

## CIMB FTSE ASEAN 40

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

### FINANCIAL STATEMENTS

For the six months ended 30 June 2008 (Unaudited)

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## MANAGER'S INVESTMENT REPORT

### About CIMB FTSE ASEAN 40

CIMB FTSE ASEAN 40 is an exchange traded fund, designed to track the performance of the FTSE/ASEAN 40 Index. Shares of CIMB FTSE ASEAN 40 were listed and traded on SGX-ST since 21 September 2006.

### Details CIMB FTSE ASEAN 40

Fund Currency	USD dollar
Listing Date on SGX-ST	21-Sep-06
Stock Code on SGX-ST	M62
Board Lot	100 units
Number of units as at 30 Jun 2008	14,800,000
Bid Price as at 30 June 2008	9.00
NAV per unit as at 30 June 2008	8.955
Management Fee	0.65%

### Performance

Cumulative Performance (%) as at 30 Jun 08

	From	Fund's Performance	Index's Performance
1 Month	31/05/2008--30/06/2008	-7.01%	-7.14%
3 Month	31/03/2008--30/06/2008	-3.71%	-4.64%
6 Month	31/12/2008--30/06/2008	-9.20%	-10.16%
1 Year	30/06/2007--30/06/2008	3.28%	1.16%
Since Inception	21/09/2006--30/06/2008	42.21%	39.07%

The Fund aims to mirror the performance of FTSE/ASEAN 40 Index (the "Index"), using full replication strategy, that involves investing in all index securities in substantially the same proportion or weighting as the Index. The Fund also invests in the Index Return ASEAN Access Product ("IRAAP"). The IRAAP is linked to the performance of the Index itself. The final settlement price of each IRAAP is determined by reference to the actual closing price of the Index plus any applicable accumulated dividends, less any applicable expenses.

The Index is a tradable index launched by FTSE in conjunction with 5 ASEAN Exchanges - PT Bursa Efek Jakarta (Jakarta Stock Exchange), Bursa Malaysia Berhad, The Philippine Stock Exchange, Inc., Singapore Exchange Securities Trading Limited (SGX-ST) and The Stock Exchange of Thailand (SET). The Fund is the first collaborative effort amongst the 5 Exchanges under the ASEAN umbrella. The Index represents the performance of the 40 largest stocks of the 5 Exchanges and is subject to rigorous ground rules such as free float adjustment and liquidity screening to ensure that these stocks are highly investable. The transparent and freely available index rules are governed and maintained by an independent committee of leading market professionals.

## **MANAGER'S INVESTMENT REPORT**

### **Performance (continued)**

From 1 January 2008 to 30 June 2008, the Fund lost 9.20%, while the Index lost 10.16%.

The Asean-5 economy faced increasing challenges in 1H 2008 as oil raced to record highs and inflation shot northwards. Nevertheless, the real GDP forecasts for 2008 of Singapore, Malaysia, Thailand, Indonesia and Philippines are still buoyant at 5.3%, 5.4%, 4.9%, 6.1% and 5.8% respectively.

ASEAN-5 economies addressed rising inflation pressures by tightening monetary policy as well as cutting fuel subsidies. Unlike the Asian crisis, ASEAN-5 economies now enjoy strong foreign reserves and balance of payment surpluses. The strong reserves position should help to reduce the vulnerability of the domestic economy to any external shocks. For instance, although Indonesia's fiscal balance is expected to remain in deficit, continued strong balance of payments (BOP) surplus have seen its foreign reserves record US\$57.5bn at end-May 2008. Malaysia started 2008 strongly with a 7.1% growth in 1Q08. Inflation rose by 2.6% in 1Q08, stoked by soaring food prices. With price hikes of between 41% and 63% for fuel prices, inflation rose to 7.7% in Jun 08. On a positive note, the removal of fuel subsidies is good for the fiscal budget over time. In Philippines, exports grew at the slowest pace in six months in April as manufacturers bought fewer electronics parts. Inflation accelerated to the fastest in more than nine years in May on surging oil and food prices. The Philippines central bank raised rates by 25bps to 5.25%, its first increase in more than two years. Similarly, in Singapore, inflationary pressures remain high. CPI in Jun 08 increased by 7.5% y-o-y, a 26-year high. However, the government is still maintaining its GDP forecast range of 4.0% to 6.0% for 2008, largely on convictions of the resilience of the domestic economy. In Thailand, rising inflation risks have given the Bank of Thailand less flexibility in managing monetary policy amid a projected moderating of growth in 2H08. On the other hand, Thailand's Finance Minister said that inflation had peaked and added that he planned further stimulus measures to keep economic growth on track.

The top 10 holdings of the Fund as of 30 June 2008 represented US\$ 65,759,532, approximately 49.75% of the Fund's net asset, while it was US\$ 88,625,405 as of 30 June 2007, 50.79% of the Fund.

## MANAGER'S INVESTMENT REPORT

### Performance (continued)

Investments at market value and as a percentage of NAV as at 30 June 2008 classified by:

Investments at market value and as a percentage of NAV		Market Value	% of NAV
i)	<b>Country</b>	<b>USD</b>	
	Thailand	13,360,628	10.11
	Singapore	55,687,171	42.13
	Philippines	987,515	0.75
	Malaysia	33,102,809	25.04
	Indonesia	21,739,290	16.45
		<b>Market Value</b>	<b>% of NAV</b>
ii)	<b>Industry</b>	<b>USD</b>	
	Consumers	22,456,257	16.99
	Diversified	11,076,129	8.38
	Financials	50,569,536	38.26
	Industrials	6,225,366	4.71
	Energy	15,940,110	12.06
	Communications	16,032,631	12.13
	Utilities	2,577,380	1.95
		<b>Market Value</b>	<b>% of NAV</b>
iii)	<b>Asset Class</b>	<b>USD</b>	
	Equities	124,877,413	94.48
	Warrants	7,007,200	5.30
	Cash and Equivalent	294,073	0.22

## MANAGER'S INVESTMENT REPORT

### Performance (continued)

#### Details of Top 10 Holdings of the Fund

##### As at 30 June 2008

	Cost USD	Market Value USD	% of total net assets
Bumi Resources TBK	6,375,394	8,497,939	6.43
Singapore Telecom	5,042,798	8,395,362	6.35
DBS Group Holdings	6,854,137	7,775,888	5.88
United Overseas Bank	5,891,571	7,676,937	5.81
Overseas Chinese Banking	4,871,432	6,947,432	5.26
Sime Darby	5,141,772	6,250,704	4.73
Public Bank Fgn	4,453,775	5,536,130	4.19
IOI	2,151,441	5,157,517	3.90

##### As at 30 Jun 2007

	Cost USD	Market Value USD	% of total net assets
DBS Group Holdings	9,654,238	11,839,355	6.78
United Overseas Bank	8,191,316	11,422,107	6.55
Overseas Chinese Banking	6,842,401	9,825,223	5.63
Singapore Telecom	6,814,330	9,747,603	5.59
Malayan Banking	8,387,971	9,464,020	5.42
Bumiputra-Commerce Holdings	4,450,208	7,963,507	4.56
Telekomunikasi Indonesia	6,406,693	7,687,220	4.41
Public Bank Fgn	6,152,554	6,979,851	4.00
Index Return ASEAN Securities Access	5,008,000	6,904,000	3.96
Keppel Corp	3,839,078	6,792,519	3.89
	<u>65,746,789</u>	<u>88,625,405</u>	<u>50.79</u>

#### Exposure to derivatives

No of Warrants	Warrants on FTSE ASEAN Tradable Inex Index Return ASEAN Securities Access (IRAAPs)	Fair Value USD	Percentage of total net assets %
800,000		<u>7,007,200</u>	<u>5.30</u>
		Unrealised loss as at 30 June 2008 USD <u>960,800</u>	

## MANAGER'S INVESTMENT REPORT

### Index constituent's weights

Constituent Name	As at 30/06/2008 %	Constituent Name	As at 30/06/2007 %
Bumi Resources	7.00	Bumi Resources	-
Singapore Telecom	6.62	Singapore Telecom	6.01
United Overseas Bank	6.21	United Overseas Bank	7.04
DBS Group Holdings	6.16	DBS Group Holdings	7.15
Overseas Chinese Banking	5.50	Overseas Chinese Banking	5.94
Sime Darby Bhd	4.99	Sime Darby Bhd	2.97
Public Bank Fgn	4.44	Public Bank Fgn	4.28
IOI	4.12	IOI	3.01
Keppel Corp	3.69	Keppel Corp	4.11
Wilmar International Limited	3.60	Wilmar International Limited	0.94
Capitaland	3.43	Capitaland	3.13
Telekomunikasi Indonesia	3.27	Telekomunikasi Indonesia	4.68
Malayan Banking	3.15	Malayan Banking	5.72
Bumiputra-Commerce Holdings	3.10	Bumiputra-Commerce Holdings	4.86
PTT Exploration & Production	3.01	PTT Exploration & Production	1.73
PTT	3.00	PTT	2.79
Singapore Airlines	2.52	Singapore Airlines	3.25
Astra International	2.51	Astra International	2.40
City Developments	2.13	City Developments	3.28
Golden Agri-Resources	1.95	Golden Agri-Resources	-
Genting	1.81	Genting	2.82
MISC (F)	1.49	MISC (F)	1.82
Bank Rakyat Indonesia	1.38	Bank Rakyat Indonesia	1.64
Bank Central Asia	1.36	Bank Central Asia	1.57
Bangkok Bank	1.32	Bangkok Bank	1.35
Singapore Technologies Engineering	1.18	Singapore Technologies Engineering	1.48
SembCorp Industries	1.08	SembCorp Industries	1.40
Tenaga Nasional	1.07	Tenaga Nasional	1.52
Perusahaan Gas Negara	1.03	Perusahaan Gas Negara	0.81
Kasikornbank	0.98	Kasikornbank	1.06
Advanced Info Serv	0.96	Advanced Info Serv	0.92
Resorts World	0.91	Resorts World	1.21
Siam Commercial Bank PCL	0.85	Siam Commercial Bank PCL	0.83
TM International Bhd	0.84	TM International Bhd	-
Phil Long Dist Tel	0.78	Phil Long Dist Tel	0.92
Siam Cement	0.68	Siam Cement	0.96
International Nickel Indonesia	0.52	International Nickel Indonesia	-
Bank Mandiri	0.46	Bank Mandiri	0.60
Unilever Indonesia	0.45	Unilever Indonesia	0.48
Telekom Malaysia	0.42	Telekom Malaysia	1.30
British American Tobacco (Malaysia)	-	British American Tobacco (Malay)	0.79
Plus Expressways	-	Plus Expressways	0.79
Singapore Press Holdings	-	Singapore Press Holdings	2.03
Krung Thai Bank	-	Krung Thai Bank	0.40

## **MANAGER'S INVESTMENT REPORT**

### **Creation/redemption for the six months ended 30 June 2008**

There was no subscription during the period under review while total redemption during the financial period under review amounted to US\$ 23,166,800 (2,400,000 units).

### **Other information**

During the reporting period, the Fund had no exposure to other unit trusts, mutual funds and collective investment schemes and had no borrowings. There is no other material information that will adversely impact the valuation of the Fund.

Management expense ratio	<u>0.33%</u>
Turnover ratio	<u>14.80%</u>

<sup>1</sup> The expense ratio is computed in accordance with the revised IMAS' guidelines on disclosure of expense ratios dated 25 May 2005. Refer to note 10 for details.

<sup>2</sup> The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". Refer to note 10 for details.

### **Change in investment personnel**

Tan Keng Soon joined the company in January 2008 and has been Assistant Manager of the Fund since March 2008.

Goh Zee Wei Ken remains as Fund Manager of the Fund.

### **Soft dollar commissions**

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

## **MANAGER'S INVESTMENT REPORT**

### **Information on the Manager**

The Manager of the Fund is CIMB-Principal Asset Management (S) Pte Ltd (Company Registration Number 200607208K), a private limited company, incorporated in Singapore on 18 May 2006. The Manager is wholly-owned by CIMB-Principal Asset Management Berhad in Malaysia, which has been managing discretionary and mutual funds in Malaysia for more than 10 years.

The Manager obtained its capital markets services licence on 24th April 2007 and presently manages the Fund and several other discretionary accounts, with total assets under management of about SGD 376 million as at 30 June 2008.

### **Directors of the Manager**

#### **Datuk Noripah binti Hj Kamsu**

Datuk Noripah of 90, Jalan TR 8/3, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor, Malaysia, has been a Director of CIMB-Principal Asset Management (S) Pte Ltd since 18 May 2006, and a Director of CIMB-Principal Asset Management Berhad since 2 February 2005. She is also the Chief Executive Officer of CIMB-Principal Asset Management Berhad. Prior to that she was the Executive Director/Chief Executive Officer of CIMB Futures Sdn Bhd from October 1996 to September 2004, where she was responsible in strategic direction, business plans, marketing initiative and client requisition. From January 1993 to August 2004, she was with Commerce International Merchant Bankers Berhad, and held various positions (Deputy General Manager, General Manager and Director) in the Corporate Banking Division. From March 1983 to January 1993, she was in Corporate Banking with Bank of Commerce (M) Berhad where she was responsible for managing loan portfolios. Datuk Noripah's experience in the asset management business was derived when she sat as one of the Investment Panel of Commerce Asset Fund Managers from 1997 to 2001. Datuk Noripah and the other team members of the Investment Panel of Commerce Asset Fund Managers were responsible for ensuring that the investment management of the funds is consistent with the objectives of the funds, the deeds of trusts constituting the funds, Securities Commission Guidelines and relevant securities laws, any internal investment restrictions and policies of the investment managers. She received her Bachelor in Business Administration from the Northern Illinois University, Dekalb, Illinois, USA and a Master in Business Administration from the Marshall University, Huntington, West Virginia, USA.

#### **Tang Chee Kin**

Mr Tang of 14, Jalan Batai Barat, Damansara Heights, 50490, Kuala Lumpur, Malaysia, has been a Director of CIMB-Principal Asset Management (S) Pte Ltd since 18 May 2006. He joined CIMB-Principal Asset Management Berhad on 1 October 2004 as the Chief Investment Officer. He has 18 years of experience in the asset management business. Prior to joining the CIMB-Principal Asset Management Berhad, he was the Chief Investment Officer/Executive Director of CMS Dresdner Asset Management from 1996 to 2004 and was jointly responsible in making regional asset allocation decisions within Asia Pacific ex-Japan. He began his career as an investment officer in Rashid Hussain Asset Management in 1987 for 4 years before moving on to CIMB Securities Sdn. Bhd. as an investment executive for 1 year. In 1992, he joined SBB Asset Management as a fund manager until 1996. Mr Tang is a fellow of the Chartered Institute of Management Accountants (CIMA) United Kingdom. He obtained his fund manager's representative's license in 1992.

## **MANAGER'S INVESTMENT REPORT**

### **Goh Zee Wei Ken**

Mr Goh of 33 Mount Sinai Rise #22-08 Singapore 276954, joined CIMB-Principal Asset Management (S) Pte Ltd as Head, International Investment. Besides this functional role, he is also the CEO and a Director of CIMB-Principal Asset Management (S) Pte Ltd. Before his current appointment, Mr Goh was Director of Investment at APS Asset Management, which is the winner of the Enterprise 50 Award, 2006 and well-regarded for its bottom-up investment process for managing Asian equities. Mr Goh has also served as Head of Investment Advisory, Asia for MeesPierson as well as Chief Investment Officer, Singapore for Allianz Dresdner Asset Management. Prior to joining Allianz Dresdner Asset Management in 2001, Mr Goh was the Executive Director of Phillip Capital Management during its start-up phase, managing absolute returns portfolios. From 1994 to 2000, Mr Goh served as an Investment Manager with the GIC (Government of Singapore Investment Corp). He has managed UK, Italy, Ireland, Pan European and Global Sector equity portfolios. He was a member of the Global Resources & Industrial as well as Global Financial Services Research Group. Besides equity investment experience, Mr Goh has been rotated to GIC Bonds and Economics/Asset Allocation departments. He was based in GIC London office in 1998 and had been seconded to Schroders Investment Management (London) in 1996, Lazard Asset Management (London) in 1995 and Bankers Trusts (Singapore) in 1993. Mr Goh graduated from the National University of Singapore as Bachelor of Business Administration with a 1st Class Honours. He is a Chartered Financial Analyst (CFA) charter-holder since 1997.

### **Appointed Portfolio Manager of the Fund**

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

## STATEMENT BY THE MANAGER

In the opinion of the directors of CIMB-Principal Asset Management (S) Pte. Ltd., the accompanying financial statements set out on pages 10 to 24, comprising the Statement of Total Return, Balance Sheets, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Fund as at 30 June 2008, the total return and movements in unitholders' for the period then ended in accordance with the recommendations of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts", issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

Goh Zee Wei Ken  
Chief Executive Officer/Director

Datuk Noripah Kamso  
Director

Singapore  
14 August 2008

Kuala Lumpur  
14 August 2008

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the six months ended 30 June 2008 (Unaudited)*

	Note	Six months ended 30 June 2008 US\$	Six months ended 30 June 2007 US\$
<b>INVESTMENT INCOME</b>			
Dividends		2,622,313	2,691,151
Interest		1,254	25,427
		2,623,567	2,716,578
<b>LESS : EXPENSES</b>			
Custody Fees		(9,565)	(1,359)
Management Fees		(488,941)	(569,473)
Preliminary Expenses		0	(115,814)
Others		(3,971)	(11,750)
		(502,478)	(698,396)
<b>NET INVESTMENT INCOME</b>		2,121,089	2,018,182
<b>NET GAINS OR LOSSES ON VALUE OF INVESTMENTS</b>			
Net Change in Fair value on Investment		(29,175,780)	20,571,439
Net Gains on Investments		13,132,768	0
Net Foreign Exchange Gain / (Loss)		(66,637)	3,086,869
<b>NET GAINS ON VALUE OF INVESTMENTS</b>		(16,109,648)	23,658,309
Total Return for the financial Period before Income Tax		(13,988,559)	25,676,491
Less: Income Tax	4	(331,538)	3,588,603
<b>Total Return for the Financial Period/Year</b>		(14,320,096)	29,265,094

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

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***BALANCE SHEET***For the six months ended 30 June 2008 (Unaudited)*

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		<b>As at 30 June 2008</b>	<b>As at 31 December 2007</b>
	<b>Note</b>	<b>US\$</b>	<b>US\$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Portfolio of investments		131,884,613	173,102,667
Net dividend receivables		327,877	517,198
Tax recoverable		11,149	11,149
Cash and bank balances	5	240,095	994,640
<b>Total assets</b>		<b>132,463,735</b>	<b>174,625,654</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial derivatives		-	449
Due to Manager		228,259	373,578
Other payables		56,789	26,044
Net assets attributable to unitholders	6	132,178,687	174,225,583
<b>Total liabilities</b>		<b>132,463,735</b>	<b>174,625,654</b>

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

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***PORTFOLIO STATEMENT***For the six months ended 30 June 2008 (Unaudited)*

	Holdings at 30 June 2008	Fair Value at 30 June 2008 US\$	Percentage of total net assets attributable to unitholders at 30 June 2008 %
<b>Primary - by Industry Quoted</b>			
<b>EQUITIES</b>			
<b>Communications</b>			
Advanced Info Serv (NVDR) <sup>1</sup>	430,500	1,184,921	0.90
Telecom Malaysia International	553,000	1,041,320	0.79
Philippine Long Distance Telephone Co.	18,550	987,515	0.75
Singapore Telecom	3,150,000	8,395,362	6.35
Telekom Malaysia	525,000	511,176	0.39
Telekomunikasi Indonesia	4,970,000	3,908,080	2.96
		16,028,374	12.13
<b>Consumer</b>			
Astra International	1,487,500	3,105,681	2.35
Golden Agri Resources	3,675,000	2,435,119	1.84
Genting	1,365,000	2,340,478	1.77
IOI	2,261,000	5,157,517	3.90
Resorts World	1,445,500	1,150,735	0.87
Singapore Airlines	280,000	3,030,370	2.29
Unilever Indonesia	752,500	542,747	0.41
Wilmar International Limited	1,260,000	4,693,981	3.55
		22,456,627	16.99
<b>Diversified</b>			
Keppel Corp	595,000	4,827,462	3.65
Sime Darby	2,219,000	6,250,704	4.73
		11,078,166	8.38

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

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***PORTFOLIO STATEMENT***For the six months ended 30 June 2008 (Unaudited)*

	Holdings at 30 June 2008	Fair Value at 30 June 2008 US\$	Percentage of total net assets attributable to unitholders at 30 June 2008 %
<b>Primary - by Industry (continued)</b>			
<b>Quoted</b>			
<b>EQUITIES</b>			
<b>Energy</b>			
Bumi Resources TBK	9,555,000	8,497,939	6.43
PTT Exploration & Production (NVDR) <sup>1</sup>	651,000	3,739,476	2.83
PTT Public Company (NVDR) <sup>1</sup>	413,000	3,706,806	2.80
		15,944,222	12.06
<b>Financial</b>			
Bangkok Bank (NVDR) <sup>1</sup>	458,500	1,618,639	1.22
Bank Central Asia	6,002,500	1,595,024	1.21
Bank Mandiri	1,995,000	562,581	0.43
Bank Rakyat Indonesia	2,957,500	1,635,927	1.24
Bumiputra-Commerce Holdings	1,655,500	4,029,769	3.05
Capitaland	1,015,000	4,229,634	3.20
City Developments	350,000	2,793,300	2.11
DBS Group Holdings	560,000	7,775,888	5.88
Kasikornbank (NVDR) <sup>1</sup>	570,500	1,203,298	0.91
Malayan Banking	1,806,000	3,898,438	2.95
Overseas Chinese Banking	1,155,000	6,947,432	5.26
Public Bank (FGN MKT)	1,722,000	5,536,130	4.19
Siam Commercial Bank PCL (NVDR) <sup>1</sup>	458,500	1,063,089	0.80
United Overseas Bank	560,000	7,676,937	5.81
		50,566,088	38.26

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**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***PORTFOLIO STATEMENT***For the six months ended 30 June 2008 (Unaudited)*

	Holdings at 30 June 2008	Fair Value at 30 June 2008 US\$	Percentage of total net assets attributable to unitholders at 30 June 2008 %
<b>Primary - by Industry (continued)</b>			
<b>Quoted</b>			
<b>EQUITIES</b>			
<b>Industrial</b>			
MISC (FGN)	731,500	1,858,987	1.41
Intl Nickel Indon	980,000	637,744	0.48
SembCorp Industries	455,000	1,393,558	1.05
Siam Cement (NVDR) <sup>1</sup>	147,000	844,398	0.64
Singapore Technologies Engineering	735,000	1,488,128	1.13
		6,222,814	4.71
<b>Utilities</b>			
Perusahaan Gas Negara	892,500	1,253,566	0.95
Tenaga Nasional	532,000	1,327,557	1.00
		2,581,122	1.95
<b>WARRANTS</b>			
Citigroup Index Return ASEAN Securities Access Products (AAPs) <sup>2</sup>	800,000	7,007,200	5.30
<b>Portfolio of Investments</b>		131,884,613	99.78
<b>Other net liabilities</b>		294,073	0.22
<b>Net assets attributable to unitholders</b>		132,178,687	100.00

<sup>1</sup> Non-Voting Depository Receipts<sup>2</sup> Index Return Access Asean Product low  
exercise price warrant*The accompanying notes form an integral part of these financial statements.*

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***PORTFOLIO STATEMENT***For the six months ended 30 June 2008 (Unaudited)*

	Fair Value at 30 June 2008 US\$	Percentage of total net assets attributable to unitholders at 30 June 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>Primary - by Industry (continued)</b>			
<b>Summary</b>			
<b>Quoted EQUITIES</b>			
Communications	16,028,374	12.13	14.88
Consumer	22,456,627	16.99	17.76
<b>Diversified</b>	11,078,166	8.38	9.37
Energy	15,944,222	12.06	5.5
Financial	50,566,088	38.26	40.42
Industrial	6,222,814	4.71	4.83
Utilities	2,581,122	1.95	2.14
<b>WARRANTS</b>	7,007,200	5.30	4.46
<b>Portfolio Of Investments</b>	131,884,613	99.78	99.36
<b>Other net assets</b>	294,073	0.22	0.64
<b>Net assets attributable to unitholders</b>	132,178,687	100.00	100.00

	Fair Value at 30 June 2008 US\$	Percentage of total net assets attributable to unitholders at 30 June 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>Secondary - By Geography</b>			
<b>By Country of Listing</b>			
Singapore	55,687,171	42.13	40.60
Malaysia	33,102,809	25.04	30.64
Indonesia	21,739,290	16.45	12.14
Thailand	13,360,628	10.11	10.46
Philippines	987,515	0.75	1.06
Luxembourg	7,007,200	5.3	4.46
<b>Portfolio Of Investments</b>	131,884,613	99.78	99.36
<b>Other net liabilities</b>	294,073	0.22	0.64
<b>Net assets attributable to unitholders</b>	132,178,687	100.00	100.00

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

## **CIMB FTSE ASEAN 40**

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

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

*For the six months ended 30 June 2008 (Unaudited)*

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

#### **1. General**

CIMB FTSE ASEAN 40 (the "Fund") is a Singapore-domiciled fund constituted by a Trust Deed dated 6 September 2006 between CIMB-GK Securities Pte. Ltd., (the "Retired Managers"), and DBS Trustee Limited (the "Trustee"). This Trust Deed was amended by the First Supplemental Deed dated 15 June 2007 and was entered into by the Retired Managers, the Trustee and CIMB-Principal Asset Management (S) Pte. Ltd (the "Manager"). The Deed is governed by the laws of the Republic of Singapore.

The Fund was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 21 September 2006.

The investment objective of the Fund is to provide investment results that, before expenses, closely correspond to the performance of the FTSE/ASEAN 40 Index.

In addition to equity securities, the Fund invests into Index Return AAPs issued by the Participating Dealer, Citigroup Global Markets Holdings Inc. The legal form of these AAPs are low strike price American style transferable call warrants linked to underlying shares which comprise of the constituent stocks from time to time of the Index. The strike price of the Index Securities is notional, being only US\$0.00001. These AAPs are transferable securities, listed or to be listed on the Luxembourg Stock Exchange and settled through Euroclear and Clearstream and seek to provide the full economic benefits of the underlying shares in terms of price appreciation, corporate actions and dividends.

#### **2. Significant accounting policies**

##### **(a) Basis of accounting**

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

##### **(b) Recognition of income**

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

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

## **CIMB FTSE ASEAN 40**

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

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

*For the six months ended 30 June 2008 (Unaudited)*

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#### **2. Significant accounting policies (continued)**

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

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

##### *(i) Initial recognition*

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

##### *(ii) Subsequent measurement*

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

##### *(iii) Derecognition*

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

##### **(d) Basis of valuation of investments**

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

##### **(e) Foreign currency translation**

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

Foreign currency monetary assets and liabilities are translated into United States dollars at the rates of exchange prevailing at the date of the balance sheet date. Transactions in foreign currencies during the period are translated into United States dollars at the rates of exchange prevailing at transaction dates. All exchange gains or losses are recognised in the Statement of Total Return.

##### **(f) Preliminary expenses**

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

**CIMB FTSE ASEAN 40**

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the six months ended 30 June 2008 (Unaudited)*

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

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

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

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

Deferred income tax assets and liabilities are measured at:

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

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

**(h) Provisions**

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

**(i) Distribution**

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

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2008 (Unaudited)***3. Expenses**

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

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

**4. Income tax**

The Fund was granted Designated Unit Trust ("DUT") status effective 1 January 2007 under Section 35(14) of the Income Tax Act, Chapter 134 ("SITA"). As DUT status has been granted the Fund will not have a deferred tax liability as at 31 December 2007 and therefore the deferred tax liability as at 31 December 2006 of USD 4,287,229 has been reversed.

	<b>Six months ended 30 June 2008 US\$</b>	<b>Six months ended 30 June 2007 US\$</b>
Tax expense attributable to total return is made up of:		
Current income tax		
- Singapore	-	125,376
- Overseas	331,538	316,599
Tax recoverable	-	(11,149)
Deferred income tax	-	(4,287,229)
	<u>331,538</u>	<u>(3,856,403)</u>

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

**5. Cash and bank balances**

	<b>Six months ended 30 June 2008 US\$</b>	<b>Financial year ended 31 December 2007 US\$</b>
Cash at bank and on hand	240,095	994,640
Short-term bank deposits	-	-
	<u>240,095</u>	<u>994,640</u>

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

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2008 (Unaudited)***6. Net assets attributable to unitholders**

	<b>Six months ended 30 June 2008 US\$</b>	<b>Financial year ended 31 December 2007 US\$</b>
<b>At the beginning of the financial period</b>	174,225,583	142,127,027
<b>OPERATIONS</b>		
Change in net assets attributable to unitholders resulting from operations	(14,320,096)	51,302,556
<b>UNITHOLDERS' CONTRIBUTION/(WITHDRAWALS)</b>		
Creation of units	-	3,116,000
Cancellation of units	<u>(23,166,800)</u>	<u>(22,320,000)</u>
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<u>(23,166,800)</u>	<u>(19,204,000)</u>
<b>DISTRIBUTION TO UNITHOLDERS</b>		
	<u>4,560,000</u>	<u>-</u>
<b>TOTAL (DECREASE)/ INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	(42,046,896)	32,098,556
<b>At the end of the financial period</b>	<u>132,178,687</u>	<u>174,225,583</u>
<b>Units in issue (note 7)</b>	14,800,000	17,200,000
	US\$	US\$
<b>Net assets attributable to unitholders per unit</b>	<u>8.93</u>	<u>10.13</u>

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

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2008 (Unaudited)***6. Net assets attributable to unitholders (continued)**

	<b>Six months ended 30 June 2008 US\$</b>	<b>Financial year ended 31 December 2007 US\$</b>
Net assets attributable to unitholders per unit for issuing/redeeming units	8.955	10.18
Effect of adopting bid prices as fair value	(0.025)	(0.05)
Effect of tax provision on unrealized gains	-	-
Net assets attributable to unitholders per unit per the financial statements	8.93	10.13

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

**7. Units in issue**

	<b>Six months ended 30 June 2008 US\$</b>	<b>Financial year ended 31 December 2007 US\$</b>
Units at beginning of the period	17,200,000	19,200,000
Units created	-	400,000
Units cancelled	2,400,000	(2,400,000)
Units at end of the period	14,800,000	17,200,000

**8. Financial risk management**

The Manager continually monitors the Fund's exposure to risk and appropriate procedures are in place to manage the risks.

**(a) Market risk**

Market risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions like interest and currency rate movements and volatility in security prices. The Fund is designated to track the performance of the FTSE/ASEAN 40 Index, therefore the exposure to market risk in the Fund will be substantially the same as the FTSE/ASEAN 40 Index. As an indexed fund, the Manager manages the Fund's exposure to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, is closely aligned to the FTSE/ASEAN 40 Index characteristics.

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2008 (Unaudited)***8. Financial risk management (continued)****(b) Interest rate risk**

The Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subject to risk of fluctuations in the prevailing levels of market interest rates.

**(c) Liquidity risk**

The Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Fund maintains sufficient cash and cash equivalents and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

The Fund's investments listed securities are considered to be readily realisable as they are listed on established regional stock exchanges.

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

**(d) Foreign currency risk**

The Fund holds assets denominated in currencies other than US dollars, the functional currency. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Fund's policy is not to enter into any currency hedging transactions.

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

<b>30 June 2008</b>	<b>USD</b>	<b>SGD</b>	<b>THB</b>	<b>PHP</b>	<b>IDR</b>	<b>MYR</b>	<b>Total</b>
<b>ASSETS</b>							
Portfolio of investments	7,007,200	55,687,171	13,360,628	987,515	21,739,290	33,102,809	<b>131,884,613</b>
Sales awaiting settlement	-	-	-	-	-	-	-
Net dividend receivables	113,854	-	-	-	188,934	25,090	<b>327,877</b>
Interest receivables	-	-	-	-	-	-	-
Cash and bank balances	240,095	-	-	-	-	-	<b>240,095</b>
Other Receivables	11,149	-	-	-	-	-	<b>11,149</b>
	-	-	-	-	-	-	-
<b>Total assets</b>	<b>7,361,149</b>	<b>55,687,171</b>	<b>13,360,628</b>	<b>987,515</b>	<b>21,928,223</b>	<b>33,127,899</b>	<b>132,463,735</b>
<b>LIABILITIES</b>							
Purchases awaiting settlement	-	-	-	-	-	-	-
Due to Manager	228,259	-	-	-	-	-	<b>228,259</b>
Other payables	56,789	-	-	-	-	-	<b>56,789</b>
Net assets attributable to unitholders	132,178,687	-	-	-	-	-	<b>132,178,687</b>
Deferred income tax liability	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>132,463,735</b>	-	-	-	-	-	<b>132,463,735</b>

**CIMB FTSE ASEAN 40***(Constituted under a Trust Deed in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the six months ended 30 June 2008 (Unaudited)***8. Financial risk management (continued)**

30 June 2007	USD	SGD	THB	PHP	IDR	MYR	Total
<b>ASSETS</b>							
Portfolio of investments	6,904,000	74,778,152	16,529,414	1,570,867	19,701,655	51,090,532	<b>170,574,620</b>
Sales awaiting settlement	-	-	-	-	41,476	3,770,897	<b>3,812,373</b>
Net dividend receivables	106,452	-	-	-	150,671	28,886	<b>286,009</b>
Interest receivables	-	-	-	-	-	-	-
Cash and bank balances	70,648	1,111	-	-	60,296	-	<b>132,055</b>
Prepaid Organizational Fee	53,451	-	-	-	-	-	<b>53,451</b>
Tax Recoverable	-	11,149	-	-	-	-	<b>11,149</b>
<b>Total assets</b>	<b>7,134,551</b>	<b>74,790,412</b>	<b>16,529,414</b>	<b>1,570,867</b>	<b>19,954,099</b>	<b>54,890,315</b>	<b>174,869,657</b>
<b>LIABILITIES</b>							
Purchases awaiting settlement	41,644	-	-	-	-	-	<b>41,644</b>
Due to Manager	44,177	-	-	-	-	-	<b>44,177</b>
Other payables	275,714	-	-	-	-	-	<b>275,714</b>
Net assets attributable to unitholders	174,508,121	-	-	-	-	-	<b>174,508,121</b>
Deferred income tax liability	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>174,869,657</b>	-	-	-	-	-	<b>174,869,657</b>

**(e) Credit risk**

The Fund takes on exposure to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as participating dealer, issuers, brokers, custodians and banks.

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

**9. Related party disclosures**

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

The Trustee has appointed State Street Bank and Trust Company (“SSBT”) as the custodian of the Fund. SSBT is a subsidiary of State Street Corporation.

Management fees paid or payable by the Fund are shown in the Statement of Total Return and on terms set out in the Trust Deed. All other fees are borne by the Manager as set out in Note 3.

**CIMB FTSE ASEAN 40**

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the six months ended 30 June 2008 (Unaudited)*

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**10. Financial ratios**

	<b>Six months ended 30 June 2008</b>	<b>Six months Ended 30 June 2007</b>
Ratio of expenses to average net assets <sup>1</sup>	<b>0.33%</b>	<b>0.42%</b>
Portfolio turnover rate <sup>2</sup>	<b>14.8%</b>	<b>6.92%</b>

<sup>1</sup> The expense ratio is computed in accordance with the revised IMAS' guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The Fund does not pay any performance fees.

<sup>2</sup> The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". In accordance with the Fund's Trust Deed, units are issued through a creation of an Index Basket. For each creation Unit (comprising 400,000 units), the Fund receives an Index Basket consisting of constituent shares plus or minus a cash payment as determined by the Manager on a daily basis. For the purpose of computation of the portfolio turnover rate, the value of the Index Baskets received is not considered as part of purchases or sales.