

**CIMB ISLAMIC DALI EQUITY FUND**  
**FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2011**

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## INVESTOR LETTER

Dear Valued Investors,

In 2010, the Malaysian market exceeded almost everyone's expectations. We expected about a 15% return at the beginning of 2010, but the FTSE Bursa Malaysia 100 Index (FBM100) has jumped 19.4% over the course of the year.

In less than two years, the market has fully recovered from its low in March 2009, which was brought on by the global crisis. This is quite remarkable, considering that predictions about the rate of recovery at that time were quite dire. Investors, who stayed invested and continued to invest through the downturn, were rewarded with really good returns.

We hope that with the experience of the Asian financial crisis and this most recent global financial crisis, investors have seen for themselves that markets do bounce back and it is not easy to predict the speed at which they can recover.

We are cautiously optimistic for 2011. In light of the market having gone up two years in a row, our outlook for this year are returns in the low double digits. We expect the US economy to continue to recover, driven by consumer spending and corporate capital expenditures. The Federal Reserve's sustained purchases of bonds will continue to underpin the recovery. Events in Europe are expected to lead to volatility. At some point, we believe bond markets will force Portugal into accepting a bailout. We believe there is a 50-50 chance that Spain will be bailed out as well.

In Asia Pacific ex-Japan, the concern is mainly over inflation and rising interest rates. In China, the recent hikes in bank reserve requirements to 18.5% will not be sufficient to tame inflation. Although higher food prices are currently the main source of inflation, there are signs that input prices are also rising. We expect China to hike interest rates by 1.25% next year. However, this hike is unlikely to derail the economy, especially if it is balanced with the rumored loan quota of Renminbi 6.0-7.0 trillion.

For Bursa Malaysia, conditions seem right for continued market appreciation. The implementation of the Economic Transformation Program (ETP) will lead to the roll out of large projects that will benefit the construction as well as oil and gas sectors, and closer ties with Singapore will benefit projects in the Iskandar Region – all which could lead to a revival in corporate loans growth. We expect earnings growth in the mid-teens and price-to-earnings ratios (PERs) to re-rate to the long-term average of 14.5-15.0 times.

**INVESTOR LETTER (CONTINUED)**

It's also been a busy year for us here at CIMB-Principal Asset Management Berhad ("CIMB-Principal"). We are happy to share that our total assets under management have grown 28% from RM23.1<sup>1</sup> billion to RM29.5 billion a clear sign of clients' confidence. With 66 unit trust funds (23 are Shariah-compliant), including 6 wholesale funds and 2 exchange-traded funds (ETFs), the Company is also one of the largest institutional money managers. Institutional AUM rose 35.3% to RM18.0 billion in December last year, also made further inroads into the region, managing RM1.4 billion for regional clients. The stability of our senior management team, with an average tenure of 5.3 years, has endowed the CIMB-Principal with the flexibility to adapt strategically and innovatively to rapidly-changing circumstances in a competitive regional marketplace.

You may not be aware but back in 2009, CIMB-Principal was the first Malaysian company to implement PAM® for Securities<sup>2</sup>, a world class international portfolio management and accounting system. Last year, we implemented the Factset Attribution System to further enhance our fund managers' expertise. The firm remains ahead of the curve compared to many of its domestic peers, exemplified by the implementation of SWIFT and OMGEO connections for some clients, providing automated trading and settlement services. CIMB-Principal is one of the few fund managers in ASEAN with all these systems in place to better serve our clients and partners.

We thank you for your trust in us. As you continue to regularly invest with us in 2011, it is our promise to be a vigilant steward of your money and help you grow it over time.

Yours sincerely

**Campbell Tupling**

*Chief Executive*

*CIMB-Principal Asset Management Berhad*

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<sup>1</sup> End December 2009

<sup>2</sup> [http://www.pfs.com/products/Pages/PFS\\_Products\\_PAMsecurities.aspx](http://www.pfs.com/products/Pages/PFS_Products_PAMsecurities.aspx)

**MANAGER'S REPORT****What is the investment objective of the Fund?**

The investment objective of the Fund is to achieve a consistent capital growth over the medium to long-term.

**Has the fund achieved its objective?**

For the period under review, the Fund is in line with its stated objectives as stated under the fund performance review.

**What are the fund investment policy and its strategy?**

The Fund is a Shariah-compliant equity growth fund and is a continuation of CIMB Islamic DALI Equity Growth Fund. It may invest a minimum of 70% and up to a minimum of 98% of its NAV principally in Shariah-compliant equities aimed to provide growth but may also invest in other Shariah-compliant investments, such as Sukuk with a minimum credit rating of "A3" or "P2" by "RAM" or equivalent rating by MARC ; "BB" by S&P or equivalent rating by Moody's or Fitch. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

Between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant securities and other Shariah-compliant investments, and at least 2% in Shariah-compliant liquid assets.

The Fund's policies on investments were carried out in accordance with the Deed and it will continue its operations until terminated in accordance with the provisions of the Deed.

**Fund category/ type**

Equity (Shariah)/Growth

**How long should you invest for?**

Recommended between 3 years or more

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

High

**When was the Fund launched?**

30 April 2003

**What was the size of the Fund as at 31 May 2011?**

RM 206.64 million (177.15 million units)

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

70% FTSE Bursa Malaysia EMAS Shariah Index + 30% Dow Jones Islamic Asia Pacific ex Japan.

**What is the fund distribution policy?**

The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.

**What was the net income distribution for the period ended 31 May 2011?**

No distribution for the financial period ended 31 May 2011.

**PERFORMANCE DATA**

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

	<b>31.05.2011</b>	<b>31.05.2010</b>	<b>31.05.2009</b>
	%	%	%
Quoted Shariah-compliant Investments			
- Basic Materials	5.40	10.77	-
- Construction	3.25	5.19	4.71
- Consumer Goods	4.24	3.55	-
- Consumer Products	7.11	3.88	1.85
- Consumer Services	2.22	3.20	-
- ETF/Unit Trust	-	-	-
- Finance	0.93	-	-
- Health Care	-	3.79	-
- Industrial Products	25.12	4.04	18.64
- Industrials	4.12	11.33	-
- Infrastructure project companies	2.81	1.28	0.93
- Oil & Gas	8.85	4.90	-
- Mining	1.41	-	4.85
- Plantations	-	7.58	7.42
- Properties	1.42	2.25	3.78
- Second Board	-	-	-
- Technology	4.83	10.41	4.16
- Telecommunications	15.68	1.44	-
- Trading Services	3.81	21.86	36.54
- TSR & Warrants	-	-	0.06
- Transportation	-	0.84	-
- Utilities	2.27	-	-
Cash and Other Net Assets	6.53	3.69	17.06
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>31.05.2011</b>	<b>31.05.2010</b>	<b>31.05.2009</b>
Net asset value (RM Million)*	206.64	229.16	106.90
Units in circulation (Million)	177.15	236.05	83.73
Net asset value per unit (RM)*	1.1665	0.9708	1.2767
Highest NAV per unit (RM)	1.1827	1.5080	1.7702 *
Lowest NAV per unit (RM)	0.9515 *	0.9391 *	0.9946 *
Total return (%)	19.57	12.34	(18.31)
- Capital growth (%)	19.57	7.06	(28.75)
- Income distribution (%)	-	4.93	14.37
Gross distribution per unit (sen)			
- Interim	-	-	10.00
- Final	-	5.00	7.00
- Unit split for distribution	-	2.5	-
Net distribution per unit (sen)			
- Interim	-	-	9.91
- Final	-	4.94	6.92
Date of distribution			
- Interim	-	11-Sep-08	-
- Final	-	11-Feb-09	30-Nov-07

**PERFORMANCE DATA (CONTINUED)**

	31.05.2011	31.05.2010	31.05.2009
Management expense ratio (%)	2.77	2.07	2.06
Portfolio turnover ratio (times) #	1.24	1.60	2.12

Average total return	Total Return	Annualised
	%	%
- One Year	19.57	19.57
- Three Years	9.73	3.14
- Five Years	87.50	13.40
- Since Inception	136.62	11.23

\* Ex-distribution  
(Launch date: 30 April 2003)

# The portfolio turnover fell from 1.60 the previous year to 1.24 in the year under review as we kept equity allocation largely constant at above 90% for most of the year to capitalize on the continued recovery of the markets.

	31.05.2011	31.05.2010	31.05.2009	31.05.2008	31.05.2007	Since inception
Annual total return (%)	19.57	12.34	(4.20)	0.27	11.90	10.10

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures ended 31 May 2011 have been verified by Consulting Actuaries, Mercer Zainal Consulting Sdn Bhd.

**MARKET REVIEW**

In 4Q2010, countries with a high exposure to technology and material stocks such as Korea, Taiwan and Australia outperformed. And countries with high inflation where policy tightening was likely such as China, India and Indonesia underperformed. Despite tensions in the Korean peninsula, foreign buying of financials and technology stocks pushed the index. The Bank of Korea kept the cash rate unchanged at 2.50% and CPI in November decelerated from October (3.3% YoY vs. 4.1% YoY). Taiwan performed well driven by technology stocks (Korean tech stocks also outperformed the market). At the municipal elections in Taiwan, the ruling KMT kept their control in Taipei, Xinbei and Taichung while the DPP won in Tainan and Kaoshiung. Taiwan's central bank raised rates by 12.5bp and the November CPI ticked up to 1.5% YoY vs. 0.6% YoY in October. Australia did well as commodity prices firmed. The government's recommendations regarding the planned Mineral Resources Rent tax did not surprise negatively and M&A activity was also a support. As expected, the Reserve Bank left the cash rate on hold at 4.75%.

China underperformed as the People's Bank of China continued to tighten policy, raising the minimum reserve ratio requirement (+150bp) and hiking lending rates (+50bp for 1yr loans). This will impact excess liquidity and loan growth. CPI inflation was higher than expected at 5.1% YoY in November (4.4% YoY in October) driven by a sharp jump in food prices. India was affected by corruption allegations at the telecom ministry, selected state-owned banks, financial institutions and property companies weighed on investor sentiment. The Reserve Bank of India raised both the repo and reverse repo rate by 25bp as expected. The Central Bank also cut the SLR by 100 bps to address the liquidity deficit in the banking system. The Central bank also promised Open Market Operations of Rs480 bn over the next month to ease the liquidity situation. Bank Indonesia maintained policy rates at 6.5% despite headline inflation coming in above expectations again at 6.96% YoY in December (6.33% YoY in November).

**MARKET REVIEW (CONTINUED)**

In 1Q11 the Japan earthquake, tsunami and nuclear incident on March 11 affected sentiment in Asian markets but only temporarily. The Bank of Japan poured liquidity into the financial system and doubled the size of its asset purchase plan to stabilize markets. India and Korea were the best performing markets. Korean corporates in the tech, auto, industrial and shipbuilding space were seen as beneficiaries of the situation in Japan. As expected the Bank of Korea raised the base rate by 25bps to 3.00% as part of its policy normalization cycle since last July. In India, foreigners turned net buyers after being net sellers in Jan and Feb. The RBI hiked the benchmark rate by 25bps as expected. WPI inflation accelerated further in Feb to 8.3% (Jan: 8.2%). While the primary food segment inflation moderated, non-food manufacturing inflation rose further.

China's economy appeared to have settled into a solid growth pace this year, recording an increase of 9.6% yoy in 1Q11 following 9.8% yoy growth in 4Q10. March macro indicators reported stronger than expected growth in industrial production and retail sales, while fixed investment posted a steady growth. The PBoC hiked the Reserve Requirement Ratio for the third time this year by 50bp. The Philippines central bank raised interest rates by 25bps as a preemptive move against higher inflation. Indonesia's CPI in March came in lower than expected with prices declining by 0.32% MoM and core inflation remained muted. Taiwan underperformed the region. Feb export orders came in weaker than expected. Moderation in order growth was broad-based across major markets. Central bank raised interest rate by 12.5bps. The Australian market barely moved but the AUD\$ appreciated 2%. The energy sector did well in anticipation of stronger demand for gas from Japan to replace nuclear.

In 2Q11 market momentum was weak driven by poor economic data, Euro sovereign debt concerns and maturing of QE2. Investors generally rotated from cyclicals to defensives. The Reserve Bank of India raised repo rates by a higher than expected 50bps in the May policy meeting. Foreign investors were net sellers in Korea while domestic became net buyers. The Bank of Korea unexpectedly kept the base rate at 3% with comments turning less hawkish. Industrial production growth decelerated in April and is expected to stay weak due to high inventories. Australia continued to show a 2-speed economy with weaker than expected job numbers and mortgage data indicating activity outside commodities might be slowing. The Budget statement projected a deficit slightly higher than expectation but the Federal Treasurer reiterated the aim to return to surplus in 2 years' time. The Thai market was also sold down on the back of a lack of positive catalysts after the 1Q results and concerns about whether the Democrats would be able to form the government post the July election. In the Philippines, 1Q11 GDP growth was lower than expected at 4.9% yoy on lower government spending and export growth. Inflation however, was higher than expected at 4.6% in April which triggered 25bps increase in policy rate.

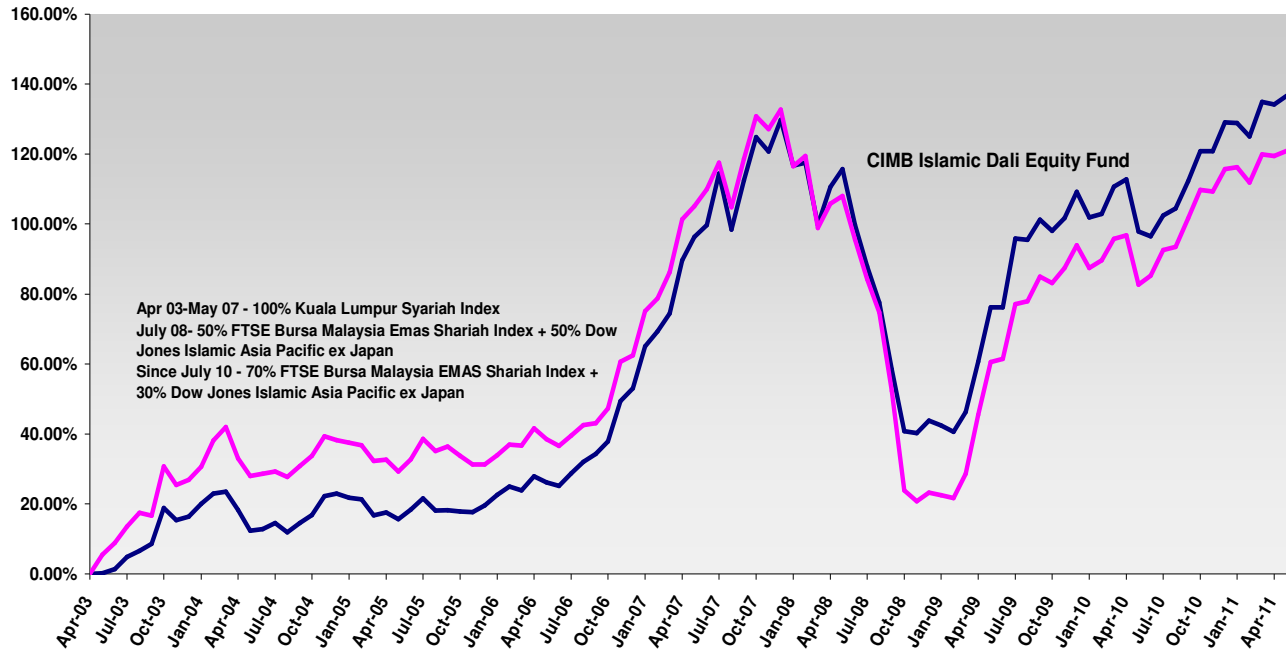
China PMI eased further to 52 in May, down from 52.9 in April. Chinese authorities continued to worry about inflation (CPI remained elevated at 5.3% in April) and continued to tighten liquidity. Total social financing, a new liquidity measure which includes bank loans, entrusted loans, banker acceptances and corporate bonds in 1Q11 was slightly lower vs. a year ago. PBoC hiked RRR by 50bps in April and another 50bps in May.

**FUND PERFORMANCE**

	<b>1 Year to 31.05.2011</b>	<b>3 years to 31.05.2011</b>	<b>5 years to 31.05.2011</b>	<b>Since Inception</b>
Income (%)	-	20.01	31.42	35.94
Capital (%)	19.57	(8.56)	42.68	74.07
Total Return (%)	19.57	9.73	87.50	136.62
Benchmark (%)	20.93	6.22	59.51	120.93
Average Total Return (%)	19.57	3.14	13.40	10.29

The Fund achieved a return of 19.57% for the year under review, slightly underperforming its benchmark by 1.36%

**FUND PERFORMANCE (CONTINUED)**



**Changes in Net Asset Value (“NAV”)**

	<b>31.05.2011</b>	<b>31.05.2010</b>	<b>% changes</b>
Net Asset Value (“NAV”) (RM Million)	206.64	229.16	(9.83)
NAV/unit (RM)	1.1665	0.9708	20.16

Net asset value of the Fund fell 9.83% in spite of a 20.16% increase in the net asset value per unit due to redemptions during the period.

Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. 1 year financial year ended 31 May 2011 performance figures have been verified by Consulting Actuaries, Mercer Zainal Consulting Sdn Bhd.

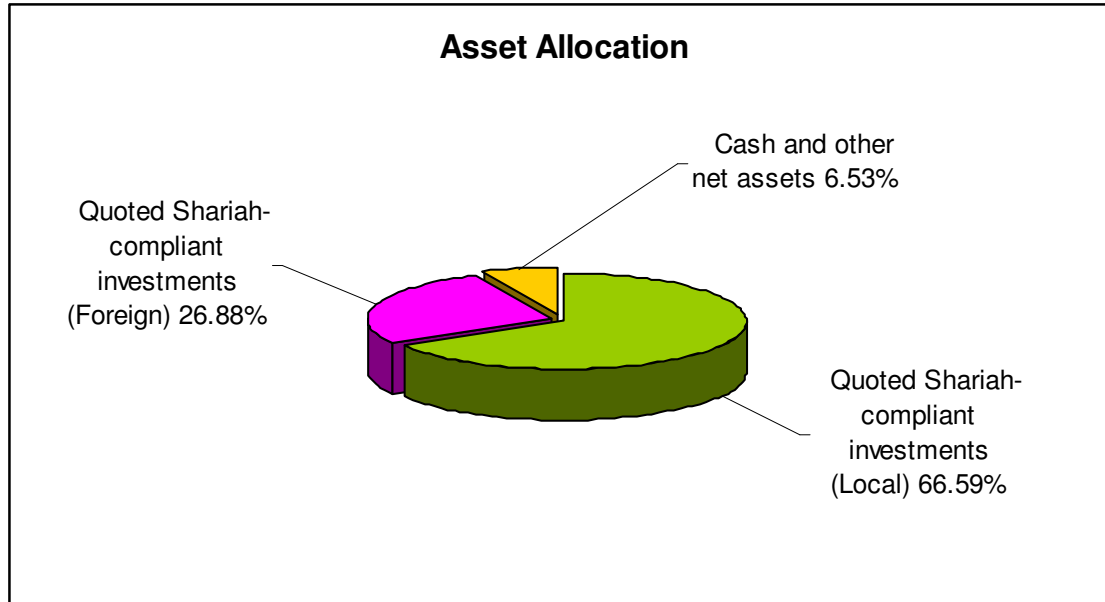
**PORTFOLIO STRUCTURE**

**Asset allocation**

(% of NAV)	<b>31 May 2011</b>	<b>31 May 2010</b>
<b>Quoted Shariah-compliant investments local</b>	66.59	46.78
<b>Quoted Shariah-compliant investments foreign</b>	26.88	49.52
<b>Cash and other net assets</b>	6.53	3.70
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The change in equity allocation reflects the increase of the domestic portion from 50% to 70% during the period.

## PORTFOLIO STRUCTURE (CONTINUED)



## MARKET OUTLOOK

We expect global economic growth in the second half to stabilize - as US and Japan rebound from a soft patch. Inflation expectations are moderating with slowing global growth, release of strategic oil reserves and fall in soft commodity prices. The stalemate on US debt ceiling will be resolved before Aug. However, more need to be done to boost employment ahead of election year.

The Euro zone economy is set to stagnate as the debt crisis lingers on Greece has survived the austerity vote and we expect more bailout from IMF/ EU. A long term solution is required with a sovereign debt restructuring likely in 2013.

The Chinese premier has declared "victory" over inflation but short term inflation risks remain. We expect a temporary easing of tightening monetary conditions as growth softens in the near future. The soft patch in Asian growth is uneven across the different countries with core inflation worries remaining a risk through next year.

Against this global backdrop, the Malaysian economy has entered a soft patch with the IPI for April falling 3.7% mom. This has raised questions about the expected GDP growth for 2011. Most research houses have maintained forecasts for now with CIMB still at 5.5%. Our government, though, is continues to shoot for an ambitious 6.0%.

The government's optimism is based on the implementation of projects under the government's Economic Transformation Project ("ETP"). In the latest (6<sup>th</sup>) progress report, 50% of ETP projects announced have taken off, accounting for RM170.3bn in cumulative investments. More encouraging, is the pick up in Foreign Direct Investment ("FDI"). RM10.7bn and RM11.1bn entered the country in 4Q10 and 1Q11 respectively, which is the highest in a decade (except for 2Q08). There are reasons for optimism. As further evidence, loan growth hit 13.8% in May 2011, boosted by continued growth in housing loans and corporate loan growth.

Bursa Malaysia is trading at 2012 PER of 13.9x; below the 5-year average of 14.2x. When we consider that EPS growth has recently been upgraded to 14.2% and 14.0% for 2011 and 2012 respectively, the market looks undervalued.

**INVESTMENT STRATEGY**

We are bullish on Asian Equities for the second half of 2011, as policy priority may shift away from inflation fighting towards maintaining growth. The coming second quarter results announcement is likely to set the tone for market direction. We have taken advantage of recent market weakness to increase beta and selected growth stocks. We continue to like consumer and industrial sectors, given their structural attractiveness and growth characteristics. We are re-visiting technology and materials stocks, following earnings downgrades on global slowdown and margin pressure. We remain under-weighted on defensive sectors like telecom and utilities.

On the domestic front, under this scenario of slow growth, growth stocks with dominant market positions and dividend-growth stocks are expected to outperform. The sectors that are keyed to the ETP have probably been played out but we find value elsewhere and will position the Fund to take advantage of it. At the same time, we keep lowering the overall PER of the portfolio to minimize downside risk.

**UNIT HOLDING STATISTICS**

Breakdown of unit holdings by size as at 31 May 2011 are as follows:

<b>Size of unit holding</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	25,042	11.12	6.28
5,001 to 10,000	1,808	13.77	7.77
10,001 to 50,000	2,496	55.66	31.42
50,001 to 500,000	455	48.64	27.46
500,001 and above	10	47.96	27.07
	<b>29,811</b>	<b>177.15</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

Dealings on investments of the Fund through brokers or dealers will be on terms which are best available for the Fund. Any rebates from brokers or dealers will be directed to the account of the Fund.

The Investment Manager may from time to time receive and retain soft commissions in the form of subscription for real-time services or advisory services that assist in the decision-making process relating to the Fund's investments from brokers or dealers.

During the financial period under review, the management company did not receive any rebates and soft commissions from brokers or dealers.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
CIMB ISLAMIC DALI EQUITY FUND**

I, being the Director of CIMB-Principal Asset Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 15 to 55 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 May 2011 and of its financial performance, changes in equity and cash flows of the Fund for the financial year ended on that date in accordance with Financial Reporting Standards in Malaysia.

For and on behalf of the Manager

**CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD**

(Company No.: 304078-K)

**JOHN CAMPBELL TUPLING**

Chief Executive Officer / Director

Kuala Lumpur  
29 July 2011

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF  
CIMB ISLAMIC DALI EQUITY FUND**

We, Universal Trustee (Malaysia) Berhad, being the Trustee of CIMB Islamic DALI Equity Fund ("the Fund"), are of the opinion that CIMB-Principal Asset Management Berhad ("the Manager"), acting in the capacity of Manager of the Fund, have fulfilled their duties in the following manner for the financial year ended 31 May 2011:

- (a) The Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws during the financial year ended 31 May 2011;
- (b) Valuation/pricing is carried out in accordance with the Deed and any regulatory requirements;
- (c) Creation and cancellation of units is carried out in accordance with the Deed and any regulatory requirements; and

For and on behalf of the Trustee  
**UNIVERSAL TRUSTEE (MALAYSIA) BERHAD**

**LIEW KOK WAH**  
Chief Executive Officer

Kuala Lumpur  
29 July 2011

**SHARIAH ADVISOR'S REPORT TO THE UNITHOLDERS OF  
CIMB ISLAMIC DALI EQUITY FUND**

We have acted as the Shariah Adviser of CIMB Islamic DALI Equity Fund. Our responsibility is to ensure that the procedures and investment processes employed by CIMB-Principal Asset Management Berhad are in accordance with Shariah.

In our opinion, CIMB-Principal Asset Management Berhad has managed and administered CIMB Islamic DALI Equity Fund in accordance with Shariah and complied with applicable guidelines, rulings or decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 31 May 2011.

In addition, we also confirm that the investment portfolio of CIMB Islamic DALI Equity Fund comprises securities which have been classified as Shariah-compliant by the Shariah Department Council of the Securities Commission ("SACSC"). As for the securities which are not certified by the SACSC, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For and on behalf of the Shariah Advisor  
**CIMB Islamic Bank Berhad**

**ABDUL GHANI ENDUT**

Head, Shariah Department / Designated Person Responsible for Shariah Advisory

Kuala Lumpur  
29 July 2011

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
CIMB ISLAMIC DALI EQUITY FUND**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CIMB Islamic DALI Equity Fund, which comprise the statement of financial position as at 31 May 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 15 to 55

The Manager's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation of financial statements that give a true and fair view 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 Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Fund as of 31 May 2011 and of its financial performance, changes in equity and cash flows for the financial year then ended.

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
CIMB ISLAMIC DALI EQUITY FUND (CONTINUED)**

**OTHER MATTERS**

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

**PRICEWATERHOUSECOOPERS**

(No. AF: 1146)  
Chartered Accountants

Kuala Lumpur  
29 July 2011

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2011**

	Note	2011 RM	2010 RM
<b>NET INVESTMENT INCOME</b>			
Dividend income		6,184,287	3,472,870
Profit income from Shariah-compliant deposits with licensed financial institutions		289,097	198,280
Net realised gain on sale of financial assets at fair value through profit or loss		28,621,755	18,400,541
Unrealised capital gain on financial assets at fair value through profit or loss		23,869,138	-
Net foreign currency exchange loss		(1,324,973)	(8,177,596)
		<u>57,639,304</u>	<u>13,894,095</u>
<b>EXPENSES</b>			
Management fee	4	4,499,038	2,910,153
Trustee's and custodian fees	5	264,692	212,085
Transaction costs		1,603,483	-
Audit fee		6,100	6,100
Tax agent's fee		51,384	46,098
Other expenses		65,513	97,261
		<u>6,490,210</u>	<u>3,271,697</u>
<b>NET PROFIT BEFORE TAXATION</b>		51,149,094	10,622,398
TAXATION	7	(724,896)	(659,669)
<b>NET PROFIT AFTER TAXATION REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<u>50,424,198</u>	<u>9,962,729</u>
Net profit after taxation is made up as follows:			
Realised amount		21,861,261	14,195,901
Unrealised amount		28,562,937	(4,233,172)
		<u>50,424,198</u>	<u>9,962,729</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2011**

	<b>Note</b>	<b>2011 RM</b>	<b>2010 As restated RM</b>	<b>2009 As restated RM</b>
<b>INVESTMENTS</b>				
Financial assets at fair value through profit or loss	8	193,081,706	-	-
Local quoted Shariah-compliant investments	9	-	107,236,261	42,690,589
Foreign quoted Shariah-compliant investments	9	-	113,462,313	45,976,823
		<u>193,081,706</u>	<u>220,698,574</u>	<u>88,667,412</u>
<b>LIQUID ASSETS</b>				
Deposits with licensed financial institutions		7,688,725	-	12,892,578
Bank balance in a licensed bank		5,185,465	10,416,776	5,029,110
	10	<u>12,874,190</u>	<u>10,416,776</u>	<u>17,921,688</u>
<b>OTHER ASSETS</b>				
Amount due from stockbrokers	11	4,951,592	2,285,402	4,611,978
Amount due from Manager		316,774	4,381,551	438,133
Dividend receivable	12	584,937	384,287	239,457
Profit income receivable from Shariah-compliant deposits with licensed financial institutions		-	-	3,328
Tax recoverable		192,163	246,779	230,530
Other receivable		-	500	355,848
		<u>6,045,466</u>	<u>7,298,519</u>	<u>5,879,274</u>
<b>TOTAL ASSETS</b>		<u>212,001,362</u>	<u>238,413,869</u>	<u>112,468,374</u>
<b>LIABILITIES</b>				
Amount due to stockbrokers	13	2,959,729	-	5,350,475
Amount due to Manager		2,006,442	8,484,511	43,025
Accrued management fee		332,924	366,374	159,691
Amount due to Trustee and custodian		10,798	11,882	5,179
Distribution payable		-	330,431	-
Other payables and accruals		49,210	59,795	10,932
		<u>5,359,103</u>	<u>9,252,993</u>	<u>5,569,302</u>
<b>NET ASSET VALUE OF THE FUND</b>	14	<u>206,642,259</u>	<u>229,160,876</u>	<u>106,899,072</u>
<b>EQUITY</b>				
Unitholders' capital		122,940,683	195,883,498	68,629,928
Retained earnings		83,701,576	25,181,420	26,777,463
Fair value reserve		-	8,095,958	11,491,681
		<u>206,642,259</u>	<u>229,160,876</u>	<u>106,899,072</u>
<b>Number of units in circulation</b>	14	<u>177,145,993</u>	<u>236,048,766</u>	<u>83,730,000</u>
<b>Net asset value per unit (RM)</b>	14	<u>1.1665</u>	<u>0.9708</u>	<u>1.2767</u>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2011**

	Unitholders' capital RM	Retained earnings RM	Fair value reserve RM	Total RM
<b>Balance as at 1 June 2010, as previously stated</b>	-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132 (Note 20(a))	195,883,498	25,181,420	8,095,958	229,160,876
Balance as at 1 June 2010, restated after adoption of amendments to FRS 132	195,883,498	25,181,420	8,095,958	229,160,876
Adjustment for adoption of FRS 139 (Note 20(b))	-	8,095,958	(8,095,958)	-
Balance as at 1 June 2010, restated after adoption of FRS 139	195,883,498	33,277,378	-	229,160,876
Movement in unitholders' contribution:				
Creation of units	140,267,188	-	-	140,267,188
Cancellation of units	(213,210,003)	-	-	(213,210,003)
Total comprehensive income for the financial year	-	50,424,198	-	50,424,198
<b>Balance as at 31 May 2011, restated</b>	<b>122,940,683</b>	<b>83,701,576</b>	<b>-</b>	<b>206,642,259</b>
<b>Balance as at 1 June 2009, as previously stated</b>	-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132 (Note 20(a))	68,629,928	26,777,463	11,491,681	106,899,072
Balance as at 1 June 2009, restated after adoption of amendments to FRS 132	68,629,928	26,777,463	11,491,681	106,899,072
Movement in unitholders' contribution:				
Creation of units - application	201,593,757	-	-	201,593,757
Creation of units – distribution	11,228,341	-	-	11,228,341
Cancellation of units	(85,568,528)	-	-	(85,568,528)
Total comprehensive income for the financial year	-	9,962,729	-	9,962,729
Distribution for the financial year (Note 6)	-	(11,558,772)	-	(11,558,772)
Change in fair value reserve	-	-	(3,395,723)	(3,395,723)
<b>Balance as at 31 May 2010, restated</b>	<b>195,883,498</b>	<b>25,181,420</b>	<b>8,095,958</b>	<b>229,160,876</b>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2011**

	Note	2011 RM	2010 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		351,681,709	202,825,499
Purchase of Shariah-compliant investments		(272,622,780)	(327,006,976)
Capital repayment		-	355,348
Dividends received		5,402,758	2,876,945
Profit income received from Shariah-compliant deposits with licensed financial institutions		289,097	201,608
Management fee paid		(4,532,489)	(2,703,470)
Trustee's and custodian fees paid		(265,778)	(205,382)
Payments for other fees and expenses		(140,745)	(100,596)
Net realised foreign exchange loss		(1,049,417)	(3,944,424)
Tax refund		168,276	62,033
Tax paid		(256,833)	(489,815)
Net cash inflow/(outflow) from operating activities		<u>78,673,798</u>	<u>(128,129,230)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		144,339,630	197,650,339
Payments for cancellation of units		(219,694,713)	(77,127,042)
Distribution paid		(323,789)	-
Net cash (outflow)/inflow from financing activities		<u>(75,678,872)</u>	<u>120,523,297</u>
Net increase/(decrease) in cash and cash equivalents		2,994,926	(7,605,933)
Effect of foreign currency exchange		(537,512)	101,021
Cash and cash equivalents at the beginning of the financial year		<u>10,416,776</u>	<u>17,921,688</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>12,874,190</u></u>	<u><u>10,416,776</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2010****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY**

CIMB Islamic DALI Equity Fund (“the Fund”) is governed by a Principal Master Deed dated 15<sup>th</sup> May 2008, a Third Supplemental Master Deed dated 25<sup>th</sup> June 2008, a Fourth Supplemental Master Deed dated 25<sup>th</sup> June 2008, a Supplemental Master Deed dated 14<sup>th</sup> July 2008 and a Seventh Supplemental Master Deed dated 19<sup>th</sup> November 2008 (collectively referred to as “the Deeds”), made between CIMB-Principal Asset Management Berhad (the “Manager”) and Universal Trustee (Malaysia) Berhad.

The Fund is a Shariah-compliant equity growth fund and may invests a minimum of 70% and up to a maximum of 98% of its net asset value principally in Shariah-compliant equity and any other Shariah-compliant investments, such as Sukuk with a minimum credit rating of “A3” or “P2” by RAM or equivalent rating by MARC ; “BB” by S&P or equivalent rating by Moody’s or Fitch. At least 2% of the Fund’s net asset value will be in Shariah-compliant liquid assets.

All investments will be subject to the SC Guidelines on Unit Trust Funds, SC requirements, the Deed, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager, a company incorporated in Malaysia, is a subsidiary of CIMB Group Sdn Bhd and regards CIMB Group Holdings Berhad as its ultimate holding company. Its principal activities are the management of unit trusts and fund management activities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standards (“FRS”) in Malaysia.

The preparation of financial statements in conformity with the FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

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

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

- (i) Standards, amendments and interpretations to published standards that are applicable and effective:
- FRS 8 "Operating Segments" (effective from 1 July 2009) replaces FRS 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The improvement to FRS 8 (effective from 1 January 2010) clarifies that entities that do not provide information about segment assets to the chief operating decision-maker will no longer need to report this information. Prior year comparatives must be restated.
  - FRS 7 "Financial instruments: Disclosures" (effective from 1 January 2010) provides information to users of financial statements about an entity's exposure to risks and how the entity manages those risks. The improvement to FRS 7 clarifies that entities must not present total profit income and expense as a net amount within finance costs on the face of the Income Statement. This standard does not have any impact on the classification and valuation of the Fund's financial statements.
  - The revised FRS 101 "Presentation of financial statements" (effective from 1 January 2010) prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. 'Non-owner changes in equity' are to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period.

- FRS 107 "Statement of cash flows" (effective from 1 January 2010) clarifies that only expenditure resulting in a recognised asset can be categorised as a cash flow from investing activities.
- FRS 110 "Events after the balance sheet date" (effective from 1 January 2010) reinforces existing guidance that a dividend declared after the reporting date is not a liability of an entity at that date given that there is no obligation at that time.
- FRS 118 "Revenue" (effective from 1 January 2010) provides more guidance when determining whether an entity is acting as a 'principal' or as an 'agent'. This standard does not have material impact on the classification and valuation of the Fund's financial statements.

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

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

- (i) Standards, amendments and interpretations to published standards that are applicable and effective (continued):

- Amendment FRS 132 “Financial Instruments: Presentation”

In the previous financial year, the Fund had classified its puttable instruments as liabilities in accordance with FRS 132, 'Financial instruments: Presentation'. However, the FRS 132 (amendment), 'Financial instruments: Presentation', and FRS 101 (amendment), 'Presentation of financial statements' - 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2010) (the 'amendment') requires puttable financial instruments that meet the definition of a financial liability to be classified as equity where certain strict criteria are met.

Those criteria include: (i) the puttable instruments must entitle the holder to a pro-rata share of net assets; (ii) the puttable instruments must be the most subordinated class and that class's features must be identical; (iii) there must be no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and (iv) the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss of the issuer. As a result, the prior year financial statements are restated from amounts previously reported to conform with the amendment. The amendment has been applied retrospectively.

The effects as a result of adoption of the amendment on the statement of financial position for the prior periods are set out in Note 20(a).

- FRS 139 “Financial Instruments: Recognition and Measurement”

In the previous financial year, unrealised gains or losses from the derivative financial instrument are recognised in the statement of financial position as receivables and payables while the corresponding effect are transferred to the fair value reserve included in the capital and reserves attributable to equity holders of the fund.

However, the FRS 139 (new standard) 'Financial Instruments: Recognition and Measurement' (effective 1 January 2010) (the 'standard') requires the Fund to recognise all investments in its balance sheet as assets and shall measure them at fair value (except for a derivative that is linked to and that must be settled by delivery of an unquoted equity instrument whose fair value cannot be measured reliably) at the beginning of the financial period in which this standard is initially applied. The unrealised gains or losses transferred to the fair value reserve in the previous financial period shall be recognised as an adjustment of the balance of retained earnings at the beginning of the financial period in which this Standard is initially applied (other than for a derivative that is a designated hedging instrument).

The effects as a result of adoption of the new standard on the opening balances of the statement of financial position at the beginning of the financial year are set out in Note 20(b).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(a) Basis of preparation (continued)**

- (i) Standards and amendments to published standards and interpretations that are applicable and are effective (continued):

In respect of FRS 7 and FRS 139, the Fund has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standards on the financial statements of the Fund. Comparatives related to financial instruments have not been adjusted and therefore the corresponding balances are not comparable.

- (ii) The new standards, amendments and interpretations to published standards which are relevant to the Fund and have not been early adopted are:

- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective from 1 January 2011) require enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The Fund will apply this standard when effective.

The Fund has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of this amendment on the financial statements of the Fund.

- IC Interpretation 17 "Distribution of non-cash assets to owners" (effective from 1 July 2010) provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. FRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

**(b) Financial assets and liabilities**Classification

The Fund designates its Shariah-compliant quoted investment as financial assets at fair value through profit or loss at inception.

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

Financing and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's financing and receivables comprise cash and cash equivalents, amount due from stockbrokers, amount due from Manager, dividend receivable and other receivables which are all due within 12 months.

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

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

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Shariah-compliant quoted investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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

Gains or losses from the changes in fair value of the investments are presented in the statement of comprehensive income in the financial year on which they are incurred.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Shariah-compliant quoted investments in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position. Foreign Shariah-compliant quoted investments are valued at the bid prices quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

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

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'financing and receivables' or a 'held-to-maturity investment' has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

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

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

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

**(c) Income recognition**

Dividend income is recognised on the ex-dividend date.

Profit income and hibah earned from Shariah-compliant deposits is recognised on an accrual basis (taking into account the effective yield of assets).

Realised gain or loss on disposal of Shariah-compliant quoted investments is calculated based on sales proceeds less cost of Shariah-compliant quoted investments which is determined on a weighted average cost basis.

**(d) Functional and presentation currency**

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

**(e) Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

**(f) Creation and cancellation of units**

The Fund issues cancellable units, which are cancelled at the unitholder's option and are classified as equity. Cancellable units can be returned to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The outstanding units are carried at the redemption amount that is payable at the statement of financial position date if the unitholder exercises the right to return the unit to the Fund.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(g) Cash and cash equivalents (Shariah-compliant)**

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

**(h) Taxation**

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

Tax on dividend income from foreign quoted Shariah-compliant investments is based on the tax regime of the respective countries that the Fund invests in.

**(i) Distributions**

Proposed distributions to unit holders are recognised in the statement of changes in equity upon approval by the Board of Directors of the Manager.

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

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

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

The effective profit method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the profit income or profit expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective profit rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective profit rate, transaction costs and all other premiums or discounts.

**(k) Proceeds and payments on creation and cancellation of units**

The net asset value per unit is computed for each dealing day. The price at which units are created or cancelled is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day. Units in the Fund are classified as equity in the statement of financial position and are stated at fair value representing the price at which unitholders can redeem the units from the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses. Transaction costs are expensed as incurred in the statement of comprehensive income.

(m) Segmental information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographic segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment Committee of the Fund's manager that undertakes strategic decisions for the Fund.

(n) Financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values on the statement of financial position date.

Financial instruments as at 31 May 2011 are as follows:

	Financing and receivables RM	Financial assets at fair value through profit or loss RM	Total RM
Financial assets at fair value through profit or loss (Note 8)	-	193,081,706	193,081,706
Cash and cash equivalents (Note 10)	12,874,190	-	12,874,190
Amount due from stockbrokers	4,951,592	-	4,951,592
Amount due from Manager	316,774	-	316,774
Dividend receivable	584,937	-	584,937
	<u>18,727,493</u>	<u>193,081,706</u>	<u>211,809,199</u>

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

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

**(o) Critical accounting estimates and judgements in applying accounting policies**

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amount of assets and liabilities at the statement of financial position date, and the reported amount of income and expenses during the reported financial year. Although these estimates are based on the Manager’s best knowledge of current events and actions, actual results may differ from those estimates.

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

The resulting accounting estimates will, by definition, seldom equal the related actual results.

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The investment objective of the Fund is to achieve a consistent capital growth over the medium to long term by investing a minimum of 70% and up to a maximum of 98% of its net asset value principally in Shariah-compliant equity and any other Shariah-compliant investments, such as Sukuk with a minimum credit rating of “A3” or “P2” by RAM or equivalent rating by MARC; “BB” by S&P or equivalent rating by Moody’s or Fitch. At least 2% of the Fund’s net asset value will be in Shariah-compliant liquid assets.

The Fund is exposed to a variety of risks which include market risk (price risk, profit rate risk and currency risk), credit risk, liquidity risk, single issuer risk, non-compliance risk, reclassification of Shariah status risk and capital risk.

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

**(a) Market risk**

**(i) Price risk**

Price risk is the risk that the fair value of an investment in quoted Shariah-compliant securities will fluctuate because of changes in market prices (other than those arising from profit rate risk and currency risk).

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

As at 31 May 2011, the Fund’s overall exposures to price risk were as follows:

	<b>2011 RM</b>
Financial asset at fair value through profit and loss	193,081,706

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

## (a) Market risk (continued)

## (i) Price risk (continued)

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of quoted securities as at 31 May 2011. The analysis is based on the assumptions that the price of the quoted securities fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the fair value through profit and loss, having regard to the historical volatility of the prices.

% Change in price of quoted securities	Market value RM	Change in net asset value RM
-5%	183,427,621	(9,654,085)
0%	193,081,706	-
5%	202,735,791	9,654,085
	202,735,791	9,654,085

## (ii) Profit rate risk

Profit rate risk is the risk that the value of the Fund's Shariah-compliant quoted investments and its return will fluctuate because of changes in market profit rates.

Profit rate is a general economic indicator that will have an impact on the management of the Fund. The Fund's exposure to the profit rate risk is mainly confined to short term placements with financial institutions. The Manager overcomes the exposure by way of maintaining deposits on short term basis. It does not in any way suggest that this Fund is invested in conventional financial instruments.

As at 31 May 2011, the Fund is not exposed to a material level of profit rate risk.

## (iii) Currency risk

Part of the Fund's financial instruments is denominated in foreign currencies. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely direction of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as profit rate differentials, balance of payments position, debt levels, and technical chart considerations.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Currency risk (continued)

The following table sets out the foreign currency risk concentrations of the Fund. The following table sets out the foreign currency risk concentrations of the Fund as at 31 May 2011.

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Other assets RM	Total RM
AUD	11,543,720	245	1,362,051	12,906,016
HKD	11,474,850	18,990	92,315	11,586,155
INR	4,104,659	2,255	29,419	4,136,333
IDR	1,141,672	-	-	1,141,672
KRW	12,261,403	-	-	12,261,403
PHP	-	5	-	5
SGD	4,020,842	28,242	-	4,049,084
TWD	9,104,710	1,624,135	-	10,728,845
USD	1,922,036	3,469,135	1,057,647	6,448,818
<b>Total</b>	<b>55,573,892</b>	<b>5,143,007</b>	<b>2,541,432</b>	<b>63,258,331</b>

The table below summarises the sensitivity of the Fund's fair value on Shariah-compliant quoted investments to changes in foreign exchange movements as at 31 May 2011. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange %	Impact on net profit before tax RM	Impact on net asset value RM
AUD	5	645,301	645,301
HKD	5	579,308	579,308
INR	5	206,817	206,817
IDR	5	57,084	57,084
KRW	5	613,070	613,070
PHP	5	-	-
SGD	5	202,454	202,454
TWD	5	536,442	536,442
USD	5	322,441	322,441
<b>Total</b>		<b>3,162,917</b>	<b>3,162,917</b>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The major classes of financial assets of the Fund are cash and cash equivalents, and other assets.

The credit risk arising from placements of Shariah-compliant deposits in licensed financial institutions is managed by ensuring that the Fund will only place Shariah-compliant deposits in reputable licensed financial institutions. For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective foreign stock exchanges. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Securities Commission's Guidelines on Unit Trust Funds.

The credit/default risk is minimal as all transactions in Shariah-compliant quoted investments are settled/paid upon delivery using approved brokers. The following table sets out the credit risk concentration of the Fund:

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

	Cash and cash equivalents RM	Amount due from stock-brokers RM	Amount due from Manager RM	Dividends receivable RM	Total RM
<b>31 May 2011</b>					
Basic Materials	-	191,673	-	170,033	361,706
Consumer Goods	-	654,785	-	29,017	683,802
Consumer Services	-	1,344,492	-	-	1,344,492
Construction	-	809,713	-	8,878	818,591
Financials	12,874,190	-	-	14,144	12,888,334
Industrials	-	-	-	7,955	7,955
Oil & Gas	-	-	-	63,005	63,005
Telecommunications	-	-	-	234,549	234,549
Trading and Services	-	1,950,929	-	57,356	2,008,285
Others	-	-	316,774	-	316,774
	12,874,190	4,951,592	316,774	584,937	18,727,493

All financial assets of the Fund as at 31 May 2011 are neither past due nor impaired.

(c) Liquidity risk

Liquidity risk is the risk that Shariah-compliant quoted investments cannot be readily sold at or near its actual value without taking a significant discount. This will result in lower net asset value of the Fund. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days. The Fund has a policy of maintaining a minimum level of 0.5% of liquid assets at all times to reduce the liquidity risk.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

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

	<b>Less than 1 month RM</b>	<b>Within 1 year RM</b>
<b>At 31 May 2011</b>		
Amount due to stockbrokers	2,959,729	-
Amount due to Manager	2,006,442	-
Accrued management fee	332,924	-
Amount due to Trustee and custodian	10,798	-
Other payables and accruals	-	49,210
	<u>5,309,893</u>	<u>49,210</u>
<b>Contractual cash out flows</b>	<u><u>5,309,893</u></u>	<u><u>49,210</u></u>

(d) Single issuer risk

Any major price fluctuation of a particular security invested by the Fund may affect the Fund's net asset value and thus the prices of units.

The single issuer risk is managed by adhering to the investment limits as specified in the SC Guidelines on Unit Trust Funds.

(e) Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund are not compliant to the rules set out in the Fund's constitution, the law that governs the Fund or applicable internal control procedures, or act fraudulently or dishonestly. These non-compliance may expose the Fund to higher risks of a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the Manager. For the Fund, foreign market risk is managed through portfolio diversification by the collective investment scheme which invests among markets/countries and in companies which are well researched.

(f) Reclassification of Shariah status risk

The risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant in the periodic review of the securities by the relevant Shariah Advisor. If this occurs, the value of the Fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities in accordance with the advice from the Shariah Advisor.

(g) Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of shareholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

**4. MANAGEMENT FEE**

In accordance with Clause 24(1) of the Master Deed dated 15 May 2008, the Manager is entitled to a maximum management fee of 3.00% (2010: 3.00%) per annum, calculated daily based on the net asset value of the Fund.

For the financial year ended 31 May 2011, the management fee is recognised at a rate of 1.85% (2010: 1.85%) per annum.

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

**5. TRUSTEE'S AND CUSTODIAN FEES**

In accordance with Clause 24(2) of the Master Deed dated 15 May 2008, the Trustee is entitled to a maximum fee of 0.06% (2010: 0.06%) per annum calculated daily based on the net asset value of the Fund, subject to a minimum fee of RM18,000 (2010: RM18,000) per annum.

The foreign custodian fee ranges from a minimum of 0.04% (2010: 0.04%) per annum to a maximum of 0.38% (2010: 0.38%) per annum on the net asset value of the respective foreign portfolio, depending on the country invested, and is charged monthly in arrears and subject to a minimum fee of USD500 (2010: USD500) per month.

For the financial year ended 31 May 2011 the trustee and foreign custodian fees are recognised at a rate of 0.06% (2010: 0.06%) and 0.04% to 0.38% (2010: 0.04% to 0.38%) per annum respectively.

There will be no further liability to the Trustee in respect of trustee fee other than amounts recognised above.

**6. DISTRIBUTION**

Distribution to unitholders is derived from the following sources:

	<b>2011 RM</b>	<b>2010 RM</b>
Previous year's realised income:		
Dividend income	-	953,789
Profit income from Shariah-compliant deposits with licensed financial institutions	-	96,243
Net realised gain on sale of investments	-	11,378,598
	-	12,428,630
Less:		
Expenses	-	(733,530)
Taxation	-	(136,328)
Net distribution amount	-	11,558,772
<b>Distribution on 12 May 2010</b>		
Net distribution per unit (sen)	-	4.94
Gross distribution per unit (sen)	-	5.00

**6. DISTRIBUTION (CONTINUED)**

Net distribution above is sourced from current year and previous year's realised income. Gross distribution is derived using total income less total expenses.

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

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purpose of determining amount available for distribution, distribution equalisation is included in the computation of realised gains or income available for distribution.

**7. TAXATION**

	<b>2011 RM</b>	<b>2010 RM</b>
Current taxation		
- Malaysian tax	331,325	64,363
- Foreign tax	393,571	598,618
Over provision in prior years	-	(3,312)
	<u>724,896</u>	<u>659,669</u>

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

	<b>2011 RM</b>	<b>2010 RM</b>
Net profit before taxation	<u>51,149,094</u>	<u>10,622,398</u>
Taxation at Malaysian statutory rate of 25% (2010: 25%)	12,787,274	2,655,600
Tax effects of:		
Investment(income)/loss not (subject to tax)/deductible for tax purposes	(6,809,403)	1,265,943
Net realised gain on sale of Shariah-compliant investments not subject to tax	(7,155,439)	(4,600,135)
Expenses not deductible for tax purposes	485,957	68,228
Restriction on tax deductible expenses for unit trust funds	1,022,936	674,727
Effect of foreign tax on foreign taxable income	393,571	598,618
Over provision in prior years	-	(3,312)
Taxation	<u>724,896</u>	<u>659,669</u>

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 31 May 2011</b>				
<b>SECURITIES – LOCAL</b>				
<b>Basic Materials</b>				
MMC Corporation Berhad	220,600	561,781	615,474	0.30
Petronas Chemicals Group Berhad	949,600	5,592,515	6,875,104	3.33
	<u>1,170,200</u>	<u>6,154,296</u>	<u>7,490,578</u>	<u>3.63</u>
<b>Construction</b>				
Malaysia Marine and Heavy Engineering Berhad	666,700	3,067,768	5,166,925	2.50
YTL Corporation Berhad	981,170	1,520,328	1,550,249	0.75
	<u>1,647,870</u>	<u>4,588,096</u>	<u>6,717,174</u>	<u>3.25</u>
<b>Consumer products</b>				
APM Automotive Holding Berhad	365,100	1,627,844	1,898,520	0.92
Genting Plantations Berhad	413,200	2,762,907	3,317,996	1.61
Tan Chong Motor Holding Berhad	472,300	1,653,795	2,026,167	0.98
Tradewinds Malaysia Berhad	90,800	908,659	847,164	0.41
UMW Holdings Berhad	202,000	1,358,898	1,440,260	0.70
Airasia Berhad	1,441,300	3,359,955	4,295,074	2.08
Parkson Holdings Berhad	147,931	792,574	852,083	0.41
	<u>3,132,631</u>	<u>12,464,632</u>	<u>14,677,264</u>	<u>7.11</u>
<b>Finance</b>				
Bank Islam Malaysia Berhad	1,188,500	1,933,255	1,913,485	0.93
<b>Industrial products</b>				
Petronas Gas Berhad	123,000	1,423,979	1,392,360	0.67
Supermax Corporation Berhad	429,750	1,913,377	1,590,075	0.77
Ta Ann Holdings Berhad	1,100	6,938	7,304	0.00
Top Glove Corporation Berhad	189,100	1,055,723	983,320	0.48
UEM Land Berhad	1,287,650	2,970,954	3,592,544	1.74
Ann Joo Resources Berhad	167,300	496,009	451,710	0.22
Gamuda Berhad	669,200	2,089,704	2,542,960	1.23
IJM Corporation Berhad	642,820	3,007,149	3,959,771	1.92
IJM Land Berhad	381,400	803,595	1,106,060	0.54
IOI Corporation Berhad	1,645,208	8,503,781	8,719,602	4.22
Kuala Lumpur Kepong Berhad	385,000	6,099,812	8,470,000	4.10
Lion Industries Corporation	416,400	648,611	657,912	0.32
Malaysian Resources Corporation Berhad	676,100	1,246,189	1,487,420	0.72
Sime Darby Berhad	1,666,925	13,678,522	15,319,041	7.41

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 31 May 2011</b>				
<b>SECURITIES – LOCAL (CONTINUED)</b>				
<b>Industrial products (continued)</b>				
YTL Cement Berhad	64,300	350,983	347,220	0.17
YTL Power International Berhad	582,800	1,291,340	1,253,020	0.61
	<u>9,328,053</u>	<u>45,586,666</u>	<u>51,880,319</u>	<u>25.12</u>
<b>Infrastructure Project Company</b>				
Maxis Berhad	728,900	3,910,153	3,950,638	1.91
Time Dotcom Berhad	2,214,700	1,559,031	1,860,348	0.90
	<u>2,943,600</u>	<u>5,469,184</u>	<u>5,810,986</u>	<u>2.81</u>
<b>Oil &amp; Gas</b>				
Dialog Group Berhad	1,548,205	2,065,389	4,334,974	2.10
Kencana Petroleum Berhad	1,324,720	2,018,445	3,695,969	1.79
Sapura Crest Petroleum Berhad	649,800	1,410,675	2,534,220	1.23
	<u>3,522,725</u>	<u>5,494,509</u>	<u>10,565,163</u>	<u>5.12</u>
<b>Plantations</b>				
TH Plantations Berhad	1,186,700	2,354,712	2,409,001	1.17
Tradewinds Plantation Berhad	133,500	537,462	504,630	0.24
	<u>1,320,200</u>	<u>2,892,174</u>	<u>2,913,631</u>	<u>1.41</u>
<b>Properties</b>				
Mah Sing Group Berhad	566,000	1,286,633	1,488,580	0.72
SP Setia Berhad	355,650	1,049,743	1,443,939	0.70
	<u>921,650</u>	<u>2,336,376</u>	<u>2,932,519</u>	<u>1.42</u>
<b>Telecommunications</b>				
Axiata Group Berhad	2,283,925	7,920,334	11,419,625	5.53
Digi.com Berhad	205,200	4,959,035	5,848,200	2.83
Telekom Malaysia Berhad	664,100	2,467,631	2,583,349	1.25
	<u>3,153,225</u>	<u>15,347,000</u>	<u>19,851,174</u>	<u>9.61</u>

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 31 May 2011</b>				
<b>SECURITIES – LOCAL (CONTINUED)</b>				
<b>Trading and services</b>				
Aeon Co. M Berhad	7,300	41,264	46,720	0.02
KPJ Healthcare Berhad	191,600	656,478	831,544	0.40
Petra Energy Berhad	8,100	13,000	12,474	0.01
Petronas Dagangan Berhad	373,900	3,687,447	6,094,570	2.95
QSR Brands Berhad	137,900	680,097	820,505	0.40
SEG International Berhad	15,300	58,219	58,293	0.03
	<u>734,100</u>	<u>5,136,505</u>	<u>7,864,106</u>	<u>3.81</u>
<b>Utilities</b>				
Tenaga Nasional Berhad	658,375	4,266,242	4,681,046	2.27
<b>TSR&amp; Warrant</b>				
Unisem Berhad -Warrant	525,923	217,666	210,369	0.10
<b>TOTAL LOCAL QUOTED SHARIAH COMPLIANT INVESTMENTS</b>	<b><u>30,247,052</u></b>	<b><u>111,886,601</u></b>	<b><u>137,507,814</u></b>	<b><u>66.59</u></b>
<b>SECURITIES – FOREIGN</b>				
<b>AUSTRALIA</b>				
<b>Basic Materials</b>				
Alumina Limited	258,999	1,974,004	1,919,845	0.93
BHP Billiton Limited	24,421	2,930,153	3,476,251	1.68
Incitec Pivot Limited	58,249	591,766	717,754	0.35
Oz Minerals Limited	39,621	1,993,251	1,796,486	0.87
	<u>381,290</u>	<u>7,489,174</u>	<u>7,910,336</u>	<u>3.83</u>
<b>Oil &amp; Gas</b>				
Linc Energy Limited	139,000	1,282,618	1,463,002	0.71
Santos Limited	26,991	1,250,166	1,278,385	0.62
	<u>165,991</u>	<u>2,532,784</u>	<u>2,741,387</u>	<u>1.33</u>
<b>Telecommunications</b>				
Telstra Corp Limited	92,045	819,125	891,997	0.43

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 31 May 2011</b>				
<b>SECURITIES – FOREIGN (CONTINUED)</b>				
<b>HONG KONG</b>				
<b>Consumer Goods</b>				
Anta Sports Products Limited	272,000	1,300,137	1,536,854	0.74
Belle International Holdings Limited	258,000	1,424,566	1,641,468	0.79
Xinyi Glass Holdings Limited	340,000	1,211,906	1,043,429	0.50
	<u>870,000</u>	<u>3,936,609</u>	<u>4,221,751</u>	<u>2.03</u>
<b>Consumer Services</b>				
Bosideng International Holding	1,232,000	1,152,836	1,067,996	0.52
Sa Sa International Holding Limited	882,000	1,345,814	1,600,856	0.77
	<u>2,114,000</u>	<u>2,498,650</u>	<u>2,668,852</u>	<u>1.29</u>
<b>Industrials</b>				
COSCO Pacific Limited	<u>216,000</u>	<u>1,166,641</u>	<u>1,288,989</u>	<u>0.62</u>
<b>Oil &amp; Gas</b>				
CNOOC Limited	172,000	950,097	1,304,654	0.63
PetroChina Company Limited	456,000	1,803,431	1,990,604	0.96
	<u>628,000</u>	<u>2,753,528</u>	<u>3,295,258</u>	<u>1.59</u>
<b>INDIA</b>				
<b>Basic Materials</b>				
Sterlite Industries (India) Limited	<u>101,075</u>	<u>1,198,120</u>	<u>1,157,935</u>	<u>0.56</u>
<b>Industrials</b>				
Mudra Port	<u>118,715</u>	<u>1,103,292</u>	<u>1,280,325</u>	<u>0.62</u>
<b>Oil &amp; Gas</b>				
Reliance Industries Limited	<u>26,208</u>	<u>1,944,106</u>	<u>1,666,399</u>	<u>0.81</u>
<b>INDONESIA</b>				
<b>Basic Materials</b>				
Tambang Batubara Bukit Asam	<u>152,500</u>	<u>1,099,187</u>	<u>1,141,672</u>	<u>0.55</u>
<b>SINGAPORE</b>				
<b>Consumer Goods</b>				
Golden Agri-Resources Limited	<u>697,000</u>	<u>1,053,810</u>	<u>1,172,507</u>	<u>0.57</u>

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 31 May 2011</b>				
<b>SECURITIES – FOREIGN (CONTINUED)</b>				
<b>SINGAPORE</b>				
<b>Industrials</b>				
Keppel Corporation Limited	42,900	927,628	1,204,879	0.58
Sembcorp Marine Limited	126,000	1,726,125	1,643,456	0.80
	<u>168,900</u>	<u>2,653,753</u>	<u>2,848,335</u>	<u>1.38</u>
<b>_SOUTH KOREA</b>				
<b>Basic Materials</b>				
OCI Company Limited	<u>1,442</u>	<u>1,454,682</u>	<u>1,982,432</u>	<u>0.96</u>
<b>Consumer Goods</b>				
Hyundai Mobis	<u>3,213</u>	<u>2,156,943</u>	<u>3,391,274</u>	<u>1.64</u>
<b>Industrials</b>				
Hyundai Engineering & Construction	<u>8,565</u>	<u>1,983,811</u>	<u>2,006,286</u>	<u>0.97</u>
<b>Technology</b>				
LG Display Company Limited	22,680	2,503,567	2,270,512	1.10
Samsung Electronics Corporation Limited	1,038	2,159,369	2,610,899	1.26
	<u>23,718</u>	<u>4,662,936</u>	<u>4,881,411</u>	<u>2.36</u>
<b>TAIWAN</b>				
<b>Basic Materials</b>				
Formosa Plastics Corporation	108,000	892,610	1,247,400	0.60
Nan Ya Plastics Corporation	105,000	683,465	878,693	0.43
	<u>213,000</u>	<u>1,576,075</u>	<u>2,126,093</u>	<u>1.03</u>
<b>Industrials</b>				
Hon Hai Precision Industry Corporation	<u>102,832</u>	<u>1,191,388</u>	<u>1,085,135</u>	<u>0.53</u>
<b>Technology</b>				
HTC Corporation	22,850	1,327,392	2,927,085	1.42
Taiwan Semiconductor Manufacturer	244,594	1,521,506	1,969,838	0.95
	<u>267,444</u>	<u>2,848,898</u>	<u>4,896,923</u>	<u>2.37</u>
<b>Telecommunications</b>				
Chunghwa Telecom Corporation Limited	<u>101,400</u>	<u>820,494</u>	<u>996,559</u>	<u>0.48</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 31 May 2011</b>				
<b>QUOTED INVESTMENTS</b>				
<b>SECURITIES – FOREIGN (CONTINUED)</b>				
<b>_UNITED STATES OF AMERICA</b>				
<b>Consumer Services</b>				
Ctrip.com	14,190	1,896,656	1,922,036	0.93
<b>TOTAL FOREIGN SHARIAH COMPLIANT QUOTED INVESTMENTS</b>	<b><u>6,467,528</u></b>	<b><u>48,840,662</u></b>	<b><u>55,573,892</u></b>	<b><u>26.88</u></b>
<b>TOTAL SHARIAH COMPLIANT QUOTED INVESTMENTS</b>	<b><u>36,714,580</u></b>	<b>160,727,263</b>	<b><u>193,081,706</u></b>	<b><u>93.47</u></b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
-LOCAL INVESTMENTS		25,621,213		
-FOREIGN INVESTMENTS		6,343,883		
<b>EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES</b>				
		389,347		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b><u>193,081,706</u></b>		

## 9. QUOTED SHARIAH-COMPLIANT INVESTMENTS

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 31 May 2010</b>				
<b>SECURITIES - LOCAL</b>				
<b>Construction</b>				
Mudajaya Group Berhad	250,000	1,278,576	1,250,000	0.55
YTL Corporation Berhad	203,954	1,498,398	1,497,022	0.65
Gamuda Berhad	698,100	1,902,716	2,059,395	0.90
IJM Corporation Berhad	789,220	3,132,754	3,772,472	1.65
Malaysian Resources Corporation Berhad	699,300	1,026,417	1,048,950	0.46
WCT Berhad	827,042	2,112,190	2,216,473	0.97
	<u>3,467,616</u>	<u>10,951,051</u>	<u>11,844,312</u>	<u>5.18</u>
<b>Consumer Products</b>				
PPB Group Berhad	296,900	4,263,851	4,619,764	2.02
Tan Chong Motor Holdings Berhad	834,700	2,539,403	3,372,188	1.47
UMW Holdings Berhad	141,600	887,778	900,576	0.39
	<u>1,273,200</u>	<u>7,691,032</u>	<u>8,892,528</u>	<u>3.88</u>
<b>Industrial Products</b>				
APM Automotive Holdings Berhad	146,000	623,018	627,800	0.27
Lafarge Malayan Cement Berhad	343,900	2,022,682	2,262,862	0.99
Lion Industries Corporation	863,900	1,308,071	1,287,211	0.56
Supermax Corporation Berhad	148,600	678,743	961,442	0.42
Top Glove Corporation Berhad	287,500	2,732,743	3,530,500	1.54
Wah Seong Corporation Berhad	261,209	637,254	577,272	0.25
	<u>2,051,109</u>	<u>8,002,511</u>	<u>9,247,087</u>	<u>4.03</u>
<b>Infrastructure Project Company</b>				
Digi.com Berhad	81,400	1,823,104	1,862,432	0.81
YTL Power International Berhad	487,300	1,071,029	1,081,806	0.47
	<u>568,700</u>	<u>2,894,133</u>	<u>2,944,238</u>	<u>1.28</u>
<b>Plantations</b>				
Genting Plantations Berhad	584,300	3,728,198	3,768,735	1.64
IOI Corporation Berhad	1,571,408	7,457,132	7,715,613	3.37
Kuala Lumpur Kepong Berhad	370,000	5,441,290	5,883,000	2.57
	<u>2,525,708</u>	<u>16,626,620</u>	<u>17,367,348</u>	<u>7.58</u>

## 9. QUOTED SHARIAH-COMPLIANT INVESTMENTS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 31 May 2010 (continued)</b>				
<b>Properties</b>				
IJM Land Berhad	696,300	1,365,767	1,524,897	0.67
KLCC Holdings Berhad	195,800	637,561	567,820	0.25
SP Setia Berhad	471,400	1,908,773	1,824,318	0.80
Sunrise Berhad	178,200	393,337	335,016	0.15
UEM Land Berhad	648,950	786,365	908,530	0.40
	<u>2,190,650</u>	<u>5,091,803</u>	<u>5,160,581</u>	<u>2.27</u>
<b>Technology</b>				
Unisem Berhad	586,000	1,153,023	1,634,940	0.71
<b>Trading/Services</b>				
Axiata Group Berhad	3,110,225	9,251,908	11,725,548	5.12
Dialog Group Berhad	2,356,105	2,151,725	2,450,349	1.07
Kencana Petroleum Berhad	1,465,220	1,913,483	2,007,351	0.88
Malaysian Bulk Carriers Berhad	222,700	697,441	659,192	0.29
Maxis Communications Berhad	707,200	3,788,230	3,691,584	1.61
MISC Berhad - Local	177,380	1,556,881	1,495,313	0.65
Parkson Holdings Berhad	228,211	1,171,964	1,220,929	0.53
Petronas Dagangan Berhad	354,300	3,082,262	3,170,985	1.38
PLUS Expressways Berhad	750,900	2,477,648	2,492,988	1.09
Pos Malaysia Berhad	146,700	471,326	391,689	0.17
Sapura Crest Petroleum Berhad	971,000	1,822,297	1,951,710	0.82
Sime Darby Berhad	1,298,525	10,564,291	10,063,569	4.39
Tenaga Nasional Berhad	1,051,800	8,132,672	8,782,531	3.83
	<u>12,840,266</u>	<u>47,082,128</u>	<u>50,103,738</u>	<u>21.83</u>
<b>TSR &amp; Warrants</b>				
Gamuda Berhad - Warrant 25/05/2015	65,337	6,534	41,489	0.02
<b>TOTAL QUOTED INVESTMENTS - LOCAL</b>	<u><b>25,568,586</b></u>	<u><b>99,498,835</b></u>	<u><b>107,236,261</b></u>	<u><b>46.78</b></u>

## 9. QUOTED SHARIAH-COMPLIANT INVESTMENTS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 31 May 2010 (continued)</b>				
<b>SECURITIES – FOREIGN</b>				
<b>AUSTRALIA</b>				
<b>Basic Materials</b>				
BHP Billiton Ltd	81,015	9,118,492	8,543,702	3.73
Incitec Pivot Ltd	272,500	2,605,749	2,269,532	0.99
	<u>353,515</u>	<u>11,724,241</u>	<u>10,813,234</u>	<u>4.72</u>
<b>Health Care</b>				
CSL Limited	41,900	3,887,781	3,654,904	1.59
	<u>41,900</u>	<u>3,887,781</u>	<u>3,654,904</u>	<u>1.59</u>
<b>Industrials</b>				
James Hardie Industries SE	116,250	2,634,257	2,372,397	1.04
	<u>116,250</u>	<u>2,634,257</u>	<u>2,372,397</u>	<u>1.04</u>
<b>Oil &amp; Gas</b>				
Caltex Australia Limited	96,200	2,917,621	2,886,468	1.26
	<u>96,200</u>	<u>2,917,621</u>	<u>2,886,468</u>	<u>1.26</u>
<b>Transportation</b>				
Toll Holdings Limited	112,500	2,314,965	1,929,771	0.84
	<u>112,500</u>	<u>2,314,965</u>	<u>1,929,771</u>	<u>0.84</u>
<b>HONG KONG</b>				
<b>Basic Materials</b>				
China Coal Energy Company	723,000	3,466,213	3,231,506	1.41
Kingboard Chemicals Holdings Ltd	197,000	2,855,769	2,984,491	1.30
Kingboard Chemicals Holdings Ltd -Bonus	15,800	-	23,804	0.01
	<u>935,800</u>	<u>6,321,982</u>	<u>6,239,801</u>	<u>2.72</u>
<b>Consumer Services</b>				
Esprit Holdings Limited	136,900	3,161,604	2,629,733	1.15
	<u>136,900</u>	<u>3,161,604</u>	<u>2,629,733</u>	<u>1.15</u>
<b>Industrials</b>				
COSCO Pacific Limited	510,000	2,537,449	2,034,036	0.89
Lonking Holdings Ltd	1,101,000	2,585,643	2,202,473	0.96
	<u>1,611,000</u>	<u>5,123,092</u>	<u>4,236,509</u>	<u>1.85</u>

## 9. QUOTED SHARIAH-COMPLIANT INVESTMENTS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 31 May 2010 (continued)</b>				
<b>SECURITIES – FOREIGN (CONTINUED)</b>				
<b>Technology</b>				
Lenovo Group Limited	1,427,000	2,681,377	2,812,810	1.23
<b>Telecommunications</b>				
China Mobile Limited	107,000	3,688,579	3,300,249	1.44
<b>INDONESIA</b>				
<b>Basic Materials</b>				
International Nickel Indonesia	1,595,000	2,592,258	2,236,589	0.98
Timah Tbk Pt	2,665,000	2,462,981	2,105,017	0.92
	4,260,000	5,055,239	4,341,606	1.90
<b>INDIA</b>				
<b>Health Care</b>				
Dr Reddys Laboratories Ltd	31,510	2,624,724	3,109,743	1.36
<b>Industrials</b>				
Crompton Greaves Ltd	175,000	3,133,309	2,958,136	1.29
Grasim Industries Limited	13,020	1,197,076	1,668,603	0.73
Samruddhi Cement Ltd	13,020	1,197,076	482,105	0.21
	201,040	5,527,461	5,108,844	2.23
<b>Oil &amp; Gas</b>				
Cairn India Ltd	123,600	2,352,675	2,608,027	1.14
Reliance Industries Ltd	77,950	5,947,500	5,729,768	2.50
	201,550	8,300,175	8,337,795	3.64
<b>Technology</b>				
Infosys Technologies Limited	18,970	2,908,671	3,544,685	1.55

9. QUOTED SHARIAH-COMPLIANT INVESTMENTS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 31 May 2010 (continued)</b>				
<b>SECURITIES – FOREIGN (CONTINUED)</b>				
<b>SINGAPORE</b>				
<b>Consumer Services</b>				
Raffles Education Corporation Ltd	2,950,000	2,612,479	2,266,795	0.99
SMRT Corporation Ltd	490,000	2,464,289	2,430,255	1.06
	<u>3,440,000</u>	<u>5,076,768</u>	<u>4,697,050</u>	<u>2.05</u>
<b>Industrials</b>				
Keppel Corporation Limited	121,000	2,557,222	2,485,022	1.08
	<u>121,000</u>	<u>2,557,222</u>	<u>2,485,022</u>	<u>1.08</u>
<b>SOUTH KOREA</b>				
<b>Consumer Goods</b>				
Amorepacific Corporation	997	2,411,057	2,476,792	1.08
Hyundai Mobis Co Ltd	5,750	2,710,954	3,099,888	1.35
Hyundai Motor Company	6,720	2,536,148	2,548,721	1.11
	<u>13,467</u>	<u>7,658,159</u>	<u>8,125,401</u>	<u>3.54</u>
<b>SOUTH KOREA</b>				
<b>Industrials</b>				
Samsung Electro-Mechanics Co. Ltd	4,070	1,437,289	1,521,593	0.66
Samsung SDI Co Ltd	5,404	2,393,197	2,393,636	1.04
Samsung Techwin Co. Ltd	8,354	2,294,864	2,308,446	1.01
	<u>17,828</u>	<u>6,125,350</u>	<u>6,223,675</u>	<u>2.71</u>
<b>Technology</b>				
LG. Display Co Ltd	25,320	2,774,334	3,059,311	1.34
Samsung Electronics Co Ltd	3,135	6,249,265	6,590,590	2.88
	<u>28,455</u>	<u>9,023,599</u>	<u>9,649,901</u>	<u>4.22</u>

## 9. QUOTED SHARIAH-COMPLIANT INVESTMENTS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 31 May 2010 (continued)</b>				
<b>SECURITIES – FOREIGN (CONTINUED)</b>				
<b>TAIWAN</b>				
<b>Basic Materials</b>				
Taiwan Fertilizer Co. Limited	362,000	3,511,886	3,283,014	1.43
<b>Industrials</b>				
Everlight Electronics Co Ltd	371,738	3,854,980	3,310,720	1.44
Hon Hai Precision Industry Co.	175,350	2,388,543	2,224,586	0.97
	547,088	6,243,523	5,535,306	2.41
<b>Technology</b>				
MediaTek Incorporation	59,046	2,933,308	3,146,780	1.37
Taiwan Semiconductor Manufacturing Co. Ltd.	502,594	3,017,782	3,083,103	1.35
	561,640	5,951,090	6,229,883	2.72
<b>UNITED STATES</b>				
<b>Health Care</b>				
Mindray Medical International Limited	19,753	2,341,766	1,914,512	0.84
<b>TOTAL QUOTED INVESTMENTS - FOREIGN</b>	<b>14,762,366</b>	<b>117,361,132</b>	<b>113,462,313</b>	<b>49.52</b>
<b>TOTAL QUOTED INVESTMENT - SHARIAH COMPLIANT</b>	<b>40,330,952</b>	<b>216,859,967</b>	<b>220,698,574</b>	<b>96.30</b>
<b>FAIR VALUE RESERVE:</b>				
- LOCAL INVESTMENTS		7,737,426		
- FOREIGN INVESTMENTS		358,532		
LESS: UNREALISED FOREIGN EXCHANGE LOSS		(4,257,351)		
<b>TOTAL MARKET VALUE OF LOCAL AND FOREIGN INVESTMENTS</b>		<b>220,698,574</b>		

**10. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)**

	<b>2011 RM</b>	<b>2010 RM</b>
Deposits with licensed financial institutions	7,688,725	-
Bank balances in a licensed bank	5,185,465	10,416,776
	<u>12,874,190</u>	<u>10,416,776</u>

The currency exposure profile of cash and cash equivalents is as follows:

	<b>2011 RM</b>	<b>2010 RM</b>
- Ringgit Malaysia	7,731,183	238,494
- Australia Dollar	245	210
- Hong Kong Dollar	18,990	47,409
- Korean Won	-	3,676
- Pesos	5	5
- Indian Rupee	2,255	44,554
- Singapore Dollar	28,242	253,554
- New Taiwan Dollar	1,624,135	1,426,258
- US Dollar	3,469,135	8,402,616
	<u>12,874,190</u>	<u>10,416,776</u>

The effective weighted average profit rates per annum of deposits with licensed financial institutions are as follows:

	<b>2011 %</b>	<b>2010 %</b>
Deposits with licensed financial institutions	<u>2.92</u>	<u>-</u>

Deposits with licensed financial institutions have an average maturity of 2 days (2010: nil).

**11. AMOUNT DUE FROM STOCKBROKERS**

The currency exposure profile of amount due from stockbrokers is as follows:

	<b>2011 RM</b>	<b>2010 RM</b>
- Ringgit Malaysia	2,666,320	-
- Australia Dollar	1,227,625	2,285,402
- US Dollar	1,057,647	-
	<u>4,951,592</u>	<u>2,285,402</u>

**12. DIVIDENDS RECEIVABLE**

The currency exposure profile of dividends receivable is as follows:

	<b>2011 RM</b>	<b>2010 RM</b>
- Ringgit Malaysia	328,777	201,452
- Australia Dollar	134,426	7,575
- Yuan Renminbi	-	46,537
- Hong Kong Dollar	92,315	78,032
- Indian Rupee	29,419	50,691
	584,937	384,287

**13. AMOUNT DUE TO STOCKBROKERS**

The currency exposure profile of amount due from stockbrokers is as follows:

	<b>2011 RM</b>	<b>2010 RM</b>
- Ringgit Malaysia	2,959,729	-

**14. NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

	<b>2011 No. of units</b>	<b>2011 RM</b>	<b>2010 No. of units</b>	<b>2010 RM</b>
At the beginning of the financial year	236,048,766	229,160,876	83,730,000	106,899,072
Add: Creation arising from distribution	-	-	11,066,766	11,228,341
Add: Increase due to split unit application	-	-	44,988,000	-
Add: Creation arising from application	130,381,932	140,267,188	170,686,572	201,593,757
Less: Cancellation of units	(189,284,705)	(213,210,003)	(74,422,572)	(85,568,528)
Total comprehensive income for the financial year		50,424,198	-	9,962,729
Distribution	-	-	-	(11,558,772)
Net change in fair value reserve		-	-	(3,395,723)
At the end of the financial year	177,145,993	206,642,259	236,048,766	229,160,876
Approved size of Fund	500,000,000		500,000,000	

As at 31 May 2011, the number of units not yet issued is 322,854,007 (2010: 263,951,234).

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

	2011 %	2010 %
MER	2.77	2.08

MER is derived based on the following calculation:

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

A	=	Management fee
B	=	Trustee’s fee
C	=	Auditors’ remuneration
D	=	Tax agent’s fee
E	=	Other expenses
F	=	Transaction costs
G	=	Average net asset value of the Fund calculation on a daily basis

The average net asset value of the Fund for the financial year calculated on daily basis is RM243,667,046 (2010: RM157,477,085 ).

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

	2011	2010
PTR (times)	1.24	1.60

PTR represents the average of total acquisitions and disposals of investments in the Fund for the financial year over the Fund’s average net asset value calculated on a daily basis.

where:

total acquisition for the financial year	=	RM 274,483,223 (2010: RM 321,656,501)
total disposal for the financial year	=	RM 331,019,831 (2010: RM 182,098,382)

**17. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER**

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

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

17. **UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)**

Units held by the Manager and parties related to the Manager

	<u>No. of units</u>	<u>2011 RM</u>	<u>No. of units</u>	<u>2010 RM</u>
<b>Manager</b>				
CIMB-Principal Asset Management Berhad	2,488	2,902	247,712	240,478

The above units were transacted at the prevailing market price.

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

In addition to related party disclosure mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtained in transactions with unrelated parties unless otherwise stated. Profit income rates on fixed and short-term Shariah-compliant deposits were at normal commercial rates.

	<u>2011 RM</u>	<u>2010 RM</u>
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with a licensed financial institution:		
- CIMB Islamic Bank Berhad	77,357	49,333

	<u>2011 RM</u>	<u>2010 RM</u>
<u>Significant related party balances</u>		
Shariah-compliant deposits with a licensed financial institution:		
- CIMB Islamic Bank Berhad	3,756,440	-

## 18. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with top 10 brokers/dealers for the financial year ended 31 May 2011 are as follows:

<b>Brokers/dealers</b>	<b>Values of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
CIMB Islamic Bank#	360,258,000	18.46	-	-
RHB Bank Islamic Berhad	266,093,000	13.63	-	-
Hong Leong Islamic Bank Berhad	244,503,000	12.53	-	-
Malayan Banking Berhad	160,767,000	8.24	-	-
EONCAP Islamic Bank Berhad	98,777,000	5.06	-	-
CIMB Investment Bank Berhad #	96,559,624	4.95	228,117	17.53
JPMorgan Securities (M) Sendirian Berhad	74,884,661	3.84	85,254	6.55
OSK Investment Bank	59,801,000	3.06	-	-
Bank Islam Malaysia Berhad	57,925,000	2.97	-	-
Bank Muamalat (M) Berhad	46,864,000	2.40	-	-
Others	485,567,449	24.86	987,974	75.92
	<u>1,951,999,734</u>	<u>100.00</u>	<u>1,301,345</u>	<u>100.00</u>

Details of transactions with top 10 brokers/dealers for the financial year ended 31 May 2010 are as follows:

<b>Brokers/dealers</b>	<b>Values of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
CIMB Islamic Bank#	279,420,135	21.17	-	-
Hong Leong Islamic Bank Berhad	207,977,090	15.76	-	-
Bank Islam Malaysia Berhad	163,372,824	12.38	-	-
RHB Islamic Bank Berhad	99,109,400	7.51	-	-
Public Bank Islamic	92,543,000	7.01	-	-
CIMB Investment Bank Berhad #	56,595,037	4.29	135,988	40.66
CLSA Limited, Hong Kong	46,390,801	3.52	127,957	38.25
Citigroup Global Markets Singapore	45,782,090	3.47	-	-
EONCAP Islamic Bank Berhad	44,715,431	3.39	-	-
J.P. Morgan Securities Singapore	43,632,787	3.31	-	-
Others	240,185,210	18.19	70,540	21.09
	<u>1,319,723,805</u>	<u>100.00</u>	<u>334,485</u>	<u>100.00</u>

# Included in transactions by the Fund are trades conducted on normal terms with CIMB Investment Bank Berhad and CIMB Islamic Bank, companies related to the Manager amounting to RM 96,559,624 (2010: RM 56,595,037) and RM 360,258,000 (2010 : RM 279,420,135) respectively.

**19. SEGMENT INFORMATION**

The Investment Committee of the Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by this committee that are used to make strategic decisions.

The committee is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The committee's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives their income by seeking Shariah-compliant investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of dividends and gains on the appreciation in the value of Shariah-compliant investments.

There were no changes in the reportable segments during the year.

The segment information provided to the Investment Committee for the reportable operating segment is as follows:

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
		<b>Shariah-compliant quoted investments sub-portfolio</b>
Dividend income	6,184,287	3,472,870
Net realised gain on sale of financial assets at fair value through profit or loss	28,621,755	18,400,541
Unrealised capital loss on financial assets at fair value through profit or loss	23,869,138	-
Transaction costs	(1,603,483)	-
Net realised foreign currency exchange loss	(1,324,973)	(8,177,596)
<b>Total segment income</b>	<b>55,746,724</b>	<b>13,695,815</b>
Dividend receivable	584,937	384,287
Amount due from stockbrokers	4,951,592	2,285,402
Financial assets at fair value through profit or loss	193,081,706	220,698,574
<b>Total segment assets</b>	<b>198,618,235</b>	<b>223,368,263</b>
Amount due to stockbrokers	2,959,729	-
<b>Total segment liabilities</b>	<b>2,959,729</b>	<b>-</b>

The Fund's management fee, trustee's fees and other expenses are not considered to be segment expenses.

**19. SEGMENT INFORMATION (CONTINUED)**

A reconciliation of total segmental income to the net income is provided as follows:

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Total net segmental income	55,746,724	13,695,815
Profit income from Shariah-compliant deposits with licensed financial institutions	289,097	198,280
Other fees and expenses	(5,143,559)	(3,271,697)
Net profit before taxation	50,892,262	10,622,398
Taxation	(468,064)	(659,669)
Net profit for the financial year	<u>50,424,198</u>	<u>9,962,729</u>

Reportable operating segment's assets and liabilities are reconciled to total assets and total liabilities as follows:

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Total segment assets	198,618,235	223,368,263
Cash and cash equivalents	12,874,190	10,416,776
Amount due from Manager	316,774	4,381,551
Tax recoverable	192,163	246,779
Other receivable	-	500
Total assets	<u>212,001,362</u>	<u>238,413,869</u>
Total segment liabilities	2,959,729	-
Amount due to Manager	2,006,442	8,484,511
Accrued management fee	332,924	366,374
Amount due to Trustee and custodian	10,798	11,882
Distribution payable	-	330,431
Other payables	49,210	59,795
Total liabilities	<u>5,359,103</u>	<u>9,252,993</u>

The Fund's other receivables and other payables and accrued expenses are not considered to be segment assets and segment liabilities respectively and are managed by the administration function.

**20. CHANGES IN ACCOUNTING POLICIES**

(a) Amendment FRS 132 "Financial Instruments: Presentation"

In the previous financial year, the Fund had classified its puttable instruments as liabilities and distribution to unitholders of the puttable instruments as finance costs in accordance with FRS 132, 'Financial instruments: Presentation'. However, the FRS 132 (amendment), 'Financial instruments: Presentation', and FRS 101 (amendment), 'Presentation of financial statements' - 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2010) (the 'amendment') requires puttable financial instruments that meet the definition of a financial liability to be classified as equity where certain strict criteria are met. As a result, distribution to unitholders of these puttable instruments shall be debited by the entity directly to equity.

20. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) Amendment FRS 132 “Financial Instruments: Presentation” (continued)

Those criteria include: (i) the puttable instruments must entitle the holder to a pro-rata share of net assets; (ii) the puttable instruments must be the most subordinated class and that class's features must be identical; (iii) there must be no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and (iv) the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss of the issuer. As a result, the prior year financial statements are restated from amounts previously reported to conform with the amendment. The amendment has been applied retrospectively.

The effects as a result of adoption of the amendment on the statement of financial position and statement of comprehensive income for the prior periods are set out below.

	As previously stated RM	Adjustment RM	As restated RM
<b>1 June 2009</b>			
<b>Statement of Financial Position</b>			
Financial liability	106,899,072	(106,899,072)	-
Unitholders' capital	-	68,629,928	68,629,928
Retained earnings	-	38,382,105	38,382,105
Distribution		(11,604,642)	(11,604,642)
Fair value reserve	-	11,491,681	11,491,681
	-	106,899,072	106,899,072
<b>Statement of Comprehensive Income</b>			
Finance cost	11,604,642	(11,604,642)	-
Total comprehensive loss for the financial year	(26,508,245)	11,604,642	(14,903,603)
<b>31 May 2010</b>			
<b>Statement of Financial Position</b>			
Financial liability	229,160,876	(229,160,876)	-
Unitholders' capital	-	195,883,498	195,883,498
Retained earnings	-	36,740,192	36,740,192
Distribution		(11,558,772)	(11,558,772)
Fair value reserve	-	8,095,958	8,095,958
	-	229,160,876	229,160,876
<b>Statement of Comprehensive Income</b>			
Finance cost	11,558,772	(11,558,772)	-
Total comprehensive income for the financial year	(1,596,043)	11,558,772	9,962,729

20. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- (a) Amendment FRS 132 “Financial Instruments: Presentation” (continued)

Effect of changes in accounting policy on the balance sheet as at 31 May 2011 and statement of changes in equity for the year ended 31 May 2011 are set out below.

	Previous accounting policy RM	Change in accounting policy RM	Revised accounting policy RM
<b>Statement of Financial Position</b>			
Financial liability	206,642,259	(206,642,259)	-
Unitholders' capital	-	122,940,683	122,940,683
Retained earnings	-	52,319,477	52,319,477
Fair value reserve	-	31,382,099	31,382,099
	-	206,642,259	206,642,259

- (b) FRS 139 “Financial Instruments: Recognition and Measurement”

In the previous financial year, unrealised gains or losses from the financial instruments are recognised in the statement of financial position as investments while the corresponding effect are transferred to the fair value reserve included in the capital and reserves attributable to equity holders of the fund.

However, the FRS 139 (new standard) ‘Financial Instruments: Recognition and Measurement’ (effective 1 January 2010) (the ‘standard’) requires the Fund to recognise all investments in its statement of financial position as assets and shall measure them at fair value (except for a derivative that is linked to and that must be settled by delivery of an unquoted equity instrument whose fair value cannot be measured reliably) at the beginning of the financial period in which this standard is initially applied. The unrealised gains or losses transferred to the fair value reserve in the previous financial period shall be recognised as an adjustment of the balance of retained earnings at the beginning of the financial period in which this Standard is initially applied (other than for a derivative that is a designated hedging instrument).

The effects as a result of adoption of the new standard on the opening balances of the statement of financial position at the beginning of the financial year are set out below.

	As restated after adoption of amendments to FRS 132 (Note 20(a)) RM	Adjustment RM	As restated RM
<b>1 June 2010</b>			
Unitholders' capital	195,883,498	-	195,883,498
Retained earnings	25,181,420	8,095,958	33,277,378
Fair value reserve	8,095,958	(8,095,958)	-
	229,160,876	-	229,160,876

20. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) FRS 139 “Financial Instruments: Recognition and Measurement” (continued)

Effect of changes in accounting policy on the statement of financial position as at 31 May 2011, statement of comprehensive income and statement of changes in equity for the financial year 31 May 2011 are set out below.

	Previous accounting policy  RM	Change in accounting policy  RM	Revised accounting policy  RM
<b>Statement of Financial Position</b>			
Financial assets at fair value through profit or loss	-	193,081,706	193,081,706
Quoted investments	193,081,706	(193,081,706)	-
Fair value reserve	31,382,099	(31,382,099)	-
Profit income receivable from Shariah-compliant deposit	1,725	(1,725)	-
Deposits with licensed financial institutions	7,687,000	1,725	7,688,725

	Previous accounting policy  RM	Change in accounting policy  RM	Revised accounting policy  RM
<b>Statement of Comprehensive Income</b>			
Net realised gain on sale of financial assets at fair value through profit or loss	27,599,134	1,022,621	28,621,755
Unrealised capital gain on financial assets at fair value through profit or loss	-	23,869,138	23,869,138
Transaction costs	-	(1,603,483)	(1,603,483)
Total comprehensive income for the financial year	27,138,057	23,286,141	50,424,198

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