

CONTENTS PAGES

INVESTOR LETTER	1 - 2
MANAGER'S REPORT	3 - 11
Fund objective and policy	
Performance data	
Market review	
Fund performance	
Portfolio structure	
Market outlook	
Investment strategy	
Spread of unitholdings	
Soft commission and rebates	
STATEMENT BY MANAGER	12
TRUSTEE'S REPORT	13
INDEPENDENT AUDITORS' REPORT	14 - 15
INCOME STATEMENT	16
STATEMENT OF ASSETS AND LIABILITIES	17
STATEMENT OF CHANGES IN NET EQUITY	18
CASH FLOW STATEMENT	19
NOTES TO THE FINANCIAL STATEMENTS	20 - 51
DIRECTORY	52
LIST OF CIMB WEALTH ADVISORS BERHAD'S OFFICES	53 - 55

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. By the end of December, our conventional equity funds have showed an average return of 23-28.5%.

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.

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 RM23.1¹ 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 Securities², 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.

¹ End December 2009

² http://www.pfs.com/products/Pages/PFS_Products_PAMsecurities.aspx

INVESTOR LETTER (CONTINUED)

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

Manager's Report

What is the investment objective of the Fund?

The objective of the Fund is to grow the value of investments over the long term through investment in a diversified mix of Malaysian assets.

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 aims to invest in a diversified portfolio of equities and fixed income investments. In line with its objective, the investment policy and strategy will be to maintain a balanced portfolio between equities and fixed income investments in the ratio of 70:30. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investments by the Fund in equity securities shall not exceed 70% of the net asset value of the Fund and investments in fixed income securities and liquid assets shall not be less than 30% of the NAV of the Fund with a minimum rating of "A3" or "P2" by RAM or equivalent rating by MARC, Moody's, S&P or Fitch.

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

Balanced / Growth

How long should you invest for?

5 years or more

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

Moderate

When was the Fund launched?

12 March 1998

What was the size of the Fund as at 31 December 2010?

RM 96.40 millions (216.66 million units)

What is the fund's benchmark?

70% FTSE Bursa Malaysia 100 + 30% CIMB Bank 1-Month Fixed Deposit Rate

What is the fund distribution policy?

Once a year every January

What was the net income distribution for the year ended 31 December 2010?

The Fund declared net income distribution of 2.50 sen. As a result, the net asset value per unit had dropped from RM0.4702 to RM0.4452.

PERFORMANCE DATA

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

	30.06.2010	30.06.2009	30.06.2008
	%	%	%
Quoted Investments			
- Basic Material	2.09	-	-
- Construction	1.87	3.76	7.82
- Consumer Products	6.52	1.73	1.21
- Finance	21.25	20.40	12.90
- Hotel	0.15	-	-
- Industrial Products	19.78	6.15	1.48
- Infrastructure Project Company	0.37	0.30	3.93
- Oil and Gas	6.21	-	-
- Plantations	-	6.76	6.19
- Properties	1.06	1.69	2.25
- Telecommunications	5.49	-	-
- Technology	0.28	-	-
- Trading Services	1.59	28.92	24.23
- Utilities	1.65	-	-
- Loan Stocks	-	0.44	-
Unquoted Investments	26.57	25.58	38.01
Cash	5.12	4.27	1.98
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.12.2010	31.12.2009	31.12.2008
Net asset value (RM Million)	96.40	74.06	49.80
Units in circulation (Million)	216.66	190.78	171.60
Net asset value per unit (RM)	0.4449	0.3882	0.2902
Highest NAV per unit (RM)	0.4713	0.4114	0.5327
Lowest NAV per unit (RM)	0.3805	0.2844	0.2902
Total return (%)	21.09	42.47	(37.70)
- Capital return (%)	14.65	33.80	(42.27)
- Income return (%)	5.62	6.48	7.93
Date of distribution	03-Dec-10	31-Dec-09	31-Dec-08
Gross distribution per unit (sen)	2.54	2.50	2.50
Net distribution per unit (sen)	2.50	2.48	2.30
Management Expense Ratio (%)	2.29	2.29	2.00
Portfolio Turnover Ratio (times) #	0.63	0.69	1.00

The Fund's PTR was maintained at above 0.60 times due to greater transactions for equity and fixed income in a volatile market, as the Fund rotated from investments which had reached their fair value to those which were under-valued.

PERFORMANCE DATA (CONTINUED)

	Total Return %	Annualised %
- One year	21.09	21.09
- Three year	7.49	2.44
- Five year	79.35	12.39
- Since Inception	303.69	11.51

(Launch date: 12 March 1998)

	31.12.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006
Annual total return (%)	21.09	42.47	(37.70)	33.33	23.66

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 has been verified by Mercer Zainal Consulting Sdn Bhd, Consulting Actuaries (35090-H).

MARKET REVIEW (1 JANUARY 2010 TO 31 DECEMBER 2010)

Equity

The rise in markets has been punctuated by panics. The Dubai financial crisis in February 2010 led to a brief sell-down. It was only averted as Abu Dhabi came to the rescue of its fellow emirate. Then came the European sovereign debt crisis, which has still not been fully resolved. The European Central Bank has made available various guarantees and standby lines of credit totalling USD1.0 trillion and embarked on “quantitative easing”, following the tested formula of the Federal Reserve, which managed to assuage the fears of investors. Greece, Spain and Portugal have recently been able to raise or roll-over USD13.0 trillion of debt.

Locally, efforts by the new administration under Dato’ Sri Najib Razak to liberalise the economy has met with mixed reviews. After lifting hopes with the New Economic Model, the poor follow through contained in the 10th Malaysia Plan disappointed investors. The only sector that benefitted was the Construction sector. Gamuda and MMC put forward a Mass Rapid Transit project to cost RM30 billion over 10 years, which led to a minor re-rating of both stocks. Also, the reduction in subsidies went hand-in-hand with the OPR rate hike of 0.25% signaling BNM’s vigilance on inflationary pressures. However, we continue to recognize that this type of inflation is cost-pushed and is insensitive to rate hikes. It is therefore counter-productive to use monetary policy to address this type of inflation.

Towards the financial year-end, the market continued its consolidation phase after the strong August to October rally. In fact, since early November, the market had been trading sideways although prices rallied towards year end, likely on window dressing activities. This consolidation phase was a regional trend as profit taking set in ahead of further potential headwinds, ranging from monetary tightening in China to debt woes in Europe.

MARKET REVIEW (1 JANUARY 2010 TO 31 DECEMBER 2010) (CONTINUED)**Fixed Income**

The MGS curves flattened in 1Q2010 spurred by strong demand by local investors in the long end of the curve and higher short end rates on the back of an OPR hike. In March, Bank Negara Malaysia raised the OPR by 25 basis points bringing the policy rate to 2.25% from 2.00%. Perhaps a combination of a large surplus liquidity, anticipation of better fiscal position, lower supply and low inflationary environment also helped hold the MGS market strong. In addition, the Ringgit speculations helped spurred interests from buying BNM bills to buying short to medium term of the MGS curves both on- and off-benchmarks.

For the second quarter of 2010, the MGS yield curve bull flattened with the mid to long end of the curve shifting lower by 17 to 24 bps led by both adjustments to the OPR hike in May (wherein the OPR was hiked for a second time in the year by 25bps from 2.25% to 2.50%), muted inflation as well as strong demand for longer tenured MGS bonds.

In July 2010 Bank Negara raised the overnight policy rate (OPR) by another 25bps to 2.75%. The MGS curve flattened towards the mid and longer-end maturities as short-term yields spike to reflect this OPR hike. With the tepid debt supply continuing in 2010 and the expectation of no further OPR hikes for the rest of the year, yields on the mid to longer-end continued to be dragged lower as investors saw value in the 5-year as well as 7-year benchmark as they lengthened their maturity profile.

The MGS yield curve flattened further in August and strong interest was seen particularly in the mid and longer-end maturities. The strong buying was supported by favourable supply and demand dynamics, Ringgit strength, benign inflation, pause in OPR, further foreign exchange liberalization and disappointing US economic data.

In August, Bank Negara Malaysia liberalised its existing foreign exchange administration rules in 1) settlement of goods and services in Ringgit, 2) a resident is allowed to borrow any foreign currency and 3) caps on the amount of hedging by a resident is abolished.

The trading volume for MGS/GII dropped significantly in 4Q2010 registering trading volume of RM96.9 billion as compared with RM120.5 billion recorded in the previous quarter. The drop in volume was attributed to the year end factor as well as shorter trading days due to the festive holidays celebrated such as Hari Raya Haji, Deepavali and Christmas.

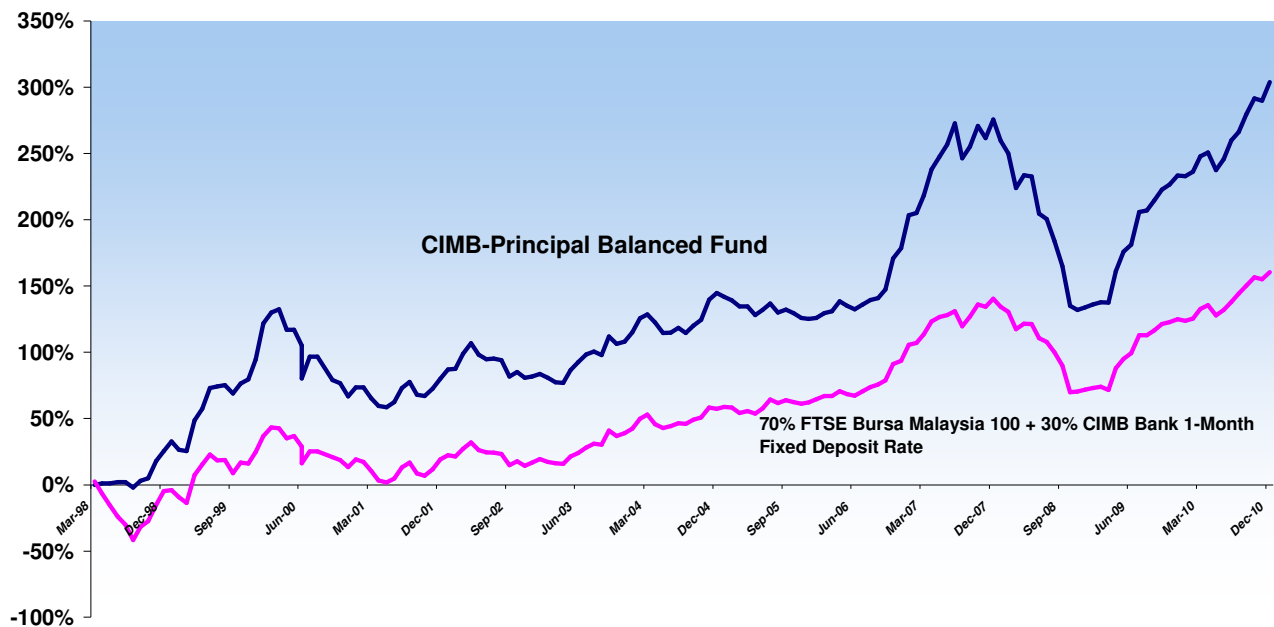
Meanwhile, the announcement of a smaller budget deficit of 5.4% of GDP for 2011 during Budget 2011 as compared with the estimated deficit of 5.6% of GDP in 2010 provided some encouragement to the local bond market. However, when scrutinize further, the projected 2011 deficit amount of RM45.5billion is larger than the estimated deficit of RM43.3billion in 2010, although not by a big margin.

The larger deficit amount for 2011 will therefore result in the government requiring higher debt to fund the higher expenses in 2011. Market players reacted negatively with the news and sold off the government securities with yields shifted higher across the board. Overall, the MGS yield curve bearish steepened over the 4Q2010.

FUND PERFORMANCE

	1 Year to 31.12.2010	3 years to 31.12.2010	5 years to 31.12.2010	Since Inception
Income (%)	5.62	21.37	35.2	126.69
Capital (%)	14.65	-11.44	32.66	78.08
Total Return (%)	21.09	7.49	79.35	303.69
Benchmark (%)	15.75	8.34	60.5	160.25
Average Total Return (%)	21.09	2.44	12.39	11.51

The Fund recorded a return of 21.09% for the period under review, outperforming the benchmark by 5.34%. Over the longer period, the Fund outperformed the benchmark by 18.85% over 5 years and 143.44% since inception.



Changes in Net Asset Value (“NAV”)

	31.12.2010	31.12.2009	% changes
Net Asset Value (“NAV”) (RM Million)	96.40	74.06	30.16
NAV/unit (RM)	0.4449	0.3883	14.58

The Fund’s NAV rose by 30.16% mainly due to capital appreciation.

As at 31 December 2010, the Fund was ranked 1st (1st Quartile) and 13th (2nd Quartile) on a 1-year and 3-year basis.

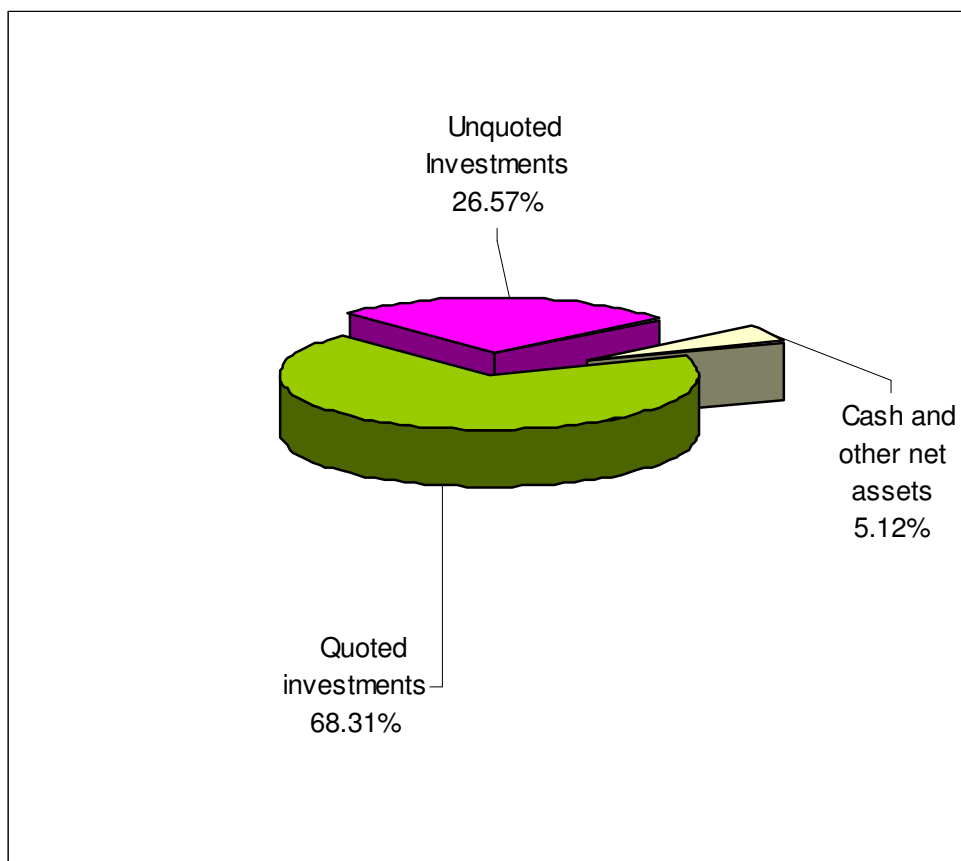
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. Performance figures have been verified by Mercer Zainal Consulting Sdn Bhd, Consulting Actuaries (35090-H).

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31 December 2010	31 December 2009
Quoted investments	68.31	70.15
Unquoted investments	26.57	25.58
Cash and other net assets	5.12	4.27
TOTAL	100.00	100.00

During the year, fund exposure was maintained at between 90%-95% to participate in the market rally.



MARKET OUTLOOK

Equity

The global markets surprised most people with its resilience in the face of multiple events that could have tripped it in December, from the Irish bailout challenges, contagion to Portugal, rising Chinese interest rates and Asian bond yields and the simmering Korean crisis. Most markets posted positive gains in December as fear abated, ending the year at a high.

As expected, the Korean incident calmed down and no more hostile actions from either side was observed. However, we do not expect a return to normalcy for some time to come as this represents the second aggressive act after the earlier South Korean warship sinking, and emotions are running high in the south. Of more economic worry was the current containment of the Irish situation, which threatens to infect the Iberian states of Portugal and Spain.

The gloomy Euro picture is offset by the brighter glow on the other side of the Atlantic. US economic data & indicators show an improving outlook, augmented by better than expected consumer confidence which was evident in the strong Christmas sales. Despite this better outlook, the Fed is in no hurry to roll back the Quantitative Easing 2, extending the loose monetary policy in order to ensure growth gets traction. This is wise as policy makers have more experience and tools to manage growth once it gains momentum.

The rising inflation expectations is a bigger worry for globally, the CRB index, which tracks both oil & gas, hard and soft commodities rose 11% in December. Despite the freak Europe and US weather, these components actually rose less than the 11% posted by the index (left table). We expect oil

Cotton	17.95
Coffee	17.59
Wheat	14.19
Orange Juice	14.11
Copper	14.02
Corn	13.82
Sugar	10.27
Soybeans	9.90
RBOB Gasoline	9.37
Silver	8.17
Aluminum	7.99
Cocoa	7.18
Heating Oil	6.93
Crude Oil	6.15
Nickel	5.33
Live Cattle	3.81
Lean Hogs	3.80
Natural Gas	2.06
Gold	1.48

and steel prices to rise higher following coal supply disruption from floods in Queensland, Australia. Thermal coal prices are expected to rise from shortage and we believe utilities will scramble to use more oil-based generators. Also, grain prices rallied in speculation that supply from Australia will be affected by the floods, but it turns out that the harvest was largely completed before the floods.

Asia is feeling the impact of higher oil & food prices passed through to inflation. Anecdotal stories of insufficient cooking oil supplies, rising pump prices and electricity rates will form the worry base for policy makers in 2011. How will markets respond? The higher commodity prices have been somewhat offset by a weakening dollar, setting the base for the dollar-commodity hedge trade again. We believe the

dollar could weaken again, following the receding global risk from Ireland and Korea and cessation of dollar short-covering in December. This will be positive for emerging asset classes as well as commodities.

Locally, the market continued its steady rise in 2H10, driven by regional portfolio flows and punting on oil palm stocks which is expected to re-rate on the back of rising commodity prices. Also, foreigners are betting the Government can carry out the ETP and GTP programs and give Malaysia a new boost in this new challenging environment.

For 2011, the risk outlook appears to have risen in the short term from an inflation scare from higher food prices, as well as the political unrest in Northern Africa and the Middle East. As we expect the inflation phenomenon to be a short-term issue, we are tweaking the Fund's stockpicks to lower risk and asset allocation marginally in this environment.

MARKET OUTLOOK (CONTINUED)Fixed Income

For fixed income, we expect a challenging environment for the Ringgit bond market in 2011 due to inflation but we believe the bond curve will be supported against rising yields.

For 2011, we are projecting the total issue size for MGS/GII to be in the range of RM86.0 billion to RM89.0 billion depending on the expected size of USD debt and also the retail savings funds, which is an annual event. Following the release of the MGS/GII auction calendar, we notice that there will be more auctions and private placements on the mid to long end of the curve, ie 7 years and above. Consequently, we expect the issuances to be skewed towards the longer end of the curve.

With regards to the credit market outlook, we are projecting bigger primary issuance pipeline for 2011 as credit spreads have tightened close to pre-financial crisis level seen in 2008. Issuers will take advantage of the lower spreads they have not seen since 2008. As we recall most issuers, in particular those AA-rated corporate, have been getting their funding directly from the banks at much lower cost as compared with the bond market in 2009 and 2010.

In addition, the implementation of several public-private partnership (“PPP”) (mentioned in Budget 2011) and strategic high-impact projects will create more opportunity for such companies to tap the debt market. Though the implementation of these projects may have a longer gestation period, the funding needs may not be in the immediate term.

In view of the above, we are projecting corporate bonds supply for 2011 to be around RM60 to RM65 billion which will comprise issues such as MRT Greater KL Project, PAAB (Selangor water restructuring), Prasarana and some power bonds.

INVESTMENT STRATEGYEquity

We expect profit-taking to continue into 2011 on the back of the good performance in 2010, coupled with the current inflation scare. While we maintain our overall asset allocation, we will take profit on some high beta Oil & Gas stocks which had performed very well, and rotate into more defensive names, such as Petronas Gas to tweak portfolio beta downwards. Sector-wise, we continue to Overweight Property, Construction, Oil & Gas and Plantations.

Fixed Income

Against a backdrop of rising yields especially MGS that we expect in 2011, our strategy is to maintain overweight on Corporate bonds versus Government bonds. We continue to like the corporate debt segment and aim to switch to new issuances should primary yield pick-up prove attractive. We also aim to position the Fund at a shorter than benchmark duration to be defensive against rising yields.

UNIT HOLDING STATISTICS

Breakdown of unit holdings by size as at 31 December 2010 are as follows:

Size of holdings(units)	No. of unitholders	No. of units held (million)	% of units held
5,000 and below	5,062	1.18	0.54
5,001-10,000	659	4.76	2.20
10,001-50,000	1,718	38.80	17.91
50,001-500,000	589	68.23	31.49
Above 500,000	16	103.69	47.86
Total	8,044	216.66	100.00

SOFT COMMISSION & 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-PRINCIPAL BALANCED 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 50](#) 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 December 2010 and of its financial performance, changes in equity and cash flows for the financial year then ended in accordance with Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Unit Trust Funds.

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

28 February 2011

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

We have acted as Trustee of CIMB-Principal Balanced Fund for the financial year ended 31 December 2010. In our opinion, CIMB Principal Asset Management Berhad, has operated and managed the Fund for the year under review in accordance with the following:

- a) 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;
- b) the valuation or pricing of the Fund is carried out in accordance with the Deed and any regulatory requirement; and
- c) the creation and cancellation of units of the Fund are carried out in accordance with the Deed and any regulatory requirement.

As distribution of 2.50 sen per unit has been distributed to the unitholders of CIMB-Principal Balanced Fund for the financial year ended 31 December 2010.

We are of the view that the distribution of return is relevant and reflects the objectives of the Fund.

For and on behalf of the Trustee
Mayban Trustees Berhad

JENNIFER WONH CHEE MUN
Head, Unit Trust

Kuala Lumpur

28 February 2011

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CIMB-Principal Balanced Fund, which comprise the statement of financial position as at 31 December 2010, 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 50.

The Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Unit Trust Funds. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 judgment, 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and the Securities Commission's Guidelines on Unit Trust Funds so as to give a true and fair view of the financial position of the Fund as of 31 December 2010 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year then ended.

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

28 February 2011

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Note	2010 RM	2009 Restated RM
NET INVESTMENT INCOME			
Dividend income		1,839,645	1,049,374
Interest income	4	1,309,846	1,409,516
Unrealised capital gain on financial assets at fair value through profit or loss	10	8,305,206	-
Net realised gain on sale of financial assets at fair value through profit or loss	10	6,295,324	1,207,300
Net amortisation of premium	5	-	(303,098)
Other income		-	512,524
		17,750,021	3,875,616
EXPENSES			
Management fee	6	1,498,041	1,149,974
Trustee's fees	7	64,780	49,729
Transaction costs		267,636	-
Audit fee		9,612	9,000
Tax agent's fee		10,560	652
Administration expenses		13,610	10,547
		1,864,239	1,219,902
NET PROFIT BEFORE TAXATION		15,885,782	2,655,714
TAXATION	9	(77,149)	(399,078)
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		15,808,633	2,256,636
Net profit after taxation is made up as follows:			
Realised amount		7,503,427	2,256,265
Unrealised amount		8,305,206	371
		15,808,633	2,256,636

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Note	31-Dec-10 RM	31-Dec-09 As restated RM	31-Dec-08 As restated RM
INVESTMENTS				
Financial assets at fair value				
through profit or loss	10	91,464,858	-	-
Quoted investments	11	-	51,953,894	29,877,828
Unquoted fixed income securities	12	-	18,943,250	18,933,800
		<u>91,464,858</u>	<u>70,897,144</u>	<u>48,811,628</u>
LIQUID ASSETS				
Deposits with licensed financial institutions	13	4,260,644	3,256,000	4,679,867
Bank balance with a licensed bank	13	191,125	69,240	208,236
		<u>4,451,769</u>	<u>3,325,240</u>	<u>4,888,103</u>
OTHER ASSETS				
Amount due from stockbrokers		122,017	220,207	239,442
Amount due from Manager		1,216,790	95,351	88,906
Dividends receivable		38,770	23,725	81,187
Interest receivable	14	-	228,874	274,631
Tax recoverables		174,224	124,589	374,505
		<u>1,551,801</u>	<u>692,746</u>	<u>1,058,671</u>
TOTAL ASSETS		<u>97,468,428</u>	<u>74,915,130</u>	<u>54,758,402</u>
LIABILITIES				
Amount due to stockbrokers		126,437	630,450	872,145
Amount due to Manager		223,737	78,274	-
Accrued management fee		158,200	114,426	91,343
Amount due to Trustee		6,841	4,948	3,950
Other payables and accruals		22,248	24,699	39,418
Distribution payable		532,484	-	3,946,790
TOTAL LIABILITIES		<u>1,069,947</u>	<u>852,797</u>	<u>4,953,646</u>
NET ASSETS VALUE OF THE FUND	15	<u>96,398,481</u>	<u>74,062,333</u>	<u>49,804,756</u>
EQUITY				
Unitholders' capital	15	72,810,244	61,125,923	54,239,478
Retained earnings		23,588,237	681,148	2,851,468
Fair value reserve		-	12,255,262	(7,286,190)
NET ASSET ATTRIBUTABLE TO UNITHOLDERS (EX-DISTRIBUTION)		<u>96,398,481</u>	<u>74,062,333</u>	<u>49,804,756</u>
NUMBER OF UNITS IN CIRCULATION	15	<u>216,659,312</u>	<u>190,783,269</u>	<u>171,595,326</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.4449</u>	<u>0.3882</u>	<u>0.2902</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Note	Unitholders' capital RM	Retained earnings RM	Fair value reserve RM	Total RM
Balance as at 1 January 2010, as previously stated		-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132	21 (a)	61,125,923	681,148	12,255,262	74,062,333
Balance as at 1 January 2010, restated after adoption of amendments to FRS 132		61,125,923	681,148	12,255,262	74,062,333
Adjustment for adoption of FRS 139	21 (b)	-	12,255,262	(12,255,262)	-
Balance as at 1 January 2010, restated after adoption of FRS 139		61,125,923	12,936,410	-	74,062,333
Movement in unitholders' contribution:					
Creation of units from distribution	15	4,624,322	-	-	4,624,322
Creation of units from application	15	32,494,660	-	-	32,494,660
Cancellation of units	15	(25,434,661)	-	-	(25,434,661)
Total comprehensive income for the financial year		-	15,808,633	-	15,808,633
Distribution for the financial year	8	-	(5,156,806)	-	(5,156,806)
Balance as at 31 December 2010		<u>72,810,244</u>	<u>23,588,237</u>	<u>-</u>	<u>96,398,481</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)**

	Note	Unitholders' capital RM	Retained earnings RM	Fair value reserve RM	Total RM
Balance as at 1 January 2009, as previously stated		-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132	21 (a)	54,239,478	2,851,468	(7,286,190)	49,804,756
Balance as at 1 January 2009, restated after adoption of amendments to FRS 132		54,239,478	2,851,468	(7,286,190)	49,804,756
Movement in unitholders' contribution:					
Creation of units from distribution	15	7,441,786	-	-	7,441,786
Creation of units from applications	15	9,665,064	-	-	9,665,064
Cancellation of units	15	(10,220,405)	-	-	(10,220,405)
Total comprehensive income for the financial year		-	2,256,636	-	2,256,636
Distribution for the financial year	8	-	(4,426,956)		(4,426,956)
Change in fair value reserve		-	-	19,541,452	19,541,452
Balance as at 31 December 2009, restated		61,125,923	681,148	12,255,262	74,062,333

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Note	2010 RM	2009 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of quoted investments		40,408,442	35,006,971
Proceeds from sale of unquoted fixed income securities		7,458,228	3,569,701
Proceeds from redemption of fixed income securities		-	4,000,000
Purchase of quoted investments		(41,284,175)	(37,184,792)
Purchase of unquoted fixed income securities		(13,168,549)	(7,254,202)
Dividend received		1,666,428	957,674
Interest income received from deposits with licensed financial institutions		77,869	53,533
Interest income received from unquoted fixed income securities		1,437,650	1,401,740
Management fee paid		(1,454,267)	(1,126,891)
Trustee's fee paid		(62,887)	(48,731)
Payments for other fees and expenses		(36,233)	(34,918)
Receipt of other income		-	512,524
Net cash outflow from operating and investing activities		(4,957,494)	(147,391)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		31,373,221	9,658,619
Payments for cancellation of units		(25,289,198)	(10,142,131)
Distribution paid		-	(931,960)
Net cash (outflow)/inflow from financing activities		6,084,023	(1,415,472)
Net (decrease)/increase in cash and cash equivalents		1,126,529	(1,562,863)
Cash and cash equivalents at the beginning of the financial year		3,325,240	4,888,103
Cash and cash equivalents at the end of the financial year/period	13	4,451,769	3,325,240

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

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

CIMB-Principal Balanced Fund (the “Fund”) is governed pursuant to a Principal Master Deed dated 15th May 2008, (referred to as “the Deed”) made between CIMB-Principal Asset Management Berhad (the “Manager”), Mayban Trustees Berhad (the “Trustee”) and the registered unit holders of the Fund.

The principal activity of the Funds is to invest in “Permitted Investments”, which include securities of companies quoted on the Bursa Malaysia Securities Berhad, money market instruments and other form of investments as approved by the Securities Commission. The Fund commenced operation on 12 March 1998 and will continue its operation until terminated by the Trustee or the Manager as the case may be, as provided under Clause 25 of the Master Deed dated 15 May 2008.

All investments will be subject to the Securities Commission (“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 and the SC Guidelines on Unit Trust Funds.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

- (i) Standards and amendments to published standards that are effective
- FRS 8 "Operating Segments" (effective from 1 July 2009) replaces FRS 1142004 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 interest 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 and amendments to published standards that are 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 21(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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(i) Standards and amendments to published standards that are effective (continued)

- FRS 139 "Financial Instruments: Recognition and Measurement" (continued)

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 21(b).

(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 at fair value through profit or loss

Classification

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

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

Recognition and measurement

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets at fair value through profit or loss (continued)**Recognition and measurement (continued)

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

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

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.

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.

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.

Unquoted fixed income securities denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the SC as per the SC Guidelines on Unit Trust Funds. Where such quotation are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) records its basis for using non-BPA price;
- (ii) obtains necessary internal approvals to use the non-BPA price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

(c) Income recognition

Dividend income is recognised on the ex-dividend date.

Interest income is from deposits and unquoted fixed income securities are recognised on the accrual basis (taking into account the effective yield of the asset).

Realised gain or loss on sale of quoted investments is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

Realised gain or loss on disposal of investments is calculated based on difference between the net disposal proceeds and the carrying amount of investments, determined on cost adjusted for accretion of discount or amortisation of premium.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Functional and presentation currency**

The financial statements are presented in Ringgit Malaysia, which is the Fund's functional and presentation currency.

(e) Creation and cancellation of units

The Fund issues cancellable units, which are cancelled at the holder's option and are classified as equity. Cancellable units can be put back 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 date of statement of financial position if the holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the holder'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.

(f) Cash and cash equivalents

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

(g) Taxation

Current tax expense is determined according to Malaysian tax laws and includes all taxes based upon the taxable profits.

(h) Distribution

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

(i) Amount due from/to stockbrokers

Amounts due from and 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 interest 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, interest income is recognised using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Amount due from/to stockbrokers (continued)**

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest 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 interest 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 interest rate, transaction costs and all other premiums or discounts.

(j) 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.

(k) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(I) 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 as at the date of the statement of financial position.

Financial instruments as at 31 December 2010 are as follows:

	Loans 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 10)	-	91,464,858	91,464,858
Cash and cash equivalents (Note 13)	4,451,769	-	4,451,769
Amount due from stockbrokers	122,017	-	122,017
Amount due from Manager	1,216,790	-	1,216,790
Dividend receivable	38,770	-	38,770
	<u>5,829,346</u>	<u>91,464,858</u>	<u>97,294,204</u>

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

(m) Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements in conformity with FRS and the SC Guidelines on Unit Trust Funds requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported financial period. 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 judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Critical accounting estimates and judgements in applying accounting policies (continued)

(i) Estimate of fair value of unquoted fixed income securities

The Fund uses significant judgement in determining whether an investment is impaired. The Fund evaluates, among other factors, the durations and extent to which the fair value of the investment is less than cost, and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, macroeconomic factors and speculation.

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

Unquoted fixed income securities are valued using fair value prices quoted by the BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted fixed income security differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price. This is allowed for under the SC Guidelines on Unit Trust Funds.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to grow the value of investments over the long term through investment in a diversified mix of Malaysian assets. The Fund aims to invest in a diversified portfolio of equities and fixed income investments. In line with its objective, the investment policy and strategy will be to maintain a balanced portfolio between equities and fixed income investments in the ratio of 70:30. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investments by the Fund in equity securities shall be between 50% to 70% of the NAV of the Fund (both inclusive) and investments in fixed income securities and liquid assets shall not be less than 30% of the NAV of the Fund with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BB" by S&P or equivalent rating by Moody's or Fitch.

The Fund is exposed to a variety of risks which include market risk inclusive of price risk and interest rate risk, credit risk, liquidity risk, single issuer risk and non-compliance risk arising from the financial instruments it holds, 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

This is the risk that the fair value of an investment in quoted security and unquoted fixed income security will fluctuate because of changes in market prices (other than those arising from interest 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Price risk (continued)

At 31 December 2010, the Fund's overall exposure to price risk was as follows:

	2010 RM
Financial assets designated at fair value through profit or loss	<u>91,464,858</u>

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of quoted securities and unquoted fixed income securities as at 31 December 2010. The analysis is based on the assumptions that the price of the quoted securities and unquoted fixed income securities increased and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities and unquoted fixed income securities, having regard to the historical volatility of the prices.

% Change in price	Market value			Change in net asset value		
	Quoted securities RM	Unquoted Fixed income securities RM	Total RM	Quoted securities RM	Unquoted fixed income securities RM	Total RM
- 5%	62,561,531	25,231,513	87,793,044	(3,292,712)	(379,102)	(3,671,814)
0%	65,854,243	25,610,615	91,464,858	-	-	-
5%	69,146,955	25,989,717	95,136,672	3,292,712	379,102	3,671,814

(ii) Interest rate risk

The Fund is exposed to interest rate risk. Changes in interest rates will affect the value of the investments and its returns. To manage the risk, investments will be concentrated in investment grade issues by financial institutions and companies determined by the Manager.

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

Investors should note that fixed income securities (such as the bonds held by the Fund) and money market instruments are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The Fund also holds a limited amount of cash and cash equivalents that expose the Fund to cash flow interest rate risk.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of unquoted fixed securities and interest income from deposits with licensed financial institutions held by the Fund as at 31 December 2010 as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

% Change in profit rate	Impact on net asset value	
	Interest receivable From deposits held as at 31 December 2010 RM	Unquoted fixed income securities at fair value through profit or loss RM
-5%	(33)	379,012
0%	-	-
5%	33	(379,102)

(iii) Currency risk

The Fund is not exposed to any currency risk as the Fund has no investments overseas.

(b) Credit risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit, principals and proceeds from realisation of investments.

The credit risk arising placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

For the unquoted fixed income securities, the Manager regularly review the ratings assigned to the Issuer so that the necessary steps can be taken if the ratings fall below those prescribed by the SC.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

The following table sets out the credit risk concentrations and counterparties of the Fund:

As at 31 December 2010	Unquoted fixed income securities RM	Cash balance and deposits RM	Amount due from stockbrokers RM	Dividend receivable RM	Other receivable RM	Total RM
Finance	-	4,451,769	-	-	-	4,451,769
Basic Material	-	-	122,017	-	-	122,017
Oil and Gas	-	-	-	7,240	-	7,240
Telecommunications	-	-	-	3,075	-	3,075
Utilities	-	-	-	28,455	-	28,455
Unquoted fixed income securities:						
AAA	2,092,173	-	-	-	-	2,092,173
AA1/AA+	5,672,969	-	-	-	-	5,672,969
AA3/AA-	14,733,355	-	-	-	-	14,733,355
A2	1,589,410	-	-	-	-	1,589,410
BBB1	1,522,708	-	-	-	-	1,522,708
Others	-	-	-	-	1,216,790	1,216,790
	<u>25,610,615</u>	<u>4,451,769</u>	<u>122,017</u>	<u>38,770</u>	<u>1,216,790</u>	<u>31,439,961</u>

All the financial assets of the Fund as at 31 December 2010 are neither past due nor impaired.

(c) Liquidity risk

Liquidity risk is the risk that investment 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 do not follow the rules set out in the Fund's constitution, or the law that govern the Fund, or act fraudulently or dishonestly. It also includes the risk of the Manager not complying with internal control procedures. The non-compliance may expose the Fund to higher risks which may result in 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.

(f) 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. INTEREST INCOME

	2010 RM	2009 RM
Interest income from deposits with licensed financial institutions	77,565	53,428
Interest income from unquoted fixed income securities	1,232,281	1,356,088
	1,309,846	1,409,516
	1,309,846	1,409,516

5. NET AMORTISATION OF PREMIUM

	2010 RM	2009 RM
Amortisation of premiums, net of accretion of discounts		
- Realised	-	(303,469)
- Unrealised	-	371
	-	(303,098)
	-	(303,098)

6. MANAGER'S 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 2.00% (2009: 2.00%) per annum, calculated daily based on the net asset value of the Fund.

For the financial year ended 31 December 2010, the management fee is recognised at a rate of 1.85% (2009: 1.85%) per annum.

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

7. TRUSTEE'S FEE

In accordance with Clause 24(2) of the Master Deed dated 15 May 2008, the Trustee is entitled to a maximum management fee of 1.50% (2009: 1.50%) per annum, calculated daily based on the net asset value of the Fund.

For the financial year ended 31 December 2010, the trustee fee is recognised at a rate of 0.08% (2009: 0.08%) per annum.

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

8. DISTRIBUTION

	2010	2009
	RM	RM
Dividend income	1,349,813	694,276
Interest earned on deposits	76,281	728,140
Net realised gain on sale of investment	5,445,527	3,355,417
	<u>6,871,621</u>	<u>4,777,833</u>
Less:		
Expenses	(1,617,126)	(322,664)
Taxation	(97,689)	(28,213)
Net distribution amount	<u>5,156,806</u>	<u>4,426,956</u>
Final distribution		
Net distribution per unit (sen)	2.50	2.48
Gross distribution per unit (sen)	<u>2.55</u>	<u>2.50</u>

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

Gross distribution per unit is derived from gross realised income less expense 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.

9. TAXATION

	31.12.2010	31.12.2009
	RM	RM
Current taxation	97,929	130,121
Overprovision in prior year	(20,780)	268,957
	<u>77,149</u>	<u>399,078</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:

Net income before finance cost and taxation	<u>15,885,782</u>	<u>2,655,713</u>
Taxation at Malaysian statutory rate of 25% (2009: 25%)	3,971,446	663,928
Tax effects of:		
Income not subject to tax	(2,727,857)	(507,830)
Net realised losses on sale of investments not deductible for tax purposes	(1,573,831)	(301,825)
Expenses not deductible for tax purposes	87,185	13,704
Restriction on tax deductible expenses for unit trust funds	340,986	262,144
Overprovision in prior year	(20,780)	268,957
	<u>77,149</u>	<u>399,078</u>

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2010
	RM
Designated at fair value at fair value through profit or loss	
- Quoted securities (Note (i))	65,854,243
- Unquoted fixed income securities (Note (ii))	25,610,615
	<u>91,464,858</u>
Net gain on assets at fair value through profit or loss	
- Realised	6,295,324
- Unrealised	8,305,206
	<u>14,600,530</u>

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

(i) Quoted securities

As at 31 December 2010	Quantity Unit(s)	Aggregate cost RM	Fair value RM	Percentage of net asset value %
MAIN BOARD				
Basic Materials				
Malaysia Mining Corp Berhad	141,700	327,406	393,926	0.41
Petronas Chemicals Group Bhd	293,700	1,603,825	1,621,224	1.68
	<u>435,400</u>	<u>1,931,232</u>	<u>2,015,150</u>	<u>2.09</u>
Construction				
Malaysia Marine And Heavy Engineering Bhd	138,800	616,083	818,920	0.85
YTL Corporation Bhd	116,700	914,488	981,447	1.02
	<u>255,500</u>	<u>1,530,571</u>	<u>1,800,367</u>	<u>1.87</u>
Consumer				
Genting Plantations Berhad	116,700	733,510	1,026,960	1.07
Tan Chong Motor Hldgs Berhad	109,900	559,994	569,282	0.59
Airasia Berhad	418,000	849,979	1,057,540	1.10
Genting Berhad	325,000	1,701,414	3,633,500	3.77
	<u>969,600</u>	<u>3,844,897</u>	<u>6,287,282</u>	<u>6.52</u>
Finance				
OSK Holdings BHD	306,200	601,561	603,214	0.63
Alliance Financial Group Bhd	297,100	932,028	903,184	0.94
AMMB Holdings Berhad	449,550	1,692,930	3,160,337	3.28
CIMB Group Holdings Bhd	673,500	2,903,091	5,724,750	5.94
Malayan Banking Berhad	637,493	3,071,413	5,418,691	5.62
Public Bank Bhd - Local	275,134	2,919,497	3,582,245	3.72
RHB Capital Bhd	125,200	557,323	1,091,744	1.13
	<u>2,764,177</u>	<u>12,677,843</u>	<u>20,484,164</u>	<u>21.25</u>
Hotels				
Landmarks Berhad	85,600	132,157	144,664	0.15
Industrials				
Perisai Petroleum Teknologi Be	1,350,000	783,767	735,750	0.76
Petronas Gas Berhad	71,900	823,118	798,090	0.83
UEM Land Berhad	288,424	402,228	701,988	0.73
UEM Land Berhad -A	288,743	622,162	704,533	0.73
Eastern and Oriental Berhad	568,100	582,007	670,358	0.70
Gamuda Berhad	240,900	593,953	917,829	0.95
IJM Corporation Berhad	300,900	1,227,810	1,874,607	1.94
IJM Land Berhad	212,300	377,409	607,178	0.63
IOI Corporation Berhad	568,580	2,489,967	3,303,450	3.43
Kuala Lumpur Kepong Berhad	76,250	911,804	1,685,125	1.75
Malaysian Resources Corp Bhd	757,500	1,143,561	1,507,425	1.56
Sime Darby Berhad	530,188	4,070,766	4,665,654	4.84
WCT Bhd	160,400	340,750	511,676	0.53
YTL Power International Bhd	159,300	388,206	388,692	0.40
	<u>5,573,485</u>	<u>14,757,507</u>	<u>19,072,355</u>	<u>19.78</u>

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

	Quantity Unit(s)	Aggregate cost RM	Fair value RM	Percentage of net asset value %
As at 31 December 2010				
MAIN BOARD				
IPC				
Time Dotcom Bhd	451,800	333,120	359,181	0.37
Oil & Gas				
Dialog Group Berhad	815,066	724,801	1,458,968	1.51
Kencana Petroleum Berhad	938,000	1,166,793	2,260,580	2.35
Sapura Crest Petroleum Berhad	730,000	1,176,829	2,263,000	2.35
	2,483,066	3,068,423	5,982,548	6.21
Properties				
Mah Sing Group Berhad	150,200	279,321	276,368	0.29
SP Setia Berhad	124,900	649,847	743,155	0.77
	275,100	929,167	1,019,523	1.06
Technology				
Unisem Bhd	117,200	226,184	269,560	0.28
Telecommunications				
Axiata Group Berhad	1,045,700	2,724,618	4,967,075	5.15
Digi.com Berhad	13,300	329,678	327,180	0.34
	1,059,000	3,054,296	5,294,255	5.49
Trading and Services				
Malaysian Airline System Bhd	225,500	487,233	471,295	0.49
Pos Malaysia Berhad	179,500	582,987	603,120	0.63
QSR Brands Berhad	91,500	448,642	462,990	0.48
	496,500	1,518,863	1,537,405	1.59
Utilities				
Tenaga Nasional Berhad	189,700	1,516,906	1,587,789	1.65
TOTAL QUOTED				
SECURITIES	15,156,128	45,521,168	65,854,243	68.31

(ii) Unquoted fixed income securities

Name of issuer	Nominal value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
As at 31 December 2010				
Konsortium Lebuh Utara Timur 6.82% 28/10/2024	1,000,000	1,076,700	1,091,245	1.13
Konsortium Lebuh Utara Timur 6.97% 28/10/2025	3,000,000	3,135,430	3,282,937	3.41

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

Name of issuer	Nominal value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
As at 31 December 2010				
Jimah Energy Ventures SB - 8.75% 11/05/2018	1,000,000	1,227,861	1,247,986	1.29
Jimah Energy Ventures SB 8.2% Due 11/10/2017 MN12	3,000,000	3,436,440	3,617,478	3.75
Jimah Energy Ventures SB 8.55% Due 5/12/2017 MN12	1,000,000	1,137,596	1,216,909	1.26
Lebuhraya Kajang-Seremban 5.35% Due 6/10/2016 JD13	1,000,000	1,014,069	775,793	0.80
Lebuhraya Kajang-Seremban 5.6% Due 6/12/2017 JD12	1,000,000	1,024,528	746,915	0.77
Malakoff Corp Berhad 6.182% Due 4/28/2017 AO30	1,000,000	1,020,092	1,077,440	1.12
Malakoff Corp Berhad 6.682% Due 4/29/2022 AO30	1,000,000	1,046,186	1,087,516	1.13
Malakoff Corp Berhad 6.982% Due 4/30/2025 AO30	1,000,000	1,068,035	1,075,842	1.12
Ara Bintang Bhd 5.35% 26/06/2015	2,000,000	2,090,714	2,092,173	2.17
Sports Toto Malaysia Sdn Bhd 5.50% 30/06/2015	1,000,000	1,010,264	1,036,001	1.07
Powertek Bhd 6.8% Due 8/30/2011 FA29	1,000,000	1,040,521	1,044,501	1.08
EON Bank Berhad 5.75% 27/02/2019	1,500,000	1,548,982	1,589,410	1.65
Hyundai Capital Services 5 1/2% Due 5/20/2011 MN20	1,000,000	1,006,027	1,012,827	1.05
Sabah Credit Corp 4.90% 24/09/12	1,500,000	1,518,882	1,539,136	1.60
Sabah Credit Corp 5.30% 07/05/2014	2,000,000	2,073,540	2,076,505	2.15
TOTAL UNQUOTED FIXED INCOME SECURITIES	24,000,000	25,475,866	25,610,615	26.57
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	39,156,128	70,997,034	91,464,858	94.88
UNREALISED GAIN ON CHANGE IN VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		20,467,824		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		91,464,858		

The unquoted fixed income securities has an effective weighted average interest rate of 6.48% per annum and an average maturity of 7 years as at 31 December 2010.

11. QUOTED INVESTMENTS

Name of counter	Quantity (unit)	Aggregate cost RM	Market value RM	Percentage of net asset value %
As at 31 December 2009				
SECURITIES - LOCAL				
Construction				
Gamuda Berhad	345,000	809,621	897,000	1.21
IJM Corporation Berhad	224,000	777,445	1,003,520	1.36
WCT Berhad	197,500	370,534	513,500	0.69
Zelan Berhad	544,100	527,644	369,988	0.50
	<u>1,310,600</u>	<u>2,485,244</u>	<u>2,784,008</u>	<u>3.76</u>
Consumer Products				
PPB Group Berhad	47,500	521,888	758,100	1.02
UMW Holdings Berhad	82,500	523,979	523,875	0.71
	<u>130,000</u>	<u>1,045,867</u>	<u>1,281,975</u>	<u>1.73</u>
Finance				
AMMB Holdings Berhad	417,550	1,375,881	2,087,750	2.82
CIMB Group Holdings Berhad (<i>formerly known as Bumiputra-Commerce Holdings Berhad</i>) #	385,000	3,052,779	4,943,400	6.67
Malayan Banking Berhad	702,500	3,120,874	4,819,150	6.51
Public Bank Berhad - Local	185,014	1,598,870	2,090,658	2.82
RHB Capital Berhad	220,000	974,489	1,166,000	1.58
	<u>1,910,064</u>	<u>10,122,893</u>	<u>15,106,958</u>	<u>20.40</u>
Industrial Products				
Adventa Berhad	207,500	470,488	657,775	0.89
KNM Group Berhad	1,045,000	806,012	804,650	1.09
Lafarge Malayan Cement Berhad	125,000	778,772	781,250	1.05
Lion Industries Corporation Berhad	552,500	740,658	756,925	1.02
Supermax Corporation Berhad	167,500	477,071	790,600	1.07
	<u>2,097,500</u>	<u>3,273,002</u>	<u>3,791,200</u>	<u>5.12</u>
Infrastructure Project Company				
Digi.com Berhad	10,000	204,563	219,600	0.30
Plantations				
Genting Plantations Berhad (<i>formerly known as Asiatic Development Berhad</i>)	55,000	231,944	343,200	0.46
IOI Corporation Berhad	558,680	2,284,100	3,055,979	4.13
Kuala Lumpur Kepong Berhad	97,550	932,004	1,609,575	2.17
	<u>711,230</u>	<u>3,448,048</u>	<u>5,008,754</u>	<u>6.76</u>
Properties				
Eastern and Oriental Berhad	505,000	516,456	530,250	0.72
IJM Land Berhad	307,500	465,266	722,625	0.97
	<u>812,500</u>	<u>981,722</u>	<u>1,252,875</u>	<u>1.69</u>

11. QUOTED INVESTMENTS (CONTINUED)

Name of counter	Quantity (unit)	Aggregate cost RM	Market value RM	Percentage of net asset value %
As at 31 December 2009				
SECURITIES - LOCAL				
Trading/Services				
Axiata Group Berhad (<i>formerly known as TM International Berhad</i>)	950,000	1,869,967	2,897,500	3.91
Dialog Group Berhad	731,848	684,159	966,039	1.30
Genting Berhad	387,500	2,016,607	2,844,250	3.84
Genting Malaysia Berhad (<i>formerly known as Resorts World Berhad</i>)	360,000	933,966	1,011,600	1.37
Kencana Petroleum Berhad	537,500	1,071,008	1,300,750	1.76
Malaysia Mining Corporation Berhad	467,500	911,274	1,136,025	1.53
Maxis Communications Berhad	242,500	1,243,321	1,302,225	1.76
Media Prima Berhad	385,000	646,573	642,950	0.87
Parkson Holdings Berhad	143,925	569,219	764,242	1.03
SapuraCrest Petroleum Berhad	645,000	913,040	1,599,600	2.16
Sime Darby Berhad	490,088	3,350,716	4,396,090	5.94
Tanjong Public Limited Company	15,000	221,147	252,600	0.34
Tenaga Nasional Berhad	365,000	2,737,062	3,066,000	4.14
	<u>5,730,861</u>	<u>17,168,059</u>	<u>22,179,871</u>	<u>29.95</u>
LOAN STOCKS				
Eastern and Oriental Berhad LB 30/10/2019	310,050	254,414	328,653	0.44
	<u>310,050</u>	<u>254,414</u>	<u>328,653</u>	<u>0.44</u>
TOTAL QUOTED INVESTMENTS - LOCAL	<u>13,012,805</u>	<u>38,983,811</u>	<u>51,953,894</u>	<u>70.15</u>
FAIR VALUE RESERVE		<u>12,970,083</u>		
MARKET VALUE		<u>51,953,894</u>		

12. UNQUOTED FIXED INCOME SECURITIES

Name of issuer	Nominal value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
As at 31 December 2009				
Hyundai Capital Services 5.50% 20/05/2011 (AA1)	1,000,000	1,000,000	1,010,600	1.37
Jimah Energy Ventures Sdn Bhd 8.55% 12/05/2017 (AA3)	1,000,000	1,141,540	1,163,300	1.57
Jimah Energy Ventures Sdn Bhd 8.20% 10/11/2017 (AA3)	3,000,000	3,449,138	3,426,000	4.63
Konsortium Lebuhraya Utara				

CIMB-PRINCIPAL BALANCED FUND

Timur 8.32% 18/10/2017 (A+)	5,000,000	5,298,849	5,036,000	6.80
-----------------------------	-----------	-----------	-----------	------

12. UNQUOTED FIXED INCOME SECURITIES (CONTINUED)

Name of issuer	Nominal value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
As at 31 December 2009				
Lebuhraya Kajang-Seremban 5.35% 10/06/2016 (AA3)	1,000,000	1,013,584	929,800	1.26
Lebuhraya Kajang-Seremban 5.60% 12/06/2017 (AA3)	1,000,000	1,024,380	921,500	1.24
Malakoff Corporation Berhad 6.182% 28/04/2017 (AA3)	1,000,000	1,010,451	978,800	1.32
Malakoff Corporation Berhad 6.682% 29/04/2022 (AA3)	1,000,000	1,036,525	939,400	1.27
Malakoff Corporation Berhad 6.982% 30/04/2025 (AA3)	1,000,000	1,058,129	914,100	1.23
Malaysian Government 5.094% 30/04/2014 (NR)	1,000,000	1,084,401	1,060,800	1.43
Powertek Berhad 6.80% 30/08/2011 (AA1)	1,000,000	1,042,803	1,050,200	1.42
Sabah Credit Corporation 4.90% 24/09/2012 (AA1)	1,500,000	1,498,271	1,512,750	2.04
TOTAL UNQUOTED FIXED INCOME SECURITIES	18,500,000	19,658,071	18,943,250	25.58
FAIR VALUE RESERVE		(714,821)		
MARKET VALUE		18,943,250		

The unquoted fixed income securities has an effective weighted average interest rate of 6.89% per annum and an average maturity of 7 years as at 31 December 2009.

13. CASH AND CASH EQUIVALENTS

	2010 RM	2009 RM
Bank balances in a licensed bank	191,125	69,240
Deposits with licensed financial institutions	4,260,644	3,256,000
	<u>4,451,769</u>	<u>3,325,240</u>

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

	2010 %	2009 %
Deposits with licensed financial institutions	<u>4.35</u>	<u>5.00</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 4.35 days (2009: 5 days).

14. INTEREST RECEIVABLE

	2010	2009
	RM	RM
Interest receivable from unquoted fixed income securities	-	228,569
Interest receivable from deposits with licensed financial insitutions	-	305
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	-	228,874

15. NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

	2010		2009	
	No. of		No. of	
	Units	RM	Units	RM
At the beginning of the financial year	190,783,269	74,062,333	171,595,326	49,804,756
Creation arising from application	75,712,866	32,494,660	26,021,874	9,665,064
Creation arising from distribution	10,387,068	4,624,322	22,302,943	7,441,786
Cancellation of units	(60,223,891)	(25,434,661)	(29,136,874)	(10,220,405)
Total comprehensive income for the financial year	-	10,651,827	-	(2,170,320)
Net change in fair value reserve	-	-	-	19,541,452
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of the financial year	<u>216,659,312</u>	<u>96,398,481</u>	<u>190,783,269</u>	<u>74,062,333</u>
Approved size of the Fund	<u>1,000,000,000</u>		<u>1,000,000,000</u>	

As at 31 December 2010, the number of units not yet issued is 783,340,688 (2009: 809,216,731).

16. MANAGEMENT EXPENSE RATIO (“MER”)

	2010	2009
	%	%
MER	<u>2.29</u>	<u>2.29</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee’s fee
- C = Transaction costs
- D = Auditors’ remuneration
- E = Tax agent’s fee
- F = Other expenses
- 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 RM 81,325,094 (2009: RM 62,745,856)

17. PORTFOLIO TURNOVER RATIO (“PTR”)

	2010	2009
PTR (times)	0.63	0.65

PTR is derived from the following calculation:

(Total acquisition for the financial period + total disposal for the financial period) ÷ 2

Average net asset value of the Fund for the financial period calculated on a daily basis

Where:

Total acquisition for the financial year = RM 53,934,766 (2009: RM 49,197,299)

Total disposal for the financial year = RM 48,312,128 (2009: RM 37,368,051)

18. 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

Units held by the Manager and parties related to the Manager

	No. of units	2010	RM	No. of units	2009	RM
Manager						
CIMB-Principal Asset Management Berhad**	593,258	263,941		459,944	178,550	
Director of the Manager						
Datuk Noripah Kamso	196,122	87,314		157,118	60,993	
Tunku Ahmad Burhanudin						
Tunku Adnan	-	-		-	-	

The above units were transacted at the prevailing market price.

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

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by other 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 obtainable in transactions with unrelated parties unless otherwise stated. Interest rate on fixed and short-term deposits were at normal commercial rates.

	2010 RM	2009 RM
<u>Significant related party transactions</u>		
Interest from deposits:		
- CIMB Bank Berhad	13,959	6,466
<u>Significant related party balances</u>		
Deposits with licensed financial institutions:		
- CIMB Bank Berhad	1,500,000	1,000,000

19. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CIMB Investment Bank Bhd#	21,430,576	16.40	48,615	37.03
OSK Investment Bank Bhd	20,285,748	15.53	7,214	5.49
CIMB Bank Berhad #	16,260,428	12.45	-	-
RHB Investment Bank Berhad	8,777,229	6.72	10,292	7.84
OCBC Bank (M) Berhad	7,272,748	5.57	-	-
Maybank Securities	6,727,315	5.15	16,166	12.31
AmInvestment Bank Berhad	6,350,254	4.86	10,158	7.74
Credit Suisse (M) Sdn Berhad	5,632,379	4.31	13,287	10.12
Macquarie (M) Sdn Berhad	5,046,476	3.86	11,595	8.83
Malayan Banking Berhad	4,922,449	3.77	-	-
Others	27,939,090	21.38	13,973	10.64
	130,644,692	100.00	131,300	100.00

19. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the financial year ended 31 December 2009 are as follows:

Brokers/dealers	Values of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CIMB Investment Bank Berhad #	23,984,641	31.07	59,869	38.03
AmInvestment Bank Berhad	11,107,175	14.39	24,950	15.85
Maybank Investment Bank Berhad <i>(formerly known as Aseambankers Malaysia Berhad)</i>	10,623,158	13.76	22,185	14.09
Macquarie (M) Sdn Bhd	5,503,195	7.13	11,935	7.58
JPMorgan Securities (M) Sdn Bhd	4,158,063	5.39	9,448	6.00
RHB Investment Bank Berhad	4,155,801	5.38	9,667	6.14
OSK Investment Bank Bhd	3,151,326	4.08	5,311	3.37
Standard Chartered Bank Bhd	2,731,176	3.54	-	-
Credit Suisse Securities (M) Sdn Bhd	2,706,836	3.51	6,224	3.95
CLSA Securities (M) Sdn Bhd	2,299,548	2.98	5,971	3.79
Others	6,782,490	8.77	1,874	1.19
	77,203,409	100.00	157,434	100.00

Included in transactions by the Fund are trades conducted on normal terms with CIMB Investment Bank Berhad, a company related to the Manager amounting to RM 37,691,004 (2009: RM 23,984,641).

20. 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 as two sub-portfolio, consisting of a quoted investments portfolio, which focuses on equity and equity-related securities, and a debt portfolio, which focuses on unquoted fixed income securities.

The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of profit income, dividend income and gains on the appreciation in the value of investments.

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

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

20. SEGMENT INFORMATION (CONTINUED)

For the year ended 31 December 2010:

	Quoted Investments sub-portfolio RM	Debt sub- portfolio RM	Total RM
Dividend income	1,839,645	-	1,839,645
Interest income	-	1,232,281	1,232,281
Net realised gain on sale of financial assets at fair value through profit or loss	6,211,051	84,273	6,295,324
Unrealised gain on financial assets at fair value through profit or loss	7,455,635	849,571	8,305,206
Transaction costs	(267,636)	-	(267,636)
Total segment income	<u>15,238,695</u>	<u>2,166,125</u>	<u>17,404,820</u>
Financial assets at fair value through profit or loss	65,854,243	25,610,615	91,464,858
Dividend receivable	38,770	-	38,770
Total segment assets	<u>65,893,013</u>	<u>25,610,615</u>	<u>91,503,628</u>
Total segment liabilities	<u>126,437</u>	<u>-</u>	<u>126,437</u>

For the year ended 31 December 2009:

	Quoted investments sub-portfolio RM	Debt sub- portfolio RM	Total RM
Dividend income	1,049,374	-	1,049,374
Interest income	-	1,356,088	1,356,088
Net realised loss on sale of investments	1,257,662	(50,362)	1,207,300
Amortisation of premium	-	(303,098)	(303,098)
Total segment income	<u>2,307,036</u>	<u>1,002,628</u>	<u>3,309,664</u>
Investments	51,953,894	18,943,250	70,897,144
Interest receivable from fixed income securities	-	228,569	228,569
Dividend receivable	23,725	-	23,725
Total segment assets	<u>51,977,619</u>	<u>19,171,819</u>	<u>71,149,438</u>
Total segment liabilities	<u>630,450</u>	<u>-</u>	<u>630,450</u>

20. SEGMENT INFORMATION (CONTINUED)

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

A reconciliation of total segmental income/(loss) to the total comprehensive income is provided as follows:

	2010	2009
	RM	RM
Total segmental income	17,404,820	3,309,664
Interest income from deposits with licensed financial institutions	77,565	53,428
Other income	-	512,524
Other fees and expenses	<u>(1,596,603)</u>	<u>(1,219,902)</u>
Net profit before taxation	15,885,782	2,655,714
Taxation	<u>(77,149)</u>	<u>(399,078)</u>
Net profit after taxation and total comprehensive income	<u><u>15,808,633</u></u>	<u><u>2,256,636</u></u>

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

	2010	2009
	RM	RM
Total segment assets	91,503,628	71,149,438
Cash and cash equivalents	4,451,769	3,325,240
Amount due from stockbrokers	122,017	220,207
Amount due from Manager	1,216,790	95,351
Interest receivable from deposits with licensed financial institutions	-	305
Tax recoverable	174,224	124,589
Total assets	<u><u>97,468,428</u></u>	<u><u>74,915,130</u></u>
Total segment liabilities	126,437	630,450
Amount due to manager	223,737	78,274
Amount due to trustee	6,841	4,948
Accrued management fee	158,200	114,426
Distribution payable	532,484	-
Other payables and accrued expenses	22,248	24,699
Total liabilities	<u><u>1,069,947</u></u>	<u><u>852,797</u></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.

21. 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.

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	Adjustment	As restated
<u>1 January 2009</u>	RM	RM	RM
Statement of Financial Position			
Financial liability	49,804,756	(49,804,756)	-
Unitholders' capital	-	54,239,478	(54,239,478)
Retained earnings	-	2,851,468	(2,851,468)
Fair value reserve	-	(7,286,190)	7,286,190
	<u>-</u>	<u>49,804,756</u>	<u>(49,804,756)</u>
Statement of Comprehensive Income			
Finance cost	3,946,693	(3,946,693)	-
Total comprehensive income for the financial year	<u>(13,462,800)</u>	<u>3,946,693</u>	<u>(9,516,107)</u>

21. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

31 December 2009**Statement of Financial Position**

Financial liability	74,062,333	(74,062,333)	-
Unitholders' capital	-	61,125,923	(61,125,923)
Retained earnings	-	681,148	(681,148)
Fair value reserve	-	12,255,262	(12,255,262)
	-	74,062,333	(74,062,333)

Statement of Comprehensive Income

Finance cost	4,426,956	(4,426,956)	-
Total comprehensive income / (loss) for the financial year	(2,170,320)	4,426,956	2,256,636

Effect of changes in accounting policy on the statement of financial position as at 31 December 2010 and statement of comprehensive income for the financial year ended 31 December 2010 are set out below.

	Previous accounting policy	Change in accounting policy	Revised accounting policy
	RM	RM	RM
Statement of financial position			
Financial liability	96,398,481	(96,398,481)	-
Unitholders' capital	-	72,810,244	(72,810,244)
Retained earnings	-	3,120,413	(3,120,413)
Fair value reserve	-	20,467,824	(20,467,824)
	-	96,398,481	(96,398,481)
Statement of Comprehensive Income			
Finance cost	5,156,806	(5,156,806)	-
Total comprehensive income for the financial year	2,439,264	5,156,806	7,596,070

(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.

21. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) FRS 139 "Financial Instruments: Recognition and Measurement" (Continued)

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 period are set out below:

<u>1 January 2010</u>	As restated after adoption of amendments to FRS 132 (Note 21(a)) RM	Adjustment RM	As restated RM
Unitholders' capital	61,125,923	-	61,125,923
Retained earnings	681,148	12,255,262	12,936,410
Fair value reserve	12,255,262	(12,255,262)	-
	<u>74,062,333</u>	<u>-</u>	<u>74,062,333</u>

Effect of changes in accounting policy on the statement of financial position as at 31 December 2010 and statement of comprehensive income for the financial year ended 31 December 2010 are set out below.

	Previous accounting policy RM	Change in accounting policy RM	Revised accounting policy RM
Statement of Financial Position			
Financial assets at fair value through profit or loss	-	91,464,858	91,464,858
Quoted investments	65,854,243	(65,854,243)	-
Unquoted fixed income securities	25,366,200	(25,366,200)	-
Deposits with licensed financial institutions	4,260,000	644	4,260,644
Interest receivable from unquoted fixed income securities	244,415	(244,415)	-
Interest receivable from deposits with licensed financial institutions	644	(644)	-
Fair value reserve	<u>20,467,824</u>	<u>(20,467,824)</u>	<u>-</u>

21. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

	Previous accounting policy RM	Change in accounting policy RM	Revised accounting policy RM
Statement of Comprehensive Income			
Interest income from unquoted fixed income securities	1,378,495	(146,214)	1,232,281
Net realised gain on sale of financial assets at fair value through profit or loss	6,120,331	174,993	6,295,324
Net unrealised gain on financial assets at fair value through profit or loss	-	8,305,206	8,305,206
Net amortisation of premium	(146,214)	146,214	-
Transaction costs	-	(267,636)	(267,636)
Total comprehensive income for the financial year	<u>7,596,070</u>	<u>8,212,563</u>	<u>15,808,633</u>

DIRECTORY

Head office of the Manager

CIMB-Principal Asset Management Berhad (Company No.: 304078-K)
Level 5, Menara Milenium,
8, Jalan Damanlela,
Bukit Damansara,
50490 Kuala Lumpur MALAYSIA

Postal address

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

Internet site

www.cimb-principal.com.my

E-mail address

service@cimb-principal.com.my

General investment enquiries

(03) 2084 2200

Trustee for the CIMB-Principal Balanced Fund

Mayban Trustees Berhad (Company No.: 5004-P)
34th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur, MALAYSIA.

Auditors of the Trusts and of the Manager

PricewaterhouseCoopers (No. AF: 1146)
Level 10, 1 Sentral,
Jalan Travers, Kuala Lumpur Sentral,
PO Box 10192, 50706 Kuala Lumpur, MALAYSIA

Consulting Actuaries

Mercer Zainal Consulting Sdn Bhd. (35090-H)
1702 Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur
MALAYSIA

LIST OF CIMB WEALTH ADVISORS BERHAD'S OFFICES

ADDRESS **TELEPHONE**

HEAD OFFICE

- 50, 52 & 54, Jalan SS21/39, Damansara Utama,
47400 Petaling Jaya, Selangor. 03-77183000

FINANCIAL CARE CENTRE

- 1 Jalan PJU 8/3B, Damansara Perdana,
47820 Petaling Jaya, Selangor. 03-77262000

REGIONAL OFFICES

- 5A, 1st & 2nd Floor, Jalan Todak 4, Bandar Sunway,
Seberang Jaya, 13700 Perai, Penang. 04-3702155
04-3702156
- 23 & 23A Jalan Harimau Tarum
Taman Century, 80250 Johor Bahru, Johor. 07-3341748
- 48, Jalan SS 21/39, Damansara Utama
47400 Petaling Jaya, Selangor. 03-77122888
- 5B, Lot 414, Section 10, KTLD Jalan Rubber,
93400 Kuching, Sarawak. 082-259777
- No 1 Jalan Pasar Baru, Kampung Air,
88000 Kota Kinabalu, Sabah. 088-239951
088-239952

BRANCHES

- Ground Floor, No. 298-B, Jalan Tok Hakim, 15000
Kota Bharu, Kelantan 09-7471190
09-7471172
- 30A, First Floor, Persiaran Greentown 1,
Greentown Business Centre, 30450 Ipoh, Perak. 05-2439001
05-2439002
- No 13B, 2nd Floor, Jalan Mamanda 7/1,
Off Jalan Ampang, 68000 Ampang, Selangor. 03-42702970
- 39-3 & 41-3, Jalan Radin Anum, Bandar Baru Sri Petaling,
57000 Kuala Lumpur. 03-90592333
- 61, Jalan Melaka Raya 24, Taman Melaka Raya, 75000 Melaka. 06-2811111
- Lot 228, 1st Floor, Beautiful Jade Centre, Jalan Maju,
98000 Miri, Sarawak. 085-432525

SALES OFFICES

- Unit 113 & 213, Block C, Damansara Intan 1, Jalan SS20/27, 47400 Petaling Jaya 03-7118 2234
- Lot C-615 & Lot C-616, Level 6 Block C Kelana Square, 17 Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor 03-7880 6893
- 2-6A, Jalan PJU 8/3A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor 03-7725 6320
- 12A-3 (2nd Floor), Block C, Jalan PJU 5/17 Dataran Sunway, Kota Damansara, 47810 Petaling Jaya Selangor 03-6141 6369
- UNIT A-2-5 & A-3-5, Block A, Pusat Perdagangan Pelangi, Pelangi Damansara, PJU 6 Persiaran Surian, 47800 Petaling Jaya Selangor 03-7725 2880
- Lot No 35-2, 2ND Floor, Jalan Sepah Puteri 5/1B, Pusat Dagangan Seri Utama, PJU 5 Kota Damansara, 47410 Selangor 03-6140 3046
- No. 6-2, Jalan Dagang 1/1A, Taman Dagang, 68000 Ampang, Selangor 03-4251 1129
- I-91-2, Block I, Jalan Teknologi 3/9, Kota Damansara, 47810 Petaling Jaya, Selangor 03-6140 7275
- No 6B, 2ND Floor, Jalan Tengku Zabedah Ampuan K/9K, 40000 Shah Alam, Selangor 03-5541 0350
- Block E-1-03A & E-2-03A, Jalan SS6/20A, Dataran Glomac, 47301 Kelana Jaya, Selangor 03-7880 7082
- 98A, Jalan SS21/39, Damansara Utama, 47400, Petaling Jaya, Selangor 03-7725 0825
- D-10-08-G & D10-08-1, Pusat Perdagangan Dana 1, Jalan PJU 1A/46 47301 Petaling Jaya Selangor TBA
- 32 – 3, 3rd Floor, Jalan 1/27F, KL Satellite Centre (KLSC), Wangsa Maju Section 5 53300 Kuala Lumpur 03-4142 2911
- A-2-1, Block A, 8 Jalan PJU 1A/20A Dataran Ara Damansara , 47301 Petaling Jaya 03-7843 0506
- A-2-3, Block A, 8 Jalan PJU 1A/20A, Dataran Ara Damansara, 47301 Petaling Jaya 03-7843 0503
- Unit B-3A-1, Setiawangsa Business Suites Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur 03-4256 6277
- 22-2, Jalan Metro Wangsa, Seksyen 2 Wangsa Maju, 53300 Kuala Lumpur 03-4149 8818
- J-06-01 Level 6 Block J, Solaris Mont Kiara, Jalan Solaris, 50480 Kuala Lumpur 03-6204 0113
- Suite B-12-11 Plaza Mont Kiara 2, Jalan 1/70C, Mont Kiara, 50480 Kuala Lumpur 03-6203 9036

CIMB-PRINCIPAL BALANCED FUND

- A-7, Tingkat 1 Lorong Tun Ismail 12, Sri Dagangan 2, 25000 Kuantan Pahang 09-5161 430
- 15A, Jalan Ruby, 96000 Sibu, Sarawak 084-325 515