

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Audited Financial Statements
30 June 2018



CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

General information

Manager

CIMB-Principal Asset Management (S) Pte. Ltd.
50 Raffles Place
#22-03A Singapore Land Tower
Singapore 048623

Directors of the Manager

Christopher Leow
Alejandro Elias Echegorri Rodriguez

Trustee/Registrar

Citicorp Trustee (Singapore) Limited
5 Changi Business Park Crescent
Level 5
Singapore 486027

Custodian

Citibank N.A., Singapore Branch
5 Changi Business Park Crescent
Level 5
Singapore 486027

Auditor

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Contents

	Page
Manager's investment report	1
Report of the trustee	9
Statement by the manager	10
Independent auditor's report	11
Financial statements	
Statement of total return	14
Statement of financial position	15
Statement of movements of unitholders' funds	16
Statement of portfolio	17
Notes to the financial statements	21

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

About CIMB S&P Ethical Asia Pacific Dividend ETF:

CIMB S&P Ethical Asia Pacific Dividend ETF (the "Fund") is an exchange traded fund, designed to track the performance of the S&P Ethical Pan-Asia Select Dividend Opportunities Index. Shares of CIMB S&P Ethical Asia Pacific Dividend ETF have been listed and traded on SGX-ST since 8 March 2012.

Details of CIMB S&P Ethical Asia Pacific Dividend ETF:

Fund Currency	United States dollars ("USD")
Trading Currencies	USD, Singapore dollars ("SGD")
Listing Date of USD counter on SGX-ST	8 March 2012
Listing Date of SGD counter on SGX-ST	15 June 2012
Stock Codes on SGX-ST	P5P (USD counter), QR9 (SGD counter)
Board Lot	100 units
Number of units as at 30 June 2018	12,000,000
NAV per unit as at 30 June 2018	USD0.909
Management Fee	0.65% of NAV per annum

Performance:

Cumulative Performance (%) as at 30 June 2018:

<u>From 30/06/2018</u>	<u>Period</u>	<u>Fund's Performance</u>	<u>Index's Performance</u>
3 months	31/3/2018 - 30/6/2018	-2.26%	-1.88%
6 months	30/12/2017 - 30/6/2018	-4.32%	-3.62%
1 year	30/6/2017 - 30/6/2018	6.49%	7.14%
3 years	30/6/2015 - 30/6/2018	15.51%	12.85%
Since inception	6/3/2012 - 30/6/2018	33.10%	33.08%

The Fund aims to mirror the performance of the S&P Ethical Pan-Asia Select Dividend Opportunities Index (the "Index"), using full replication strategy, by investing in Securities constituting the Index in substantially the same proportion or weighting as in the Index.

The Index represents the top 40 high-yielding stocks in the Asia Pacific region which meet the criteria for inclusion into the tracked index and is subject to rigorous ground rules such as free float adjustment and liquidity screening to ensure that these stocks are highly investable. The focus of the Index is on both capital growth and dividend income characteristics, thus providing yield and stability. The transparent and freely available index rules are governed and maintained by an independent committee of leading market professionals.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

Performance (cont'd):

At the start of the year, global synchronised growth continued with inflation staying benign since the end of 2017. The world-wide trade cycle was in good health. Most Asian economies grew above trend, propelled by double-digit export growth. Except for the Philippine Peso, Asian currency risk was moderate. Flows into emerging markets including Asia were strong and the United States Dollar remained weak.

However, during the first quarter, geopolitical risks began rising when US President Donald Trump started to fulfil his campaign promise of restricting imports from China and Mexico by announcing a series of tariffs targeted at China and other trading partners. Regardless of the US-China trade conflicts, the output gap between the US and the rest of the world started to desynchronise. Asian markets corrected sharply in early February as higher-than-expected US wage data caused an interest rate scare.

During the second quarter, investors adopted a risk-off sentiment due to concerns over a combination of factors; in particular - the emerging market debt, trade wars, rising US rates and yields, Euro zone politics, a stronger dollar, and fears that global growth is faltering. With the ongoing focus on supply-side reform and deleveraging campaign from last year, China credit growth slowed significantly during this period. Additionally there were increased concerns about defaults in lower quality corporate and Local Government Financial Vehicles debt. China's economic slowdown was evidenced by the weak official monthly macro data on retail sales, industrial production, and fixed asset investment during this quarter.

As at the end of the first half of 2018, the escalation of the US-China trade war reinforced concerns over China's economic slowdown, adding to the overall negative sentiment in Asian markets.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

Investments at market value and as a percentage of NAV as at 30 June 2018 classified by:

	2018		2017	
	Market value USD	% of NAV	Market value USD	% of NAV
(i) Country				
Australia	2,541,755	23.31	3,774,222	21.78
China	1,831,229	16.80	5,353,678	30.90
Hong Kong	2,831,599	25.97	3,705,901	21.39
Malaysia	164,446	1.51	396,161	2.29
Singapore	2,305,239	21.15	2,693,384	15.54
South Korea	789,804	7.24	438,929	2.53
Thailand	—	—	837,311	4.83
(ii) Industry				
Consumer discretionary	303,287	2.78	951,925	5.49
Consumer services	698,418	6.41	723,869	4.18
Energy	1,033,246	9.48	—	—
Financials	2,418,791	22.19	4,289,609	24.76
Industrials	405,005	3.71	459,833	2.66
Oil and gas services	329,161	3.02	544,199	3.14
Real estate	2,416,236	22.16	4,940,740	28.51
Technology	519,951	4.77	473,727	2.73
Telecommunication	1,359,638	12.47	3,223,242	18.60
Utilities	980,339	8.99	1,592,442	9.19
(iii) Asset class				
Equities	10,464,072	95.98	17,199,586	99.26
Other net assets	438,597	4.02	128,260	0.74

Details of top 10 holdings of the Fund:

As at 30 June 2018	Cost USD	Market value USD	% of total net assets
China Petroleum & Chemical Corp	467,316	546,729	5.01
ComfortDelGro Corp Ltd	515,328	528,237	4.85
Lenovo Group Ltd	547,209	519,951	4.77
S-Oil Corp	512,842	486,517	4.46
Singapore Technologies Engineering Ltd	457,190	405,005	3.71
Vicinity Centres	411,563	372,237	3.41
HKT Trust & HKT Ltd	337,814	340,943	3.13
CapitaLand Mall Trust	339,585	338,647	3.11
Huaneng Power International Inc	347,239	335,318	3.08
PCCW Ltd	355,709	329,519	3.02
	4,291,795	4,203,103	38.55

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

Details of top 10 holdings of the Fund (cont'd):

As at 30 June 2017	Cost USD	Market value USD	% of total net assets
China Evergrande Group	697,404	1,742,369	10.06
Advanced Info Service PCL (NVDR) ⁽¹⁾	897,726	837,311	4.83
Huaneng Power International Inc	840,403	826,355	4.77
Telstra Corp Ltd	761,106	629,224	3.63
APA Group	495,002	544,199	3.14
Country Garden Holdings Co Ltd	208,593	540,325	3.12
Belle International Holdings Ltd	691,957	512,996	2.96
PCCW Ltd	533,578	474,996	2.75
Lenovo Group Ltd	454,838	473,727	2.73
CapitaLand Mall Trust	489,363	463,153	2.67
	6,069,970	7,044,655	40.66

⁽¹⁾ Non-voting Depository Receipts.

Exposure to derivatives

The Fund had no exposure to derivatives for the financial year ended 30 June 2018.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

Index constituents' weights:

Constituent name	As at 30 June 2018 %	As at 30 June 2017 %
China Petroleum & Chemical Corp	5.01	—
ComfortDelGro Corp Ltd	4.85	1.83
Lenovo Group Ltd	4.77	2.73
S-Oil Corp	4.46	—
Singapore Technologies Engineering Ltd	3.71	2.65
Vicinity Centres	3.41	—
HKT Trust & HKT Ltd	3.13	2.63
CapitaLand Mall Trust	3.11	2.67
Huaneng Power International Inc	3.08	4.77
PCCW Ltd	3.02	2.75
APA Group	3.02	3.14
Ascendas Real Estate Investment Trust	2.99	2.32
Telstra Corp Ltd	2.84	3.63
Hyundai Motor Co	2.78	2.53
China Resources Power Holdings Co Ltd	2.62	—
Mirvac Group	2.50	2.01
National Australia Bank Ltd	2.20	2.12
New World Development Co Ltd	2.14	2.48
Sino Land Co Ltd	2.06	1.82
Link REIT	2.05	2.04
Suntec Real Estate Investment Trust	2.01	—
Westpac Banking Corp	2.00	1.86
Singapore Telecommunications Ltd	1.98	2.48
Bendigo & Adelaide Bank Ltd	1.95	1.60
Australia & New Zealand Banking Group Ltd	1.94	1.73
Hang Lung Properties Ltd	1.89	1.92
Bank of Communications Co Ltd	1.86	—
Bank of Queensland Ltd	1.73	2.08
CLP Holdings Ltd	1.73	2.38
Commonwealth Bank of Australia	1.72	1.74
Agricultural Bank of China Ltd	1.67	1.61
Power Assets Holdings Ltd	1.57	2.04
Singapore Airlines Ltd	1.56	2.35
DiGi.Com Bhd	1.51	2.29
China Construction Bank Corp	1.44	1.32
China Cinda Asset Management Co Ltd	1.43	—
Industrial & Commercial Bank of China Ltd	1.32	1.53
BOC Hong Kong Holdings Ltd	0.99	1.24
China Huarong Asset Management Co Ltd	0.98	—
Oversea-Chinese Banking Corp Ltd	0.94	1.24
China Evergrande Group	—	10.06
Advanced Info Service PCL (NVDR) ⁽¹⁾	—	4.83
Country Garden Holdings Co Ltd	—	3.12
Belle International Holdings Ltd	—	2.96

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

Index constituents' weights (cont'd):

Constituent name	As at 30 June 2018 %	As at 30 June 2017 %
Swire Pacific Ltd	—	2.09
AMP Ltd	—	1.87
Bank of China Ltd	—	1.53
GF Securities Co Ltd	—	1.27

(1) Non-voting Depository Receipts.

Creation/redemption for the financial year ended 30 June 2018:

Total subscription during the year under review amounted to USD2,871,500 (equivalent to 3,000,000 units) (2017: USD849,500 (equivalent to 1,000,000 units)) while total redemption amounted to USD9,546,000 (equivalent to 10,00,000 units) (2017: USD456,000 (equivalent to 500,000 units)).

Other information:

During the year, 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:

	2018 %	2017 %
Expense ratio ⁽¹⁾	1.15	1.06
Turnover ratio ⁽²⁾	92.00	52.17

(1) The expense ratio is computed in accordance with the revised IMAS' guidelines on disclosure of expense ratios dated 25 May 2005. Refer to Note 9 to the financial statements for details.

(2) The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". Refer to Note 9 to the financial statements for details.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

Soft dollar commissions:

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

Information on the Manager:

The Manager of the Fund is CIMB-Principal Asset Management (S) Pte. Ltd. (Company Registration Number 200607208K), a private limited company, incorporated in Singapore on 18 May 2006. The Manager is wholly-owned by CIMB-Principal Asset Management Berhad in Malaysia, which has been managing discretionary and mutual funds in Malaysia for more than 20 years.

The Manager obtained its capital markets services licence on 24 April 2007 and presently manages the Fund and several other discretionary accounts, with total assets under management of about S\$4.1 billion as at 30 June 2018.

Directors of the Manager:

Christopher Leow

Mr Leow, of 50 Raffles Place, #22-03A Singapore Land Tower, Singapore 048623, is the Chief Executive Officer and a Director of the Manager, and is responsible for leading the International Investment team based in Singapore. He joined CIMB-Principal Asset Management Berhad in December 2003 and was transferred to the Manager in May 2007. He has more than 20 years of experience in the equities and fund management industry. Mr Leow is a CFA charter-holder and a Certified Financial Planner. He has been registered with the Monetary Authority of Singapore under the Securities and Futures Act (Cap. 289) as a Representative of the Manager in fund management since September 2007. Mr Leow holds a Bachelor of Commerce in Accounting and Finance (Hons) from the University of Western Australia.

Alejandro Elias Echegorri Rodriguez

Mr Echegorri, of 8th Floor Bangunan CIMB, Jalan Semantan Damansara Heights, 50490 Kuala Lumpur, Malaysia, is a Director of the Manager and is also the Chief Executive Officer, ASEAN Region, of the CIMB-Principal Asset Management Group. He was appointed as Executive Director of the CIMB-Principal Asset Management Group on 28 March 2016 and Director of the Manager on 4 April 2016. He joined the CIMB-Principal Asset Management Group on 1 March 2015. Previously he was the Chief Investment Officer for Principal International in Latin America, where he was responsible for the overall investment strategy and the investment process for the group and for overseeing the management of pension, mutual funds and general accounts in the region as well as for supporting the overall development of the asset management business in the region. He joined Principal in 2003 as Head of Institutional Asset Management and Chief Investment Officer for Principal Financial Group in Mexico. Prior to that, he was the Senior Investment Officer for Citibank's Pension Fund Business in Latin America. He also held different positions in the investment area in countries such as Uruguay, Argentina, Chile, Mexico and the United Kingdom. Mr Echegorri holds a degree in Economics from the Universidad Mayor de la Republica, Uruguay, and a Master in Economics from Universidad Centro de Estudios Macroeconomicos de Argentina.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Manager's investment report

Appointed Portfolio Managers of the Fund:

The appointed individual/principal portfolio manager of the Fund who primarily performs the investment management functions for the Fund is Mr Christopher Leow (who is also one of the directors of the Manager), who is assisted by Messrs James Gan Seng Chen and Shawn Ho Jian Hong.

Please see the write-up above for more information on Mr Leow's qualifications, experience and employment history.

James joined the Manager in November 2012 and has 8 years of experience in the fund management industry as a research analyst and portfolio manager. Before joining the Manager, James was an investment analyst with the Manager's parent company, CIMB-Principal Asset Management Berhad. James holds a Bachelor of Science in Mathematics and Economics from the University of Warwick in the United Kingdom and is a CFA charter-holder.

Shawn joined the Manager in 2015 and focuses primarily on the Singapore and China equity markets, where he covers a range of sectors. Shawn holds a Masters in Real Estate Finance from the University of Cambridge.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Report of the Trustee
For the financial year ended 30 June 2018

The Trustee is under a duty to take into custody and hold the assets of CIMB S&P Ethical Asia Pacific Dividend ETF (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Chapter 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each financial year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Citicorp Trustee (Singapore) Limited:


Authorised signatories

28 SEP 2018

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Statement by the Manager
For the financial year ended 30 June 2018

In the opinion of the directors of CIMB-Principal Asset Management (S) Pte. Ltd., the accompanying financial statements, comprising the statement of total return, statement of financial position, statement of movements of unitholders' funds, statement of portfolio and notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of CIMB S&P Ethical Asia Pacific Dividend ETF (the "Fund") as at 30 June 2018 and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. 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 the directors of CIMB-Principal Asset Management (S) Pte. Ltd.:



Christopher Leow
Director/Chief Executive Officer

28 SEP 2018

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Independent auditor's report
For the financial year ended 30 June 2018

To the Unitholders of CIMB S&P Ethical Asia Pacific Dividend ETF

Opinion

We have audited the financial statements of CIMB S&P Ethical Asia Pacific Dividend ETF (the "Fund"), which comprise the statement of financial position and statement of portfolio as at 30 June 2018, and the statement of total return and statement of movements of unitholders' funds for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Fund are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants so as to present fairly, in all material aspects, the financial position and portfolio holdings of the Fund as at 30 June 2018 and of the financial performance and movements of unitholders' funds of the Fund for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to report.

Other information

Management is responsible for other information. The other information comprises the General information, Manager's investment report, Report of the trustee and Statement by the manager, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Independent auditor's report
For the financial year ended 30 June 2018

To the Unitholders of CIMB S&P Ethical Asia Pacific Dividend ETF

Responsibilities of management and directors for the financial statements

The Fund's Manager (the "Manager") is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- 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 auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Independent auditor's report
For the financial year ended 30 June 2018

To the Unitholders of CIMB S&P Ethical Asia Pacific Dividend ETF

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yap Swee Gek.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

28 September 2018

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of total return
For the financial year ended 30 June 2018

	Note	2018 USD	2017 USD
Investment income			
Dividends		828,762	620,827
Interest		3,220	563
Total income		831,982	621,390
Expenses			
Management fee	3	(103,837)	(101,934)
Administration fee		(18,001)	(18,023)
Custodian fee	8	(15,498)	(10,428)
Other operating expenses		(90,215)	(55,795)
Total expenses		(227,551)	(186,180)
Net investment income		604,431	435,210
Net gains on value of investments			
Net realised gains on investments		2,028,475	300,591
Net change in unrealised (losses)/gains on fair value of investments		(1,686,204)	2,320,625
Net foreign exchange losses		(48,128)	(15,177)
		294,143	2,606,039
Total return for the financial year before income tax and distribution		898,574	3,041,249
Less: Income tax	4	(44,751)	(25,728)
Total return for the financial year after income tax before distribution		853,823	3,015,521
Less: Distribution	5	(604,500)	(589,000)
Total return for the financial year after income tax and distribution		249,323	2,426,521

The accompanying accounting policies and explanatory information form an integral part of the financial statements

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of financial position
As at 30 June 2018

	Note	2018 USD	2017 USD
Assets			
Portfolio of investments		10,464,072	17,199,586
Dividend and other receivables		79,594	135,692
Cash and cash equivalents	6	437,117	82,504
Total assets		10,980,783	17,417,782
Liabilities			
Other payables		78,114	89,936
Total liabilities		78,114	89,936
Equity			
Net assets attributable to unitholders	7	10,902,669	17,327,846

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of movements of unitholders' funds
For the financial year ended 30 June 2018

	Note	2018 USD	2017 USD
Net assets attributable to unitholders at beginning of financial year		17,327,846	14,507,825
Operations			
Change in net assets attributable to unitholders resulting from operations		853,823	3,015,521
Unitholders' contributions/(withdrawals)			
Creation of units		2,871,500	849,500
Cancellation of units		(9,546,000)	(456,000)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(6,674,500)	393,500
Distribution	5	(604,500)	(589,000)
Total (decrease)/increase in net assets attributable to unitholders		(6,425,177)	2,820,021
Net assets attributable to unitholders at end of financial year	7	10,902,669	17,327,846

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of portfolio
As at 30 June 2018

Primary	Holdings at 30 June 2018	Fair value at 30 June 2018 USD	Percentage of total net assets attributable to unitholders at 30 June 2018 %
By geography			
Equities			
Quoted			
Australia			
APA Group	45,232	329,161	3.02
Australia & New Zealand Banking Group Ltd	10,113	210,995	1.94
Bank of Queensland Ltd	25,115	189,075	1.73
Bendigo & Adelaide Bank Ltd	26,556	212,676	1.95
Commonwealth Bank of Australia	3,481	187,404	1.72
Mirvac Group	169,883	272,356	2.50
National Australia Bank Ltd	11,870	240,374	2.20
Telstra Corp Ltd	159,723	309,169	2.84
Vicinity Centres	194,533	372,237	3.41
Westpac Banking Corp	10,085	218,308	2.00
Total Australia		2,541,755	23.31
China			
Agricultural Bank of China Ltd	389,000	181,936	1.67
Bank of Communications Co Ltd	265,000	202,966	1.86
China Cinda Asset Management Co Ltd	486,000	156,077	1.44
China Construction Bank Corp	170,000	157,068	1.44
China Huarong Asset Management Co Ltd	369,040	106,758	0.98
China Petroleum & Chemical Corp	612,000	546,729	5.01
Huaneng Power International Inc	506,000	335,318	3.08
Industrial & Commercial Bank of China Ltd	193,000	144,377	1.32
Total China		1,831,229	16.80

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of portfolio
As at 30 June 2018

Primary (cont'd)	Holdings at 30 June 2018	Fair value at 30 June 2018 USD	Percentage of total net assets attributable to unitholders at 30 June 2018 %
By geography (cont'd)			
Equities (cont'd)			
Quoted (cont'd)			
Hong Kong			
BOC Hong Kong Holdings Ltd	23,000	108,304	0.99
China Resources Power Holdings Co Ltd	162,000	285,316	2.62
CLP Holdings Ltd	17,500	188,449	1.73
Hang Lung Properties Ltd	100,000	206,196	1.89
HKT Trust & HKT Ltd	267,000	340,943	3.13
Lenovo Group Ltd	960,000	519,951	4.77
Link REIT	24,500	223,710	2.05
New World Development Co Ltd	166,000	233,550	2.14
PCCW Ltd	585,000	329,519	3.02
Power Assets Holdings Ltd	24,500	171,256	1.57
Sino Land Co Ltd	138,000	224,405	2.06
Total Hong Kong		2,831,599	25.97
Malaysia			
DiGi.Com Bhd	160,000	164,446	1.51
Total Malaysia		164,446	1.51
Singapore			
Ascendas Real Estate Investment Trust	168,100	325,570	2.99
CapitaLand Mall Trust	223,000	338,647	3.11
ComfortDelGro Corp Ltd	306,400	528,237	4.85
Oversea-Chinese Banking Corp Ltd	12,000	102,472	0.94
Singapore Airlines Ltd	21,700	170,180	1.56
Singapore Technologies Engineering Ltd	167,800	405,005	3.71
Singapore Telecommunications Ltd	95,400	215,562	1.98
Suntec Real Estate Investment Trust	173,000	219,566	2.01
Total Singapore		2,305,239	21.15

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of portfolio
As at 30 June 2018

Primary (cont'd)	Holdings at 30 June 2018	Fair value at 30 June 2018 USD	Percentage of total net assets attributable to unitholders at 30 June 2018 %
By geography (cont'd)			
Equities (cont'd)			
Quoted (cont'd)			
South Korea			
Hyundai Motor Co	3,722	303,287	2.78
S-Oil Corp	4,951	486,517	4.46
Total South Korea		789,804	7.24
Portfolio of investments		10,464,072	95.98
Other net assets		438,597	4.02
Net assets attributable to unitholders		10,902,669	100.00

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Statement of portfolio
As at 30 June 2018

Primary (cont'd)		Percentage of total net assets attributable to unitholders at 30 June 2018 %	Percentage of total net assets attributable to unitholders at 30 June 2017 %
By geography (Summary)			
Quoted equities			
Australia		23.31	21.78
China		16.80	30.90
Hong Kong		25.97	21.39
Malaysia		1.51	2.29
Singapore		21.15	15.54
South Korea		7.24	2.53
Thailand		—	4.83
Portfolio of investments		95.98	99.26
Other net assets		4.02	0.74
Net assets attributable to unitholders		100.00	100.00
Secondary			
	Fair value at 30 June 2018 USD	Percentage of total net assets attributable to unitholders at 30 June 2018 %	Percentage of total net assets attributable to unitholders at 30 June 2017 %
By industry			
Consumer discretionary	303,287	2.78	5.49
Consumer services	698,418	6.41	4.18
Energy	1,033,246	9.48	—
Financials	2,418,791	22.19	24.76
Industrials	405,005	3.71	2.66
Oil and gas services	329,161	3.02	3.14
Real estate	2,416,236	22.16	28.51
Technology	519,951	4.77	2.73
Telecommunication	1,359,638	12.47	18.60
Utilities	980,339	8.99	9.19
Portfolio of investments	10,464,072	95.98	99.26
Other net assets	438,597	4.02	0.74
Net assets attributable to unitholders	10,902,669	100.00	100.00

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

1. Corporate information

CIMB S&P Ethical Asia Pacific Dividend ETF (the “Fund”) is a unit trust constituted by a Trust Deed dated 21 February 2012, and the various Supplemental Deeds of Trust between CIMB-Principal Asset Management (S) Pte. Ltd. (the “Manager”) and Citicorp Trustee (Singapore) Limited (the “Trustee/Registrar”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee appointed Citibank N.A., Singapore Branch (the “Custodian”) as the Custodian of the Fund.

The Fund was listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 March 2012.

The investment objective of the Fund is to provide investment results that, before expenses, closely correspond to the performance of the S&P Ethical Pan Asia Select Dividend Opportunities Index (the “Index”).

The Manager will generally invest the Fund’s assets in all of the Index securities in the same approximate proportion as their weightings within the Index. However, various circumstances may make it impossible or impracticable to purchase each component index security in such weightings. In those circumstances, the Manager may employ, alone or in combination with, other investment techniques in seeking to closely track the performance of the Index.

There is no change in the principal activity of the Fund during the year.

The Manager is a private limited company incorporated in Singapore and its immediate holding company is CIMB-Principal Asset Management Berhad, a company incorporated in Malaysia. The Manager is principally engaged in the business of fund management and investment advisory.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Fund which are expressed in United States dollar (“USD” or “US\$”), have been prepared under the historical cost basis, as modified by the revaluation of financial investments at fair value, and in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants.

2.2 Income recognition

Dividend income is recognised and credited to income when the right to receive payment is established. Interest income is recognised on a time proportion basis using the effective interest method.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

2. Summary of significant accounting policies (cont'd)

2.3 *Distribution policy*

The Manager on behalf of the Trustee shall determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid out on the distribution date. This amount shall not be treated as part of the property of the Fund.

2.4 *Financial assets and financial liabilities*

Classification

(a) Financial assets and financial liabilities at fair value through profit or loss

The Fund classifies its portfolio of investments as financial assets or liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held-for-trading or designated by the Manager at fair value through profit or loss at inception.

A financial asset or financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Financial assets and liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Manager to evaluate the information on these financial assets on a fair value basis together with other related financial information.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category amounts relating to dividend and other receivables and cash and cash equivalents.

Recognition/derecognition

Purchases and sales of investments in the Fund are recognised at fair value on the trade date - the date on which the Fund commits to purchase or sell the investments. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

2. Summary of significant accounting policies (cont'd)

2.4 Financial assets and financial liabilities (cont'd)

Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are recognised in profit or loss. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the financial assets and financial liabilities at fair value through profit or loss category are included in profit or loss in the period in which they arise.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets is the last traded price, where it falls within the bid-ask spread.

2.5 Investments

Investment transactions are accounted for on a trade date basis. Unrealised gains or losses on quoted investments are taken to the statement of total return. The realised gains or losses are taken to the statement of total return upon the disposal of investments and are computed using the weighted average cost method.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments, if any, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into USD at exchange rates ruling at the end of the reporting period. Transactions arising in foreign currencies during the year are translated at exchange rates prevailing at transaction dates. All exchange differences are taken to the statement of total return.

3. Expenses

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

Fees paid to the Trustee, index providers and auditors are borne by the Manager.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

4. Income tax

The Fund was granted the status of a Designated Unit Trust by the Inland Revenue of Singapore. In accordance to Section 35(12) and (12A) of the Income Tax Act (Chapter 134) of Singapore, subject to certain conditions, the following income shall not form part of the statutory income of the Fund and is thus not taxable for the year of assessment:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act);
- (c) dividends derived from outside Singapore and received in Singapore;
- (d) gains or profits derived from foreign exchange transactions; transactions in future contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities of financial index, and
- (e) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

	2018 USD	2017 USD
Overseas income tax	44,751	25,728

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

5. Distribution

	2018 USD	2017 USD
Final USD0.031 (2017: USD0.031) per unit	604,500	589,000

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

6. Cash and cash equivalents

Cash and cash equivalents comprise of:

	2018 USD	2017 USD
Bank balances	437,117	82,504

The bank balances are placed with a financial institution that is related to the Trustee.

7. Units in issue

During the financial year ended 30 June, the numbers of units created, cancelled and outstanding were as follows:

	2018	2017
Units at beginning of financial year	19,000,000	18,500,000
Units created	3,000,000	1,000,000
Units cancelled	(10,000,000)	(500,000)
Units at end of financial year	12,000,000	19,000,000
Net assets attributable to unitholders - USD	10,902,669	17,327,846
Net asset value ("NAV") per unit - USD	0.909	0.912

8. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place during the financial year between the Fund and its related parties on terms agreed between the parties concerned and were written in the provisions of the Trust Deed:

	2018 USD	2017 USD
Management fee paid and payable to the Manager	103,837	101,934
Custodian fee paid and payable to the Custodian	15,498	10,428
Brokerage fee paid and payable to affiliated parties of the Manager	17,976	8,388

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

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

9. Financial ratios

	2018	2017
	%	%
Expense ratio ⁽¹⁾	1.15	1.06
Turnover ratio ⁽²⁾	92.00	52.17

(1) The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio was based on total operating expenses of USD183,510 (2017: USD166,496) divided by the average daily NAV of USD15,992,677 (2017: USD15,683,839) for the financial year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, interest expense, distribution paid out to unitholders, foreign exchange gains/losses and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average NAV is based on the daily balances.

(2) The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of purchases or sales of the underlying investments, being purchases of USD14,713,698 (2017: sales of USD8,182,016) divided by the average daily NAV of USD15,992,677 (2017: USD15,683,839).

10. Financial risk management

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

(a) *Liquidity risk*

The Fund is exposed to 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.

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

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

10. Financial risk management (cont'd)

(a) Liquidity risk (cont'd)

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

	Due on demand USD	Less than 3 months USD
30 June 2018		
Payables and accrued expenses	—	78,114
Net assets attributable to unitholders	10,902,669	—
30 June 2017		
Payables and accrued expenses	—	89,936
Net assets attributable to unitholders	17,327,846	—

(b) Market risk

Market risk is the risk of potential adverse changes to the value of investments because of changes in market conditions like interest and currency rate movements and volatility in security prices. The Fund is designated to track the performance of the Index, therefore the exposure to market risk in the Fund will be substantially the same as the 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, are closely aligned to the Index characteristics.

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subject to significant risk of fluctuations in the prevailing levels of market interest rates.

(ii) Market price risk

The Fund's market risk is affected by changes in actual market prices. If the Index in fund currency ("USD") had increased/decreased by 5% (2017: 5%) with all other variables held constant, this would have increased/decreased the NAV of the Fund by approximately USD545,000 (2017: USD866,000) for the financial year ended 30 June 2018 ("being 5% of the year end NAV").

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

10. Financial risk management (cont'd)

(b) Market risk (cont'd)

(iii) Foreign currency risk

The Fund holds assets denominated in currencies other than USD, 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:

30 June 2018	USD USD	AUD USD	HKD USD	KRW USD	MYR USD	SGD USD	Total USD
ASSETS							
Portfolio of investments	-	2,541,755	4,662,828	789,804	164,446	2,305,239	10,464,072
Dividend and other receivables	-	48,999	28,653	-	1,942	-	79,594
Cash and cash equivalents	389,086	29,920	5,527	-	-	12,584	437,117
Total assets	389,086	2,620,674	4,697,008	789,804	166,388	2,317,823	10,980,783
LIABILITIES							
Payables and accrued expenses	78,114	-	-	-	-	-	78,114
Net assets attributable to unitholders	10,902,669	-	-	-	-	-	10,902,669
Total liabilities	10,980,783	-	-	-	-	-	10,980,783

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

10. Financial risk management (cont'd)

(b) Market risk (cont'd)

(iii) Foreign currency risk (cont'd)

30 June 2017	USD USD	AUD USD	HKD USD	KRW USD	MYR USD	SGD USD	THB USD	Total USD
ASSETS								
Portfolio of investments	–	3,774,222	9,059,579	438,929	396,161	2,693,384	837,311	17,199,586
Dividend and other receivables	–	53,714	78,164	–	3,814	–	–	135,692
Cash and cash equivalents	41,924	30,799	5,596	–	–	4,185	–	82,504
Total assets	41,924	3,858,735	9,143,339	438,929	399,975	2,697,569	837,311	17,417,782
LIABILITIES								
Payables and accrued expenses	89,936	–	–	–	–	–	–	89,936
Net assets attributable to unitholders	17,327,846	–	–	–	–	–	–	17,327,846
Total liabilities	17,417,782	–	–	–	–	–	–	17,417,782

“Portfolio of investments”, which is a significant item in the statement of financial position, is exposed to currency risk. The Manager has considered the impact of currency risk sensitivity on non-monetary assets as part of the price risk sensitivity analysis.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

10. Financial risk management (cont'd)

(b) Market risk (cont'd)

(iii) Foreign currency risk (cont'd)

The analysis below calculates the effect of a reasonably possible movement of the currency rate against the USD on the net assets attributable to unitholders, with all other variables held constant:

Foreign exchange ("FX") position	Net assets attributable to unitholders impact of a 5% increase/(decrease) in FX rate %
2018	
AUD/USD	±1.20
HKD/USD	±2.15
KRW/USD	±0.36
MYR/USD	±0.08
SGD/USD	±1.06
2017	
AUD/USD	±1.11
HKD/USD	±2.64
KRW/USD	±0.13
MYR/USD	±0.12
SGD/USD	±0.78
THB/USD	±0.24

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

10. Financial risk management (cont'd)

(a) Credit risk

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

Concentrations of credit risk are minimised primarily by ensuring that:

- counterparties, together with the respective credit limits, are approved; and
- the securities transactions are undertaken on recognised exchanges.

As such, the Fund does not have a concentration of credit risk that arises from an exposure to a single counterparty. Furthermore, the Fund does not have a material exposure to a group of counterparties which are expected to be affected similarly by changes in economic or other conditions.

The Fund invests in financial assets, which have an investment grade as rated by Standard & Poor's or Moody's. The credit ratings are reviewed regularly.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as for sales transaction, delivery of securities is only made once the broker has made payment. Payment is made on a purchase once the securities have been received from the broker. The trade will fail if either party fails to meet its obligation.

Credit risk also arises from cash and cash equivalents and investments held with financial institutions. The tables below summarise the credit rating of banks and custodians in which the Fund's assets are held as at 30 June 2018 and 2017:

	Amount USD	Credit rating	Source of credit rating
As at 30 June 2018			
<u>Custodian</u>			
Citibank N.A., Singapore Branch	10,901,189	A+	Standard & Poor's
As at 30 June 2017			
<u>Custodian</u>			
Citibank N.A., Singapore Branch	17,282,090	A	Standard & Poor's

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

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

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

10. Financial risk management (cont'd)

(b) Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2018 and 2017:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2018				
Assets				
Equity securities	10,464,072	—	—	10,464,072
30 June 2017				
Assets				
Equity securities	17,199,586	—	—	17,199,586

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

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.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

The Fund does not invest in any Level 2 and 3 investments.

(c) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholders' redemptions.

CIMB S&P Ethical Asia Pacific Dividend ETF
(Constituted under a Trust Deed in the Republic of Singapore)

Notes to the financial statements
For the financial year ended 30 June 2018

11. Authorisation on financial statements

The financial statements of the Fund for the financial year ended 30 June 2018 were authorised for issue by the Trustee on 28 September 2018.