,124,977
Properties					
- AAA	-	15,191,098	-	-	15,191,098
- BB3	-	1,243,096	-	-	1,243,096
Others					
- Not Rated	-	-	-	440,685	440,685
	<u>16,456,140</u>	<u>220,112,427</u>	<u>10,118,219</u>	<u>440,685</u>	<u>247,127,471</u>

All financial assets of the Fund as at the end of each financial year are neither past due nor impaired.

**(c) Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

### 3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Liquidity risk (continued)

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<b>2016</b>			
Amount due to Manager	147,551	-	147,551
Accrued management fee	189,511	-	189,511
Amount due to Trustee	9,476	-	9,476
Other payables and accruals	11,939	17,669	29,608
<b>Contractual undiscounted cash flows</b>	<b>358,477</b>	<b>17,669</b>	<b>376,146</b>
<b>2015</b>			
Amount due to stockbrokers	17,240,229	-	17,240,229
Amount due to Manager	277,322	-	277,322
Accrued management fee	194,933	-	194,933
Amount due to Trustee	9,747	-	9,747
Other payables and accruals	12,281	19,928	32,209
<b>Contractual undiscounted cash flows</b>	<b>17,734,512</b>	<b>19,928</b>	<b>17,754,440</b>

#### (d) Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Fair value estimation (continued)

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2016</b>				
Financial assets at fair value through profit or loss:				
- Unquoted fixed income securities	-	<u>211,770,056</u>	-	<u>211,770,056</u>
<b>2015</b>				
Financial assets at fair value through profit or loss:				
- Unquoted fixed income securities	-	<u>220,112,427</u>	-	<u>220,112,427</u>

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**(d) Fair value estimation (continued)**

**(i) Fair value hierarchy (continued)**

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

(ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

**4. INTEREST INCOME**

	<b>2016 RM</b>	<b>2015 RM</b>
Interest income from unquoted fixed income securities	10,654,059	11,678,738
Interest income from deposits with licensed financial institutions	433,817	373,313
	<u>11,087,876</u>	<u>12,052,051</u>

**5. MANAGEMENT FEE**

In accordance with the Deeds, the Manager is entitled to a maximum fee of 1.50% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 31 December 2016, the management fee is recognised at a rate of 1.00% per annum (2015: 1.00% per annum).

There will be no further liability to the Manager in respect of management fee other than the amount recognised above.

**6. TRUSTEE'S FEE**

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.05% per annum, calculated daily based on the NAV of the Fund. The Trustee's fee includes local custodian fee but excludes foreign sub-custodian fee (if any).

For the financial year ended 31 December 2016, the Trustee's fee is recognised at a rate of 0.05% per annum (2015: 0.05% per annum).

There will be no further liability to the Trustee in respect of Trustee's fee other than the amount recognised above.

**7. DISTRIBUTION**

Distribution to unit holders is from the following sources:

	<b>2016 RM</b>	<b>2015 RM</b>
Interest income	7,448,092	6,343,042
Net realised loss from sale of investments	(1,869,090)	(835,130)
Prior financial year's realised income	7,765,086	9,285,066
	<u>13,344,088</u>	<u>14,792,978</u>
Less:		
Expenses	(79,178)	(82,130)
Net distribution amount	<u>13,264,910</u>	<u>14,710,848</u>
<b>Final distribution on 22 January 2016</b>		
Gross/Net distribution per unit (sen)	<u>6.65</u>	<u>-</u>
<b>Final distribution on 19 January 2015</b>		
Gross/Net distribution per unit (sen)	<u>-</u>	<u>6.35</u>

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current and prior financial years' realised income.

Gross distribution per unit is derived from gross realised income less expenses, divided by the number of units in circulation. Net distribution for unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

**8. TAXATION**

	<b>2016 RM</b>	<b>2015 RM</b>
Tax charged for the financial year:		
- Current taxation	<u>-</u>	<u>-</u>

A numerical reconciliation between the profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

	<b>2016 RM</b>	<b>2015 RM</b>
Profit before taxation	<u>9,285,124</u>	<u>7,729,946</u>
Taxation at Malaysian statutory rate of 24% (2015: 25%)	2,228,430	1,932,487
Tax effects of:		
Investment income not subject to tax	(2,869,651)	(2,629,301)
Expenses not deductible for tax purposes	32,050	35,179
Restriction on tax deductible expenses for Unit Trust Funds	609,171	661,635
Taxation	<u>-</u>	<u>-</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 RM	2015 RM
Designated at fair value through profit or loss at inception:		
- Unquoted fixed income securities	<u>211,770,056</u>	<u>220,112,427</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised gain/(loss) on disposals	1,277,612	(356,490)
- Unrealised fair value loss	<u>(408,608)</u>	<u>(1,178,357)</u>
	<u>869,004</u>	<u>(1,534,847)</u>

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2016 UNQUOTED FIXED INCOME SECURITIES</b>				
Abu Dhabi National Energy Co PJSC 4.65% 03/03/2022 (AA1)	2,000,000	2,035,628	2,012,946	0.90
AmBank Bhd 8.25% 18/08/2019 (A1)	1,500,000	1,649,337	1,666,214	0.74
Ara Bintang Bhd 4.48% 17/03/2021 (AAA)	5,000,000	5,029,348	5,025,828	2.24
Bank Pembangunan Malaysia Bhd 4.50% 04/11/2026 (AAA)	5,000,000	5,035,753	4,996,653	2.23
Benih Restu Bhd 4.62% 05/06/2025 (AA2)	5,000,000	5,065,903	4,969,838	2.22
Berjaya Land Bhd 4.85% 16/12/2019 (AAA)	5,000,000	5,031,058	5,047,231	2.25
First Resources Ltd 4.45% 31/07/2017 (AA2)	5,000,000	5,095,096	5,093,296	2.27
Golden Assets International Finance Ltd 4.35% 17/11/2017 (A1)	10,000,000	10,007,937	9,972,063	4.45
Golden Assets International Finance Ltd 4.75% 03/08/2018 (A1)	3,000,000	3,060,065	3,000,781	1.34
GovCo Holdings Bhd 4.40% 05/06/2026 #	5,000,000	5,058,492	4,994,172	2.23
Hong Leong Bank Bhd 8.25% 10/09/2039 (AA3)	2,000,000	2,237,659	2,212,926	0.99
Impian Ekspressi Sdn Bhd 4.58% 29/11/2019 (AAA)	10,000,000	10,095,937	10,116,708	4.51
Jimah Energy Ventures Sdn Bhd 8.20% 11/10/2017 (AA3)	2,000,000	2,063,562	2,083,889	0.93
Jimah Energy Ventures Sdn Bhd 9.25% 12/05/2021 (AA3)	2,000,000	2,168,033	2,371,245	1.06

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2016 (CONTINUED)</b>				
<b>UNQUOTED FIXED</b>				
<b>INCOME SECURITIES</b>				
<b>(CONTINUED)</b>				
Jimah Energy Ventures Sdn Bhd 9.55% 11/11/2022 (AA3)	1,000,000	1,264,974	1,245,655	0.56
Krung Thai Bank PCL 5.10% 04/07/2025 (AA2)	10,000,000	10,373,315	10,405,815	4.64
Kuala Lumpur Kepong Bhd 4.58% 12/08/2025 (AA1)	5,000,000	5,178,232	5,077,590	2.27
Lebuhraya Duke Fasa 3 Sdn Bhd 6.13% 22/08/2036 (AA3)	5,000,000	5,537,946	5,537,904	2.47
Manjung Island Energy Bhd 4.58% 25/11/2027 (AAA)	5,000,000	5,153,127	4,996,714	2.23
Manjung Island Energy Bhd 4.82% 25/11/2030 (AAA)	5,000,000	5,165,358	4,989,680	2.23
Nur Power Sdn Bhd 4.67% 26/06/2024 (AAA)	2,000,000	1,999,688	2,003,879	0.89
PB Finance Bhd 7.50% 05/06/2059 (AA2)	10,000,000	10,736,703	10,633,179	4.74
Projek Lebuhraya Usahasama Bhd 5.63% 11/01/2036 (AAA)	5,000,000	5,687,182	5,467,473	2.44
RHB Bank Bhd Hybrid Tier 6.75% 17/12/2039 (A1)	5,000,000	5,180,264	5,239,770	2.34
RHB Bank Bhd Hybrid Tier 8.00% 31/03/2039 (A1)	6,000,000	6,529,188	6,512,721	2.91
Sarawak Hidro Sdn Bhd 4.61% 09/08/2030 (AAA)	5,000,000	5,158,923	4,949,805	2.21
Sepangar Bay Power Corp Sdn Bhd 4.80% 03/07/2023 (AA1)	5,000,000	5,183,628	5,149,264	2.30
Special Power Vehicle Bhd 22.18% 19/11/2021 (A1)	5,000,000	8,525,263	8,540,108	3.81
Sports Toto Malaysia Sdn Bhd 6.00% 30/06/2017 (AA2)	7,500,000	7,555,594	7,567,041	3.38
Syarikat Prasarana Negara Bhd 4.75% 26/02/2031 #	5,000,000	5,260,897	5,053,487	2.25
Talam Transform Bhd 0% 28/06/2019 (B3)	1,490,245	449,033	1,340,459	0.60
Tan Chong Motor Holdings Bhd 4.70% 24/11/2021 (A1)	20,000,000	19,182,590	19,178,063	8.56

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2016 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
Tanjung Bin Power Sdn Bhd 4.84% 16/08/2022 (AA2)	5,000,000	5,131,854	5,121,296	2.28
Teknologi Tenaga Perlis Consortium Sdn Bhd 4.59% 29/01/2021 (AA1)	4,000,000	4,103,348	4,080,711	1.82
Telekom Malaysia Bhd 4.55% 20/12/2024 (AAA)	5,000,000	5,064,192	5,028,383	2.24
Westports Malaysia Sdn Bhd 4.53% 01/04/2027 (AA1)	5,000,000	5,084,569	4,956,236	2.21
Westports Malaysia Sdn Bhd 4.84% 22/10/2027 (AA1)	5,000,000	5,109,025	5,064,324	2.26
YTL Power International Bhd 4.49% 24/03/2023 (AA1)	5,000,000	5,078,477	4,980,462	2.22
YTL Power International Bhd 4.95% 11/10/2024 (AA1)	5,000,000	5,190,995	5,086,247	2.27
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b><u>204,490,245</u></b>	<b><u>212,518,173</u></b>	<b><u>211,770,056</u></b>	<b><u>94.49</u></b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>(748,117)</u></b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>211,770,056</u></b>		

# The unquoted fixed income securities which are not rated as at the end of each financial year are issued, backed or guaranteed by government or government agencies.



## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2015</b>				
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
Abu Dhabi National Energy Co PJSC 4.65% 03/03/2022 (A3)	2,000,000	2,036,079	2,025,936	0.88
AmBank Bhd 8.25% 18/08/2019 (A1)	11,500,000	12,921,106	13,098,842	5.71
Amlslamic Bank Bhd 4.40% 30/09/2021 (AA3)	5,000,000	5,056,055	5,066,905	2.21
Anih Bhd 5.34% 29/11/2023 (AA2)	2,000,000	2,067,441	2,066,821	0.90
Anih Bhd 5.58% 28/11/2025 (AA2)	3,000,000	3,154,493	3,156,936	1.38
Ara Bintang Bhd 4.48% 17/03/2021 (AAA)	10,000,000	10,075,742	10,072,111	4.39
Bahrain Mumtalakat Holding Company BSC 5.35% 30/04/2018 (AA3)	5,000,000	5,055,870	5,055,820	2.20
Bank Muamalat Malaysia Bhd 5.15% 15/06/2021 (A3)	5,000,000	5,025,053	5,038,110	2.20
Berjaya Land Bhd 4.85% 16/12/2019 (AAA)	5,000,000	5,037,401	5,074,080	2.21
DanaInfra Nasional Bhd 5.04% 12/11/2040 #	5,000,000	5,049,011	5,056,121	2.20
First Resources Ltd 4.45% 31/07/2017 (AA2)	5,000,000	5,093,877	5,112,077	2.23
Golden Assets International Finance Ltd 4.35% 17/11/2017 (AA3)	15,000,000	15,058,172	14,553,969	6.35
Golden Assets International Finance Ltd 4.75% 03/08/2018 (AA3)	20,000,000	20,408,382	19,571,008	8.53
Hong Leong Bank Bhd 8.25% 10/09/2039 (AA3)	2,000,000	2,303,555	2,252,722	0.98
Impian Ekspressi Sdn Bhd 4.58% 29/11/2019 (AAA)	10,000,000	10,116,918	10,117,018	4.41
Jimah Energy Ventures Sdn Bhd 8.00% 11/11/2016 (AA3)	10,000,000	10,407,537	10,428,490	4.55
Jimah Energy Ventures Sdn Bhd 8.20% 10/11/2017 (AA3)	2,000,000	2,107,936	2,154,967	0.94
Jimah Energy Ventures Sdn Bhd 8.30% 11/11/2016 (AA3)	2,000,000	2,060,303	2,091,482	0.91
Jimah Energy Ventures Sdn Bhd 8.55% 12/05/2017 (AA3)	1,000,000	1,051,705	1,067,185	0.47

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2015 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
Jimah Energy Ventures Sdn Bhd 9.25% 12/05/2021 (AA3)	2,000,000	2,195,571	2,419,772	1.05
Lumut Maritime Terminal Sdn Bhd 7.50% 02/12/2016 (A1)	2,000,000	2,060,932	2,065,306	0.90
Malaysian Government Securities 3.795% 30/09/2022 #	5,000,000	4,959,545	4,977,480	2.17
MMC Corporation Bhd 5.80% 12/11/2025 (AA3)	5,000,000	5,045,269	5,052,409	2.20
Nur Power Sdn Bhd 4.67% 26/06/2024 (AAA)	1,000,000	1,008,876	989,612	0.43
PB Finance Bhd 7.50% 05/06/2059 (AA2)	10,000,000	10,993,779	10,834,470	4.72
Projek Lebuhraya Usahasama Bhd 5.15% 12/01/2032 (AAA)	5,000,000	5,304,299	5,217,092	2.27
RHB Bank Bhd 6.75% 17/12/2039 (A1)	5,000,000	5,233,250	5,330,320	2.32
RHB Bank Bhd 8.00% 31/03/2039 (A1)	6,000,000	6,698,310	6,681,801	2.91
Sepangar Bay Power Corp Sdn Bhd 5.00% 03/07/2025 (AA1)	5,000,000	5,178,052	5,127,258	2.24
Special Power Vehicle Bhd 22.18% 19/11/2021 (A1)	10,000,000	18,216,162	18,223,317	7.94
Sports Toto Malaysia Sdn Bhd 6.00% 30/06/2017 (AA3)	2,500,000	2,548,049	2,553,547	1.11
Talam Transform Bhd 0% 28/06/2019 (B3)	1,490,245	449,033	1,243,096	0.54
Tanjung Bin Power Sdn Bhd 4.90% 16/08/2023 (AA2)	3,000,000	3,134,024	3,050,898	1.33
Teknologi Tenaga Perlis Consortium Sdn Bhd 4.59% 29/01/2021 (AA1)	4,000,000	4,107,836	4,089,544	1.78
WCT Holdings Bhd 4.20% 09/04/2018 (AA3)	4,000,000	4,013,920	4,001,223	1.75
YTL Power International Bhd 4.55% 10/06/2022 (AA1)	5,000,000	4,953,153	4,974,189	2.18
YTL Power International Bhd 4.95% 11/10/2024 (AA1)	10,000,000	10,265,240	10,220,493	4.47

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Name of issuer	Nominal value RM	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2015 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<u>206,490,245</u>	220,451,936	<u>220,112,427</u>	<u>95.96</u>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(339,509)</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>220,112,427</u>		

# The unquoted fixed income securities which are not rated as at the end of each financial year are issued, backed or guaranteed by government or government agencies.

10. CASH AND CASH EQUIVALENTS

	2016 RM	2015 RM
Deposits with licensed financial institutions	12,154,164	16,435,910
Bank balances	27,503	20,230
	<u>12,181,667</u>	<u>16,456,140</u>

The weighted average effective interest rate per annum is as follows:

	2016 %	2015 %
Deposits with licensed financial institutions	<u>3.93</u>	<u>4.73</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 6 days (2015: 5 days).

**11. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<u>2016</u>	<u>2015</u>
	<b>No of units</b>	<b>No. of units</b>
At the beginning of the financial year	198,125,731	231,513,598
Add : Creation of units from applications	80,263,791	61,542,540
Add : Creation of units from distribution	11,520,783	12,284,738
Less : Cancellation of units	<u>(92,441,000)</u>	<u>(107,215,145)</u>
At the end of the financial year	<u>197,469,305</u>	<u>198,125,731</u>

**12. MANAGEMENT EXPENSE RATIO (“MER”)**

	<u>2016</u>	<u>2015</u>
	%	%
MER	<u>1.13</u>	<u>1.11</u>

MER is derived based on the following calculation:

$$\text{MER} = \frac{(A + B + C + D + E) \times 100}{F}$$

- A = Management fee
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM236,616,497 (2015: RM250,886,550).

**13. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<u>2016</u>	<u>2015</u>
PTR (times)	<u>2.46</u>	<u>1.97</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

where:

- total acquisition for the financial year = RM582,787,697 (2015: RM472,491,600)
- total disposal for the financial year = RM580,438,651 (2015: RM513,555,842)

**14. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES**

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
CIMB-Principal Asset Management Bhd	The Manager
CIMB Group Sdn Bhd	Holding company of the Manager
CIMB Group Holdings Bhd ("CIMB")	Ultimate holding company of the Manager
CIMB Bank Bhd	Fellow subsidiary of the Manager
Subsidiaries and associates of CIMB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

Units held by the Manager and parties related to the Manager

	<b>2016</b>		<b>2015</b>	
	<b>No. of units</b>	<b>RM</b>	<b>No. of units</b>	<b>RM</b>
<b>Manager</b>				
CIMB-Principal Asset Management Bhd	5,142	5,837	147,793	171,100

In the opinion of the Manager, the above units were transacted at the prevailing market price.

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by the Directors or parties related to the Manager.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are significant related party transactions and balances. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
<u>Significant related party transactions</u>		
Interest income from deposits with licensed financial institutions:		
- CIMB Bank Bhd	84,089	100,031
<u>Significant related party balances</u>		
Bank balances:		
- CIMB Bank Bhd	27,503	20,230

15. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with the brokers/dealers for the financial year ended 31 December 2016 are as follows:

<b>Brokers/Dealers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
RHB Investment Bank Bhd	736,316,410	63.44	-	-
Hong Leong Investment Bank Bhd	281,303,000	24.24	-	-
Malayan Banking Bhd	92,975,000	8.01	-	-
CIMB Bank Bhd #	19,573,500	1.69	-	-
Citibank Bhd	15,380,950	1.33	-	-
AmBank Bhd	9,812,247	0.85	-	-
Affin Hwang Investment Bank Bhd	5,306,500	0.44	-	-
	<u>1,160,667,607</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions, primarily cash placements with the top 10 financial institutions for the financial year ended 31 December 2016 are as follows:

<b>Financial Institutions</b>	<b>Value of placements RM</b>	<b>Percentage of total placements %</b>
Public Bank Bhd	372,488,000	30.82
CIMB Bank Bhd #	269,020,600	22.26
Malayan Banking Bhd	234,742,400	19.42
RHB Bank Bhd	233,397,000	19.31
Hong Leong Bank Bhd	53,600,000	4.44
Maybank Islamic Bhd	19,560,000	1.62
United Overseas Bank (Malaysia) Bhd	9,908,000	0.82
Public Bank Islamic Bhd	7,822,000	0.65
AmIslamic Bank Bhd	4,500,000	0.37
Affin Bank Bhd	1,940,000	0.16
Others	1,500,000	0.13
	<u>1,208,478,000</u>	<u>100.00</u>

15. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with the brokers/dealers for the financial year ended 31 December 2015 are as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
RHB Investment Bank Bhd	442,761,450	44.92	-	-
Hong Leong Investment Bank Bhd	429,100,820	43.53	-	-
Malayan Banking Bhd	79,529,050	8.07	-	-
CIMB Bank Bhd #	14,899,000	1.51	-	-
Kenanga Investment Bank Bhd	10,191,000	1.03	-	-
Hong Leong Bank Bhd	9,181,000	0.94	-	-
	<u>985,662,320</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions, primarily cash placements with the top 10 financial institutions for the financial year ended 31 December 2015 are as follows:

Financial Institutions	Value of placements RM	Percentage of total placements %
Public Bank Bhd	501,441,000	35.69
CIMB Bank Bhd #	383,182,000	27.27
RHB Bank Bhd	218,329,000	15.54
Malayan Banking Bhd	164,458,000	11.70
Alliance Bank Malaysia Bhd	64,657,000	4.60
Hong Leong Bank Bhd	30,583,000	2.18
United Overseas Bank (Malaysia) Bhd	28,776,000	2.05
Amlslamic Bank Bhd	4,500,000	0.32
Affin Bank Bhd	3,940,000	0.28
Public Islamic Bank Bhd	3,728,000	0.27
Others	1,500,000	0.10
	<u>1,405,094,000</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CIMB Bank Bhd, a fellow subsidiary of the Manager amounting to RM288,594,100 (2015: RM398,081,000). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

**16. SEGMENT INFORMATION**

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The investment objective of the Fund is to provide regular income as well as to achieve medium to long-term capital appreciation through investments primarily in Malaysian bonds. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of interest income earned from investments and gains on the appreciation in the value of investments, which are derived from unquoted fixed income securities traded in Malaysia and Ringgit-denominated deposits with licensed financial institutions in Malaysia.

There were no changes in reportable operating segment during the financial year.

**17. SUBSEQUENT EVENTS**

The Manager proposed for the payment of a gross final distribution of 5.88 sen per unit in respect of the financial year ended 31 December 2016 (the "Final Distribution") which will be accounted for in the net assets attributable to unit holders as an appropriation of the retained earnings for the financial year ending 31 December 2017. The Final Distribution has been approved by the Trustee on 15 December 2016.

**18. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 16 February 2017.



## DIRECTORY

### Head office of the Manager

CIMB-Principal Asset Management Berhad (Company No.: 304078-K)  
10<sup>th</sup> floor, Bangunan CIMB,  
Jalan Semantan,  
Damansara Heights,  
50490 Kuala Lumpur, MALAYSIA.

### Postal address

CIMB-Principal Asset Management Berhad (Company No.: 304078-K)  
P.O.Box 10571,  
50718 Kuala Lumpur, MALAYSIA.

### Internet site

[www.cimb-principal.com.my](http://www.cimb-principal.com.my)

### E-mail address

[service@cimb-principal.com.my](mailto:service@cimb-principal.com.my)

### General investment enquiries

(03) 7718 3100

### Trustee for the CIMB-Principal Bond Fund

PB Trustee Services Berhad (Company No: 7968-T)  
17<sup>th</sup> Floor, Menara Public Bank,  
146, Jalan Ampang,  
50450 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2162 6000  
Fax: (03) 2164 3285

### Auditors of the Fund and of the Manager

PricewaterhouseCoopers (Company No. AF: 1146)  
Level 10, 1 Sentral,  
Jalan Rakyat, Kuala Lumpur Sentral,  
PO Box 10192, 50706 Kuala Lumpur, MALAYSIA.  
Tel: (03) 2173 1188  
Fax: (03) 2173 1288

**LIST OF CWA (an Agency force of CIMB-Principal) OFFICES**

	<b>ADDRESS</b>	<b>TELEPHONE</b>
<b><u>REGIONAL OFFICE</u></b>		
<b>Northern Region</b>	No 5, Jalan Todak 4, Bandar Sunway, Seberang Jaya, 13700 Perai, Pulau Pinang.	04-370 2155 04-370 2156
<b>Southern Region</b>	23 & 23A, Jalan Harimau Tarum, Taman Century, 80250 Johor Bahru, Johor.	07-334 1748
<b>Central Region</b>	46, 2 <sup>nd</sup> Floor, Jalan SS 21/39, Damansara Utama, 47400 Petaling Jaya, Selangor.	03-7712 2888
<b>Sarawak</b>	5B, Lot 414, Section 10, KTLD Jalan Rubber, 93400 Kuching, Sarawak.	082-259 777
<b>Sabah</b>	No 1, Jalan Pasar Baru, Kampung Air, 88000 Kota Kinabalu, Sabah.	088-239 951 088-239 952
<b><u>BRANCHES</u></b>		
<b>Ipoh</b>	30A, 1 <sup>st</sup> Floor, Persiaran Greentown 1, Greentown Business Centre, 30450 Ipoh, Perak.	05-243 9001 05-243 9002
<b>Kota Bharu</b>	Ground Floor, No 298-B, Jalan Tok Hakim, 15000 Kota Bharu, Kelantan.	09-747 1172 09-747 1190
<b>Ampang</b>	No 13B, 2 <sup>nd</sup> Floor, Jalan Mamanda 7/1, Off Jalan Ampang, 68000 Ampang, Selangor.	03-4270 2970
<b>Sri Petaling</b>	169-2, Jalan Radin Bagus, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.	03-9059 2333
<b>Melaka</b>	21, Jalan Melaka Raya 24, Taman Melaka Raya, 75000 Melaka.	06-281 1111
<b>Miri</b>	1 <sup>st</sup> & 2 <sup>nd</sup> Floor, Lot 1092, Jalan Merpati, 98000 Miri, Sarawak.	085-432 525
<b>Kuantan</b>	No. 44 & 44A, Jalan Putra Square 6, Putra Square, 25000 Kuantan, Pahang.	09-513 4400
<b><u>FINANCIAL CARE CENTER (FCC)</u></b>		
<b>Financial Planning Centre</b>	46, 2 <sup>nd</sup> Floor, Jalan SS 21/39, Damansara Utama, 47400 Petaling Jaya, Selangor.	03-7718 3000

LIST OF CWA (an Agency force of CIMB-Principal) OFFICES (CONTINUED)

	ADDRESS	TELEPHONE
<b><u>SALES OFFICES - Klang Valley-</u></b>		
<b>Charisma Legacy</b>	B-1-22 & B-2-22 & B-2-21, Block B, 10 Boulevard, Jalan Cempaka Sungai Kayu Ara, 47400 Petaling Jaya, Selangor.	03-7722 3895
<b>AAAAA Wealth Builders</b>	Lot C-615 & Lot C-616, Level 6, Block C, Kelana Square, 17 Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor.	03-7880 6893
<b>Megas</b>	2-6A, Jalan PJU 8/3A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor.	03-7725 6320
<b>Preferred Wealth Advisors</b>	No 12-01, D'Bayu Business Centre, Jalan Serambi U8/24, Bukit Jelutong, 40150 Shah Alam, Selangor.	03-6142 8382
<b>Otye Xcellence Consultants</b>	Lot No 35-2, 2 <sup>nd</sup> Floor, Jalan Sepah Puteri 5/1B, Pusat Dagangan Seri Utama, PJU 5, Kota Damansara, 47410 Petaling Jaya, Selangor.	03-6140 3046
<b>Elite Group Consultants</b>	No 6-2, Jalan Dagang 1/1A, Taman Dagang, 68000 Ampang, Selangor.	03-4251 1129
<b>Prestige Wealth Advisors</b>	I-91-2, Block I, Jalan Teknologi 3/9, Kota Damansara, 47810 Petaling Jaya, Selangor.	03-6140 7275
<b>Magnificent Champion Agency Office</b>	47A, Tingkat 1, Jalan Badminton 13/29, Seksyen 13, 40100 Shah Alam, Selangor.	03-5523 2693
<b>Diamond Star Agency Office</b>	Block E-1-03A & E-2-03A, Jalan SS6/20A, Dataran Glomac, 47301 Kelana Jaya, Selangor.	03-7880 7082
<b>JAT XO Group</b>	D-10-08-G & D10-08-1, Pusat Perdagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor.	03-7831 1267
<b>Nsg Wealth Advisors</b>	32-3, 4 <sup>th</sup> Floor, Jalan Wangsa Delima 6, Kuala Lumpur Satellite Centre (KLSC), Section 5 Wangsa Maju, 53300 Kuala Lumpur.	03-4142 2911
<b>Platinum</b>	A-2-1, Block A, 8 Jalan PJU 1A/20A, Dataran Ara Damansara, 47301 Petaling Jaya, Selangor.	03-7843 0506
<b>Platinum 2</b>	A-2-3, Block A, 8 Jalan PJU 1A/20A, Dataran Ara Damansara, 47301 Petaling Jaya, Selangor.	03-7843 0503
<b>Dynamics Wealth Advisors</b>	Unit B-3A-1, Setiawangsa Business Suites, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur.	03-4256 6277

LIST OF CWA (an Agency force of CIMB-Principal) OFFICES (CONTINUED)

	ADDRESS	TELEPHONE
<b><u>SALES OFFICES - Klang Valley- (Continued)</u></b>		
<b>My Financial Freedom Advisors</b>	No. 3A, Jalan Hentian 3, Pusat Hentian Kajang, 43000 Kajang, Selangor.	03-8741 4382
<b>Success Concepts Life Planners</b>	J-06-01 Level 6 Block J, Solaris Mont' Kiara, Jalan Solaris, 50480 Kuala Lumpur.	03-6204 0113
<b>ACES Advisors</b>	37-2, Jalan Cecawi 6/33, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor.	03-6142 2970
<b>Monalisa Private Wealth Advisors</b>	No 41B, 43B, Jalan Wan Kadir 2, Taman Tun Dr Ismail, 60000 Kuala Lumpur.	03-7724 1789
<b>SA-7</b>	No 35B-2 (2 <sup>nd</sup> Floor), Jalan Keluli Am 7/Am, Pusat Perniagaan Bukit Raja, Seksyen 7, 40000 Shah Alam, Selangor.	03-3341 4978
<b>Tremendous Agency</b>	No 65-2, Jalan Nelayan A, 19/A Pusat Daerah Seksyen 19, 40300 Shah Alam, Selangor.	03-5480 0296
<b>The One Asia Advisors</b>	No B-3A-23, Merchant Square, Jalan Tropicana Selatan 1, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.	03-7887 4408
<b>Wealth Resources Group Advisors</b>	No 41B, 3B Curve Business Park, Medan Pusat Bandar 2D, Seksyen 9, 43650 Bandar Baru Bangi, Selangor.	03-8926 4155
<b>Evoque Wealth Advisors</b>	2 <sup>nd</sup> Floor No 32A-2, Jalan PJU 5/20D, The Strand, Pusat Perdagangan Kota Damansara, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor.	03-6151 9512
<b>KPG Management Resources</b>	19-2, Jalan Adenium 2G/9, Adenium Business Centre, Bukit Beruntung, 48300 Rawang, Selangor.	03-6021 7385
<b>Emmaz Wealth Empire</b>	No 17-2, Jalan Rampai Maju 1, Taman Sri Rampai, 53300 Kuala Lumpur.	03-4141 7574
<b>Fidelis Wealth Advisors</b>	No 70-2, Jalan Tasik Utama 7, Medan Niaga Tasik Damai, The Trillium Lake Fields, 57000 Sungai Besi, Kuala Lumpur.	03-9054 8596
<b>Charisma Legacy 1</b>	B-3-21, Block Bougainvillea, 10 Boulevard, Lebuhraya Sprint, PJU 6A, 47400 Petaling Jaya, Selangor.	03-7733 5009
<b>KPG Capital Growth Solution</b>	No 15-1 Jalan Adenium 2G/9, Adenium Business Centre, 48300 Bukit Beruntung, 48300 Rawang, Selangor.	03-6021 7188

LIST OF CWA (an Agency force of CIMB-Principal) OFFICES (CONTINUED)

	ADDRESS	TELEPHONE
<b><u>SALES OFFICES - Klang Valley- (Continued)</u></b>		
<b>Global Amazing Entrepreneur</b>	C-10-2 & C-11-2, Bangi Gateway Shopping Complex, Persiaran Pekililing, Seksyen 15, 43650 Bandar Baru Bangi, Selangor.	03-8920 9038
<b>NRICH Wealth Advisory Group</b>	ZP-02-12, Zest Point, Lebuhraya Bukit Jalil, Bandar Kinrara, 47180 Puchong, Selangor.	03-8074 8485
<b>Charisma Legacy 3</b>	B-3-17, Block Bouganvilla, 10 Boulevard, Lebuhraya Sprint, PJU 6A, Kayu Ara, Damansara Jaya, 47400 Petaling Jaya, Selangor.	03-7733 4211
<b>SWM Advisors Group</b>	Block E-13-2, 2 <sup>nd</sup> Floor, Jalan Serai Wangi M/16M, Alam Avenue 2 Seksyen 16, 40200 Shah Alam, Selangor.	019-388 2067
<b>Synergy Wealth Entrepreneur</b>	98-2, Jalan Dwitasik, Dataran Dwitasik, Bandar Sri Permaisuri, Cheras, 56000 Kuala Lumpur.	03-9226 5344
<b>Charisma Legacy 2</b>	B-3-25 Block Bougainvillea, 10 Boulevard, Lebuhraya Sprint, PJU 6A, 47400 Petaling Jaya, Selangor.	03-7733 2460
<b>Charisma Legacy Sepang</b>	32A, 1 <sup>st</sup> Floor, Jalan Gemilang 1, Pusat Perniagaan Gemilang, Sepang, 47300 Selangor.	03-8705 3240
<b><u>SALES OFFICES - Northern-</u></b>		
<b>Charisma Legacy Kota Bharu</b>	PT1671 & 1672, Tingkat 2, Jalan Raja Perempuan Zainab 2, Kubang Kerian, 16150 Kota Bharu, Kelantan.	016-223 6343
<b>NZ Group</b>	PT 650, 1 <sup>st</sup> & 3 <sup>rd</sup> Floor, Jalan Sri Cemerlang, Seksyen 27, 15300 Kota Bharu, Kelantan.	09-747 6932
<b>My IFP Kemaman</b>	PT 10725, Ground Floor, Jalan Kubang Kurus, Taman Cukai Utama Fasa 4, 24000, Kemaman, Terengganu.	09-858 9911
<b>Amg Synergy Multiresources Sdn Bhd</b>	No 50, Tingkat 1, Jalan Putra Square 1, Malay Town, 25200 Kuantan, Pahang.	09-516 1430

LIST OF CWA (an Agency force of CIMB-Principal) OFFICES (CONTINUED)

	ADDRESS	TELEPHONE
<b><u>SALES OFFICES - Southern-</u></b>		
<b>GVG Solution Agency</b>	24-1, Jalan Padi Emas 4/1, Pusat Bandar Tampoi, 81200 Johor Bahru, Johor.	07-232 6976
<b>Kyzan Jaguar Agency</b>	16-01, Jalan Padi Emas 1/5, UDA Business Centre, 81200 Johor Bahru, Johor.	07-300 9350
<b>GVG Pasir Gudang Solution</b>	No 38-01, Jalan Serangkai 18, Taman Bukit Dahlia, 81700 Pasir Gudang, Johor.	012-707 6107
<b>Victorious Agency</b>	98-02, Jalan Pertama 1, Pusat Perdagangan Danga Utama, 81200 Johor Bahru, Johor.	011-121 1840
<b>Soha Barakah Wealth Consultancy</b>	No 55-2, 57-2, 59-2, Jalan TU 49A, Taman Tasik Utama, Ayer Keroh, 75450, Melaka.	06-2533 289
<b>Premier Wealth Advisors</b>	No 18-1, Jalan S2 B18, Biz Avenue Seremban 2, 70300 Seremban, Negeri Sembilan.	06-601 5749
<b>PremierOne Wealth</b>	No 527-1, Jalan Pusat Bandar Senawang, Pusat Bandar Senawang, 70450 Senawang, Negeri Sembilan.	06-671 8253

**SALES OFFICES - East Malaysia-**

<b>Sibu</b>	15A, Jalan Ruby, 96000 Sibu, Sarawak.	084-325 515
<b>JAT XO Group Bintulu</b>	Shop Lot No 2, Block 49, Of Parent Lot 2646, Park City Commerce Square, Jalan Kamar Bubin Off Jalan Tun Ahmad Zaidi, 97000 Bintulu, Sarawak.	012-217 2269