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INVESTOR LETTER

Dear Valued Investors,

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

¹ End December 2009

INVESTOR LETTER *(Continued)*

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.

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

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

MANAGER'S REPORT

What is the investment objective of the Fund?

The Fund is a close-ended fund that aims to provide investors with total return predominantly through investments in a portfolio of non-ringgit currency denominated bond and others fixed and floating rate securities.

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 seeks to achieve its overall objective by providing potential total investment return consisting of a combination of interest income and capital appreciation. Under general market conditions, up to 98% of the Fund's NAV may be invested in non-ringgit bonds and other fixed and floating rate instruments (including convertible bonds). These securities are issued or backed by governments, governments agencies, supranational organizations, corporate or others issuers in the Asia Pacific region, which has a minimum credit rating of "A" rating by RAM or its MARC equivalent or if rates by a foreign rating agency, at least "BB-" by S&P or Fitch of "Ba3" from Moody's at the time of investment.

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

Bond / Income and growth.

How long should you invest for?

Recommended 3 years or more

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

High

When was the Fund launched?

15 January 2009

What was the size of the Fund as at 31 January 2011?

RM43.85 million (36.59 million units)

What is the fund's benchmark?

12-Month LIBOR (London Interbank Offered Rate) + 2% p.a.

What is the fund distribution policy?

The Fund distributes income, if any, are at the discretion of the Manager and will vary from period to period depending on the availability of the income for distribution.

What was the net income distribution for the year ended 31 January 2011?

There is no distribution made from 1 February 2010 to 31 January 2011.

PERFORMANCE DATA

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

	31.01.2011	31.01.2010
	%	%
Unquoted investments	79.85	91.99
Cash and Other Net Assets	20.15	8.01
	<u>100.00</u>	<u>100.00</u>

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

	31.01.2011	31.01.2010
Net asset value (RM Million)	43.85	64.72
Units in circulation (Million)	36.59	56.63
Net asset value per unit (RM)	1.1983	1.1428
Highest NAV per unit (RM)	1.2040	1.1389
Lowest NAV per unit (RM)	1.1328	0.9649
Total return (%)	5.39	13.70
- Capital growth (%)	5.39	13.70
- Income distribution (%)	-	-
Management expense ratio (%)	1.38	1.22
Portfolio turnover ratio (times) #	0.36	0.70
Average total return	Total Return	Annualized
	%	%
- One year	5.39	5.39
- Two years	19.83	9.47
- Since inception	19.83	9.25

(Launch date: 15 January 2009)

#The PTR for the financial year under review was stable during the recent financial year and was mainly to cater for redemption of the fund.

	31.01.2011	31.01.2010	Since Inception
Annual total return (%)	5.39	13.70	19.83

Source: Lipper

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

MARKET REVIEW (1 FEBRUARY 2010 TO 31 JANUARY 2011)

At the start of the financial year in review, there were signs of economic recovery as evidenced in China, India, South Korea, Singapore and Indonesia continue to suggest the rising possibility of tightened monetary policies by the respective Central Banks. However there were no rate hike actions during the month. In Europe, risk aversion continued to dominate trading activities due to worries over fiscal imbalances affecting European nations notably Greece. On the global front, the Fed hiked its discount rate by 25 bps to 0.75%. This is the first action on interest rate since the financial crisis and although the Fed insisted that it is not a tightening measure, but is more of a normalization of lending facilities and it will not lead to tighter financial conditions.

Events for the quarter were dwarfed by the spreading fiscal debt crisis in the European Union "EU", specifically on peripheral European countries with high fiscal deficits such as Greece, Spain, Portugal, Ireland and Italy. Moody's downgraded Greece's credit rating to junk from A3 to Ba1 (four notch downgrade) with a stable outlook, citing substantial risks to economic growth from the austerity measures tied to the €110bn aid package from the EU and the IMF. Moody's downgrade of Greece followed the footsteps of S&P which had already cut the country's sovereign rating to BB+. Subsequently, Spain's sovereign rating was downgraded by Fitch, from "AAA" to "AA+", with a stable outlook. Fitch's move followed S&P's decision to cut Spain's rating twice since the start of 2009, while Moody's retained the country's AAA rating.

Widely seen as a conciliatory move before the G20 meeting, the People's Bank of China "PBoC" on 19 June announced that it will take further steps to reform the Renminbi "RMB" exchange rate mechanism and in so doing, enhance the RMB exchange rate flexibility. Long anticipated since the beginning of the year, the statement ended a 23-month long de facto dollar-peg and returned to a managed float system against a basket of currencies. Following the announcement, the Yuan was allowed to strengthen by 0.43%, the biggest gain in 5 years, and the daily rate was set at RMB6.7980/US\$ (previously pegged at RMB6.83/US\$ in Jul-08 when the global economic economy unravelled). In tandem, the MYR strengthened 1.9% to RM3.1885/US\$ with buying seen across all MGS tenures.

Back in the US, the FOMC on Sep 21st points to a dovish stand and possible QE2 as the Fed expressed continued caution over the strength of US recovery which is flagging after posting strong growth in 1Q10. Household spending remains constrained by high unemployment, modest income growth, lower housing wealth and tight credit. The fragile recovery increases pressure on the Obama administration and the Fed to energise the economic rebound. Besides retaining its pledge to hold interest rates at record low levels for an extended period, the Fed also reiterated that it would reinvest in Treasuries to maintain the size of its balance sheet and added that it is prepared to provide additional accommodation if it proves necessary. But whilst this may provide some short term support to financial markets, a more worthy question is whether 'QE2' will solve the economy's fundamental problems. With the market expecting another quantitative easing, this would drive down real bond yields. The Fed Fund Futures suggest that the rate is likely to remain unchanged until 1Q2011. Similarly, the ECB extended its emergency lending measures for banks into 2011, to help prop up the faltering economic activities in the region. It also increased its bond purchases programme on concern of the worsening scenario in Spain and Portugal, driving Eurozone's sovereign yields higher.

While the western world is struggling to cope, the emerging world remains very buoyant seemingly able to decouple from the West's economic traumas. Having borrowed far too much in the 1990s most emerging nations have now learnt their lesson. During the period under review, there were a slew of rate hikes by the Asian central banks trying to tame inflation. Taiwan, China, India, Thailand and Korea all saw higher policy rates.

Meanwhile, some healthier Asian economies (after QE2 were in place) fought back with both administrative measures and capital controls to contain the influx of hot money. In a move aimed at containing offshore flows into their respect domestic bond markets, Taiwan, South Korea and Thailand responded during the month with curbs on foreign holdings of domestic bonds. Taiwan imposed a ruling allowing offshore funds to own only up to 30 percent of their portfolios in local government bonds and money-market products. South Korea imposed a 14 percent tax on interest

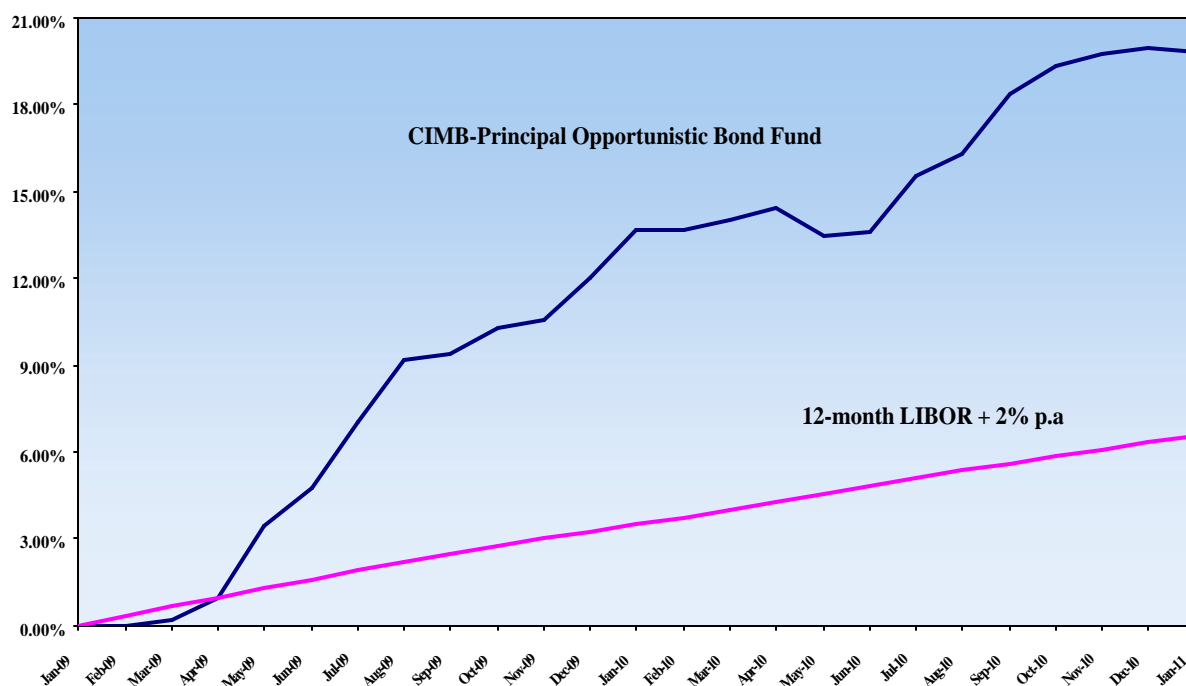
MARKET REVIEW (1 FEBRUARY 2010 TO 31 JANUARY 2011) (CONTINUED)

income from treasury and central bank bonds and a 20 percent capital gains levy. Thailand government reintroduced a 15% withholding tax on the interest payments and capital gains earn by foreign investors on Thai bonds.

In all, the market reacted to such moves and saw heavy selling of the respective government bonds from both local and offshore investors in response to these measures and policy move. Consequently, most of the Asian government bonds were bearish steepening.

FUND PERFORMANCE

	1 Year to 31.01.2011	2 Years to 31.01.2011	Since Inception
Income (%)	-	-	-
Capital (%)	5.39	19.83	19.83
Total Return (%)	5.39	19.83	19.83
Benchmark (%)	2.95	6.57	6.57
Average Total Return (%)	5.39	9.47	9.25



FUND PERFORMANCE (CONTINUED)

Changes in Net Asset Value (“NAV”)

	31.01.2011	31.01.2010	% changes
Net Asset Value (“NAV”) (RM Million)	43.85	64.72	(32.25)
NAV/unit (RM)	1.1983	1.1428	4.84

For the period under review, the Fund registered a reduction in net asset value of 32.3% due to redemption. On a nav/unit basis, the better performance of the underlying corporate bonds in the portfolio saw a 4.86% increase. In terms of return, the Fund achieved a positive total return of 5.39% compared to the benchmark 12 month LIBOR + 2%pa rate return of 2.95% for the period under review. The out performance of 2.44% was due mainly to better performance from the corporate bonds in the portfolio.

The Fund did not declare any dividend distribution for the financial period under review.

In terms of Lipper rankings, as at 31 January 2011, the Fund ranked 10th out of 18 funds for 6 months (3rd Quartile), 12th out of 15 funds (4th Quartile) over 1-year and 7th out of 8 funds (4th Quartile) over 2 years under the Target Maturity category. (Source: Lipper).

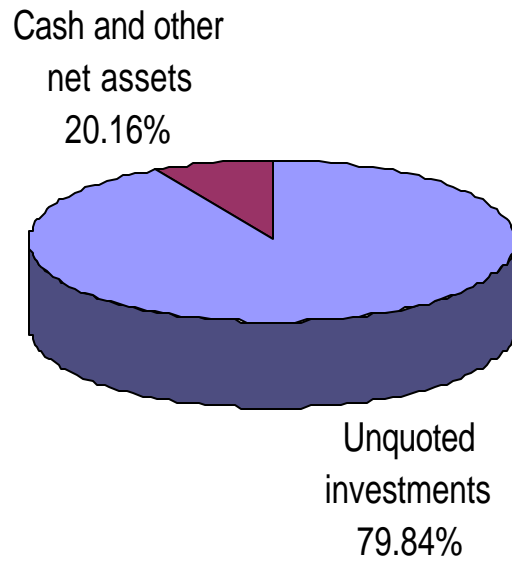
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31 January 2011	31 January 2010
Unquoted investments	79.84	91.99
Cash and other net assets	20.16	8.01
TOTAL	100.00	100.00

As at 31 January 2011, about 79% of the fund’s assets were invested in fixed income securities with 20.16% in cash. Liquidity is maintained for the fund to participate in new issuances with higher yielding paper as well as to facilitate any redemption.



MARKET OUTLOOK

The political tensions in the MENA region drove oil prices higher and there is concern it will increase inflationary pressure and derail global growth. In the worst case scenario of an oil price shock due to oil supply disruption, the Asian countries are expected to be affected differently. The most vulnerable are India and Vietnam, given their weak fiscal positions and high current account deficits. However we expect capital inflows to persist in Asia, although at a decelerated pace, as investors are still holding on, given the Asian growth story and expectation of upside in currency.

As the volatility increased in Asian bonds due to inflation worries, the long end will be more vulnerable to long-term inflation risks. At this juncture, we favour a short duration stance for our funds with Asian bonds exposure.

INVESTMENT STRATEGY

Overall, we will continue to maintain a fully invested portfolio in line with our buy and hold strategy. Additionally, in tandem with the higher underlying inflation and interest rate expectations, we continue to prioritise capital preservation and maintain a defensive strategy.

UNIT HOLDING STATISTICS

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

Size of holdings (units)	No. of unit holders	No. of units held	% of units held
5,000 and below	10	34,558	0.10
5,001 – 10,000	3	29,823	0.08
10,001 – 50,000	0	0	0
50,001 – 500,000	0	0	0
Above 500,000	3	36,526,338	99.82
Total	16	36,590,719	100.00

SOFT COMMISSIONS AND REBATES

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

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

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

**STATEMENT BY MANAGER TO THE UNITHOLDERS OF
CIMB-PRINCIPAL OPPORTUNISTIC BOND 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 14 to 49 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 January 2011 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended on that date 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

31 March 2011

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF
CIMB-PRINCIPAL OPPORTUNISTIC BOND FUND**

We have acted as Trustee of CIMB-Principal Opportunistic Bond Fund ("the Fund") for the financial year ended 31 January 2011. In our opinion, CIMB-Principal Asset Management Berhad, the Manager, has operated and managed the Fund 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.

For HSBC (Malaysia) Trustee Berhad

MAZIAH YONG
Head, Unit Trust

Kuala Lumpur
31 March 2011

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
CIMB-PRINCIPAL OPPORTUNISTIC BOND FUND**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CIMB-Principal Opportunistic Bond Fund, which comprise the statement of financial position as at 31 January 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 14 to 49.

The Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation of financial statements that give true and fair view in accordance with Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Unit Trust Funds, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation of financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia 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 January 2011 and of its financial performance, changes in equity and cash flows for the financial year then ended.

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
CIMB-PRINCIPAL OPPORTUNISTIC BOND 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
31 March 2011

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

	Note	2011	15.01.2009 (date of commencement) to 31.01.2010 As restated
		RM	RM
NET INVESTMENT INCOME			
Interest income	4	3,600,070	2,361,710
Net realised gain on sale of financial assets at fair value through profit or loss	10	1,892,822	987,519
Net unrealised loss on financial assets at fair value through through profit or loss	10	(3,363,012)	-
Net accretion of discount	5	-	1,024,475
Net foreign currency exchange gain / (loss)		(33,320)	529,883
Net fair value gain / (loss) on derivative assets		531,340	(13,640)
Other income	6	470,664	328,608
		<u>3,098,564</u>	<u>5,218,555</u>
EXPENSES			
Management fee	7	617,424	735,999
Trustee and custodian fees	8	57,746	63,048
Audit fee		8,000	8,000
Tax agent's fee		5,000	5,000
Other expenses		15,352	9,155
		<u>703,522</u>	<u>821,202</u>
NET INCOME BEFORE TAXATION		2,395,042	4,397,353
TAXATION	9	<u>(119,244)</u>	<u>(89,267)</u>
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>2,275,798</u>	<u>4,308,086</u>
Net profit/(loss) after taxation is made up as follows:			
Realised amount		8,700,779	4,688,311
Unrealised amount		(6,424,981)	(380,225)
		<u>2,275,798</u>	<u>4,308,086</u>

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

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

		2011	2010
	Note	RM	As restated RM
INVESTMENTS			
Financial assets at fair value through profit or loss	10	35,012,693	-
Unquoted fixed income securities	11	-	59,557,912
		<u>35,012,693</u>	<u>59,557,912</u>
LIQUID ASSETS			
Deposits with licensed financial institutions	12	3,657,734	731,000
Bank balance in a licensed bank	12	3,429,670	3,894,083
		<u>7,087,404</u>	<u>4,625,083</u>
OTHER ASSETS			
Amount due from dealers		1,553,066	-
Interest receivable	13	-	941,305
Derivative assets	14	517,700	-
Other receivable		22,488	141,567
		<u>2,093,254</u>	<u>1,082,872</u>
TOTAL ASSETS		<u>44,193,351</u>	<u>65,265,867</u>
LIABILITIES			
Amount due to Manager		170,641	391,518
Accrued management fee		46,607	61,769
Amount due to Trustee		2,968	4,114
Derivative liabilities	14	-	13,640
Tax payable		101,844	63,527
Other payables and accruals		21,000	14,000
TOTAL LIABILITIES		<u>343,060</u>	<u>548,568</u>
NET ASSET VALUE OF THE FUND		<u>43,850,291</u>	<u>64,717,299</u>
EQUITY			
Unitholders' capital		32,524,697	55,667,503
Retained earnings		11,325,594	4,308,086
Fair value reserve		-	4,741,710
		<u>43,850,291</u>	<u>64,717,299</u>
Number of units in circulation	15	<u>36,590,719</u>	<u>56,628,000</u>
Net asset value per unit (RM)		<u>1.1983</u>	<u>1.1428</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 31 JANUARY 2011**

	Note	Unitholders' capital RM	Retained earnings RM	Fair value reserve RM	Total RM
Balance as at 1 February 2010, as previously stated		-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132	22(a)	55,667,503	4,308,086	4,741,710	64,717,299
Balance as at 1 February 2010, restated after adoption of amendments to FRS 132		55,667,503	4,308,086	4,741,710	64,717,299
Adjustment for adoption of FRS 139	22(b)	-	4,741,710	(4,741,710)	-
Balance as at 1 February 2010, restated after adoption of FRS 139		55,667,503	9,049,796	-	64,717,299
Movement in unitholders' contribution:					
Creation of units		-	-	-	-
Cancellation of units		(23,142,806)	-	-	(23,142,806)
Net income after taxation		-	2,275,798	-	2,275,798
Balance as at 31 January 2011		32,524,697	11,325,594	-	43,850,291

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR 31 JANUARY 2011 (CONTINUED)**

	Note	Unitholders' capital RM	Retained earnings RM	Fair value reserve RM	Total RM
Balance as at 15 January 2009 (date of commencement), as previously stated		-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132	22	-	-	-	-
Balance as at 15 January 2009, restated after adoption of amendments to FRS 132		-	-	-	-
Movement in unitholders' contribution:					
Creation of units		66,867,000	-	-	66,867,000
Cancellation of units		(11,199,497)	-	-	(11,199,497)
Net income after taxation		-	4,308,086	-	4,308,086
Change in fair value reserve		-	-	4,741,710	4,741,710
Balance as at 31 January 2010		55,667,503	4,308,086	4,741,710	64,717,299

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 JANUARY 2011**

	2011	2010
Note	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of unquoted fixed income securities	27,792,237	16,670,182
Proceeds from redemption of unquoted fixed income securities	-	8,000,000
Purchase of unquoted fixed income securities	(7,811,330)	(78,805,220)
Interest income received from deposits with licensed financial institutions	20,950	236,199
Interest income received from unquoted fixed income	2,530,804	1,158,466
Trustee and custodian fees paid	(58,892)	(58,934)
Payments for other fees and expenses	(24,782)	(8,155)
Management fees paid	(632,586)	(674,230)
Other income received	597,743	187,041
Tax payment	(80,927)	-
Tax penalty	(4,569)	-
Net realised foreign currency exchange gain	3,609,519	1,983,056
	25,938,167	(51,311,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	-	66,867,000
Payments for cancellation of units	(23,363,683)	(10,807,979)
	(23,363,683)	56,059,021
Net cash (outflow) / inflow from financing activities		
Net increase in cash and cash equivalents	2,574,484	4,747,426
Effects of foreign exchange	(112,163)	(122,343)
Cash and cash equivalents at the beginning of the financial year	4,625,083	-
Cash and cash equivalents at the end of the financial year	12 7,087,404	4,625,083

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2011****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY**

CIMB-Principal Opportunistic Bond Fund (the "Fund") is governed pursuant to a Principal Master Deed dated 5 December 2008, (referred to as "the Deed") made between CIMB-Principal Asset Management Berhad (the "Manager"), HSBC (Malaysia) Trustee Berhad (the "Trustee") and the registered unit holders of the Fund.

The principal activity of the Fund is to invest in "Permitted Investments", as defined in Clause 17 of the Deed, which includes fixed income securities and other money market instruments. The Fund commenced operations on 15 January 2009 and will continue its operations until terminated by the Trustee or the Manager, as the case may be as provided under Clause 25 of the Deed.

The Manager, a company incorporated in Malaysia, is 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 trust and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared 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(n).

- (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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

- 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.
- 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.

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” (continued)

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

The effects as a result of adoption of the amendment on the statement of financial position for the prior periods are set out in Note 22(a).

- FRS 139 “Financial Instruments: Recognition and Measurement”

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

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

The effects as a result of adoption of the new standard on the opening balances of the statement of financial position at the beginning of the financial year are set out in Note 22(b).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(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

Classification

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

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Funds's loans and receivables comprise cash and cash equivalents (Note 12), amount due from dealers, and other receivables which are all due within 12 months.

Recognition and measurement

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

Financial 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.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation and interest are recognised in profit or loss in the period in which the changes arise.

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

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.

Unquoted fixed income securities denominated in foreign currencies are revalued at least fortnightly by reference to the price quoted in Bloomberg. However if such quotations are not available or reliable, the value shall be determined by the mean of bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing in the over-the-counter or telephone market at the close of trading.

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

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Derivatives of the Fund are not designated as a hedging instrument and are classified as held for trading and are subsequently carried at fair value, where changes in the fair value are recognised in the profit or loss in the period in which the changes arise.

(d) Income recognition

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 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.

(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 statement of financial position date 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 statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments that are readily convertible to known 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(h) Amount due from / to dealers**

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from dealers. A provision for impairment of amounts due from dealers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant dealer. Significant financial difficulties of the dealer, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from dealers 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.

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.

(i) Functional and presentation currency

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

(j) Transactions and balances

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

For translation differences on financial assets and liabilities held at fair value through profit or loss and available-for-sale financial assets, refer to Note 2(b).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(l) 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.

(m) 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 January 2011 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)	-	35,012,693	35,012,693
Cash and cash equivalents (Note 12)	7,087,404	-	7,087,404
Amount due from dealers	1,553,066	-	1,553,066
Derivative assets		517,700	517,700
Other receivables	22,488	-	22,488
	----- 8,662,958	----- 35,530,393	----- 44,193,351
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All current liabilities are financial liabilities which are carried at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(n) Critical accounting estimates and judgments 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.

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 denominated in foreign currencies are revalued at least fortnightly by reference to the price quoted in Bloomberg. However if such quotations are not available or reliable, the value shall be determined by the mean of bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing in the over-the-counter or telephone market at the close of trading.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

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 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.

At 31 January 2011, the Fund's overall exposures to price risk were as follows:

	2011
	RM
Unquoted fixed income securities designated at fair value through profit or loss	35,012,693

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of unquoted fixed income securities as at 31 January 2011. The analysis is based on the assumptions that the price of the 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 unquoted fixed income securities, having regard to the historical volatility of the prices.

% Change in price	<u>Unquoted fixed income securities</u>	
	Market value RM	Impact on net asset value RM
-5%	33,262,058	(1,750,635)
0%	35,012,693	-
5%	36,763,328	1,750,635

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(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.

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 January 2011 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 interest rate	Impact on net asset value	
	Unquoted fixed income securities designated at fair value through profit or loss RM	Deposits with licensed financial institutions RM
- 5%	148,931	37
0%	-	-
5%	(148,931)	(37)
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(iii) Currency risk

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

The following table sets out the foreign currency risk concentrations and counterparties of the Fund.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Currency risk (continued)

	USD RM	IDR RM	SGD RM	AUD RM	Total RM
Financial assets at fair value through profit or loss	16,000,356	5,357,210	1,265,013	3,033,315	25,655,894
Cash and cash equivalents	3,397,668	16	11,768	-	3,409,452
Other assets	1,553,066	-	-	-	1,553,066
Total	20,951,090	5,357,226	1,276,781	3,033,315	30,618,412

The table below summarises the sensitivity of the Fund's investments fair value to changes in foreign exchange movements as at 31 January 2011. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/decrease in foreign exchange rate will result in a corresponding decrease/increase in the net assets attributable to unit holders by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit before tax RM	Impact on net asset value RM
USD	5	1,047,555	1,047,555
IDR	5	267,861	267,861
SGD	5	63,839	63,839
AUD	5	151,666	151,666
		<u>1,530,921</u>	<u>1,530,921</u>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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.

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

As at 31 January 2011	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Other assets RM	Total RM
Finance	-	7,087,404	-	7,087,404
Unquoted fixed income securities:				
A1	7,929,958	-	-	7,929,958
Baa3	3,188,019	-	-	3,188,019
Ba2	3,253,808	-	-	3,253,808
Not rated	20,640,908	-	-	20,640,908
Others	-	-	2,093,254	2,093,254
	<u>35,012,693</u>	<u>7,087,404</u>	<u>2,093,254</u>	<u>44,193,351</u>

The Manager considers the risk of material loss in the event of non-performance by the counterparties of the Fund to be unlikely. All financial assets of the Fund as at 31 January 2011 are neither past due nor impaired.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

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

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

	Less than 1 month RM
Amount due to Manager	170,641
Accrued management fee	46,607
Amount due to Trustee fee	2,968
Other payables and accruals	21,000

Contractual cash out flows	241,216

(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

	15.01.2009	
	(date of	
	commencement)	
	2011	to 31.01.2010
	RM	RM
Interest income from deposits with licensed financial institutions	20,830	236,319
Interest income from unquoted fixed income securities	3,579,240	2,125,391
	-----	-----
	3,600,070	2,361,710
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5. NET AMORTISATION OF PREMIUM

	15.01.2009	
	(date of	
	commencement)	
	2011	to 31.01.2010
	RM	RM
Accretion of discounts, net of amortisation of premiums		
- Realised	-	1,186,918
- Unrealised	-	(162,443)
	-----	-----
	-	1,024,475
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6. OTHER INCOME

Other income consists of exit fees charged to unitholders for withdrawals made prior to the maturity date of the Fund. The penalty will be fixed at three percent (3%) of the net asset value per unit for the first year and will decline by one percent (1%) every year thereafter.

For the financial year ended 31 January 2011, the penalty is fixed at three percent (3%).

7. MANAGER'S FEE

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

For the financial year ended 31 January 2011, the Manager's fee is recognised at a rate of 1.20% per annum (2010: 1.20%).

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

8. TRUSTEE'S FEE

In accordance with Clause 24(2) of the Deed, the Trustee is entitled to a fee not exceeding 0.10% per annum calculated based on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum.

For the financial year ended 31 January 2011, the trustee's fee is recognised at a rate of 0.08% per annum (2010: 0.08%).

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

9. TAXATION

	2011 RM	15.01.2009 (date of commencement) to 31.01.2010 RM
Current taxation		
- Malaysian tax	101,844	63,527
Under provision in prior year	1,744	-
- Foreign tax	15,656	25,740
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	119,244	89,267
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The numerical reconciliation between net profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	2011 RM	15.01.2009 (date of commencement) to 31.01.2010 RM
Net income before taxation	2,395,042	4,397,353
	-----	-----
Taxation at Malaysian statutory rate of 25%	598,761	1,099,338
Tax effects:		
Income not subject to tax	(183,769)	(975,607)
Net realised loss on sale of investment not to tax	(473,206)	(246,880)
Expenses not deductible for tax purposes	17,657	19,051
Restriction on tax deductible expenses for unit trust funds	142,401	167,625
Effect of foreign tax on foreign taxable income	15,656	25,740
Under provision in prior financial years	1,744	-
	-----	-----
Taxation	119,244	89,267
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10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2011 RM
Designated at fair value through profit or loss	
- Unquoted fixed income securities (Note (i))	35,012,693

	35,012,693

Net gain on assets at fair value through profit or loss	
- Realised	1,892,822
- Unrealised	(3,363,012)

	(1,470,190)

(i) Unquoted fixed income securities

Name of issuer	Nominal Value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
As at 31 January 2011				
UNQUOTED FIXED INCOME SECURITIES - FOREIGN				
AUSTRALIA				
CFS Retail Property Trust 5.075% 21/08/2014 (A)	2,582,032	2,376,673	3,033,315	6.92
	-----	-----	-----	-----
HONG KONG				
Xinao Gas Holdings Limited 7.375% 05/08/2012 (Ba2)	2,364,408	2,327,824	2,166,485	4.94
Texhong Textile Group Lt 7.625% 19/01/2016 (Ba2)	763,375	765,320	779,312	1.78
	-----	-----	-----	-----
	3,127,783	3,093,144	2,945,797	6.72
	-----	-----	-----	-----
INDONESIA				
Indonesia Government 14.50% 15/12/2010 (Ba2)	2,497,110	2,607,281	2,454,098	5.60
PT Bank Danamon Indonesia # 8.75% 09/12/2013	2,925,211	2,961,721	2,903,112	6.62
	-----	-----	-----	-----
	5,422,321	5,569,002	5,357,210	12.22
	-----	-----	-----	-----
SINGAPORE				
Capitamall Trust 1.00% 02/07/2013 #	1,203,097	1,180,646	1,265,013	2.88
DBS Group Holdings Limited 7.657% 15/03/2011 (A)	8,992,748	9,151,678	7,929,958	18.08
	-----	-----	-----	-----
	10,195,845	10,332,324	9,194,971	20.96
	-----	-----	-----	-----

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

(i) 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 January 2011				
UNITED ARAB AMIRATES				
Dubai Electricity & Water 6.375% 21/10/2016 (Ba2)	311,700	317,119	308,011	0.70
TOTAL UNQUOTED FIXED INCOME SECURITIES – FOREIGN				
	21,639,681	21,688,262	20,839,304	47.52
UNQUOTED FIXED INCOME SECURITIES – LOCAL				
Berjaya Land Berhad 8.00% 15/08/2011 (A)	5,000,000	5,180,325	5,293,205	12.07
Hyundai Capital Services 5.50% 20/05/2011 (AA1)	4,000,000	4,012,988	4,063,595	9.27
Petronas Global Sukuk Lt 4.25% 12/08/2014 (A1)	1,753,750	1,782,612	1,628,571	3.71
SBB Capital Corporation 6.62% 02/11/2015 (Ba3)	3,516,999	3,112,916	3,188,019	7.27
TOTAL UNQUOTED FIXED INCOME SECURITIES – LOCAL				
	14,270,749	14,088,841	14,173,389	32.32
TOTAL UNQUOTED FIXED INCOME SECURITIES				
	35,910,430	35,777,103	35,012,693	79.84
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
- LOCAL INVESTMENTS		163,487		
- FOREIGN INVESTMENTS		1,215,211		
EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES		(2,143,108)		
TOTAL FAIR VALUE OF LOCAL AND FOREIGN UNQUOTED FIXED INCOME SECURITIES				
		35,012,693		

Unquoted fixed income securities that are not rated as at the date of statement of financial position.

The unquoted fixed income securities have an effective weighted average interest rate of 7.07% per annum and an average maturity of 3 years as at 31 January 2011.

11. UNQUOTED FIXED INCOME SECURITIES

Name of issuer	Nominal Value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
As at 31 January 2010				
UNQUOTED FIXED INCOME SECURITIES - FOREIGN				
AUSTRALIA				
CFS Retail Property Trust 5.075% 21/08/2014 (A)	2,582,032	2,244,511	2,965,178	4.58
HONG KONG				
Xinao Gas Holdings Limited 7.375% 05/08/2012 (Ba2)	2,364,408	2,193,290	2,336,329	3.61
INDONESIA				
Indonesia Government 14.50% 15/12/2010 (Ba2)	1,700,000	1,777,100	1,933,255	2.99
Indonesia Recapital Bond 15.425% 15/09/2010 (BB+)	688,400	720,151	769,649	1.19
	2,388,400	2,497,251	2,702,904	4.18
UNITED STATES				
Wilmar International Ltd 0% 18/12/2012 #	1,839,649	1,778,681	2,276,400	3.52
SINGAPORE				
Capitamall Trust 1.00% 02/07/2013 #	1,203,097	1,112,129	1,263,999	1.95
DBS Group Holdings Limited 7.657% 15/03/2011 (A)	10,791,297	10,199,360	10,496,951	16.21
Parkson Retail Group 7.125% 30/05/2012 (Ba1)	3,521,999	3,322,442	3,498,643	5.40
	15,516,393	14,633,931	15,259,593	23.56

11. UNQUOTED FIXED INCOME SECURITIES (CONTINUED)

Name of issuer	Nominal Value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
TOTAL UNQUOTED FIXED INCOME SECURITIES – FOREIGN	24,690,882	23,347,664	25,540,404	39.45

Name of issuer	Nominal Value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
As at 31 January 2010				

UNQUOTED FIXED INCOME SECURITIES – LOCAL

Berjaya Land Berhad 8.00% 15/08/2011 (A)	5,000,000	4,987,596	5,244,500	8.10
Hyundai Capital Services 5.50% 20/05/2011 (AA1)	6,000,000	5,817,472	6,061,800	9.36
IOI Corporation Berhad -Resources 0% 15/01/2013 #	3,647,439	3,338,860	3,417,240	5.28
Paka Capital Limited 0% 12/03/2013 #	5,405,109	5,073,085	5,271,466	8.14
Petronas Global Sukuk Lt 4.25% 12/08/2014 (A1)	3,507,500	3,503,315	3,442,444	5.32
SBB Capital Corporation 6.62% 02/11/2015 (Ba3)	3,516,999	2,991,595	3,240,128	5.00
YTL Corporation Bhd 0% 15/05/2012 #	7,067,083	7,087,445	7,339,930	11.34
TOTAL UNQUOTED FIXED INCOME SECURITIES - LOCAL	34,144,130	32,799,368	34,017,508	52.54
TOTAL UNQUOTED FIXED INCOME SECURITIES	58,835,012	56,147,032	59,557,912	91.99

FAIR VALUE RESERVE:

- LOCAL INVESTMENTS	501,232
- FOREIGN INVESTMENTS	4,240,478
EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES	(1,330,830)

TOTAL FAIR VALUE OF LOCAL AND FOREIGN UNQUOTED FIXED INCOME SECURITIES
59,557,912

Unquoted fixed income securities that are not rated as at the date of statement of assets and liabilities.

12. CASH AND CASH EQUIVALENTS

	2011 RM	2010 RM
Bank balances in a licensed bank	3,657,734	731,000
Deposits with licensed financial institutions	3,429,670	3,984,083
	-----	-----
	7,087,404	4,625,083
	-----	-----

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

	2011 RM	2010 RM
- US Dollar	3,397,668	3,761,623
- Ringgit Malaysia	3,677,952	751,333
- Indonesian Rupiah	16	112,127
- Singapore Dollar	11,768	-
	-----	-----
	7,087,404	4,625,083
	-----	-----

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

	2011 %	2010 %
Deposits with licensed financial institutions	3.27	2.00

Deposits with licensed financial institutions of the Fund have an average maturity of 4 days (2010: 2 days).

13. INTEREST RECEIVABLE

	2011 RM	2010 RM
Interest receivable from unquoted fixed income securities	-	120
Interest receivable from deposits with licensed financial institutions	-	941,185
	-----	-----
	-	941,305
	-----	-----

The currency exposure profile of interest receivable is as follows:

	2011 RM	2010 RM
- US Dollar	-	540,210
- Ringgit Malaysia	-	250,232
- Indonesian Rupiah	-	77,897
- Australian Dollar	-	67,858
- Singapore Dollar	-	5,108
	-----	-----
	-	941,305
	-----	-----

14. DERIVATIVE ASSETS/(LIABILITIES)

As at the date of statement of financial position, there are six forward currency contracts outstanding.

The notional principal amount of the outstanding forward currency contracts amounted to RM33,078,000 (2010:RM34,386,960).

The forward currency contracts entered into during the financial year was for hedging against the currency exposure arising from the unquoted investments denominated in USD.

As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward currency contracts is recognised immediately in the statement of comprehensive income.

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

	2011		15.01.2009 (date of commencement) to 31.01.2010	
	No. of units	RM	No. of units	RM
At beginning of the financial year	56,628,000	64,717,299	-	-
Creation arising from applications	-	-	66,867,000	66,867,000
Cancellation of units	(20,037,281)	(23,142,806)	(10,239,000)	(11,199,497)
Total comprehensive income for the financial year	-	2,264,157	-	4,308,086
Net change in fair value reserve	-	-	-	4,741,710
	-----	-----	-----	-----
At end of the financial year	36,590,719	43,838,650	56,628,000	64,717,299
	-----	-----	-----	-----
Approved size of Fund	200,000,000		200,000,000	
	-----		-----	

As at 31 January 2011, the number of units not yet issued is 163,409,281 (2010: 143,372,000)

16. MANAGEMENT EXPENSE RATIO (“MER”)

	2011	15.01.2009 (date of commencement) to 31.01.2010
	%	%
MER	1.38 -----	1.22 -----

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee’s fee
- C = Auditors’ remuneration
- D = Tax agent’s fee
- E = Transactions costs
- 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 RM51,000,141 (2010: RM67,436,787).

17. PORTFOLIO TURNOVER RATIO (“PTR”)

	2011	15.01.2009 (date of commencement) to 31.01.2010
PTR (times)	0.36 -----	0.70 -----

PTR is derived from the following calculation:

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

Where:

- total acquisition for the financial year = RM7,701,367 (2010: RM78,805,220)
- total disposal for the financial year = RM29,252,823 (2010: RM15,620,920)

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

Unit held by the Manager and parties related to the Manager

Manager	No. of units	2011 RM	No. of units	2010 RM
CIMB-Principal Asset Management Berhad (The units are held beneficially by the Manager for booking purposes)	44,150	52,905	70,645	80,733
	-----	-----	-----	-----

The above units were transacted at the prevailing market price.

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

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

	2011 RM	2010 RM
Significant related party transactions		
Interest income from deposits with licensed financial institution:		
- CIMB Bank Berhad	4,116	43,810
	-----	-----
<u>Significant related party balances</u>		
Deposits with licensed financial institution:		
- CIMB Bank Berhad	1,000,302	-
	-----	-----

19. TRANSACTIONS WITH BROKERS / DEALERS

Transactions entered into by the Fund by value of trades for the financial year ended 31 January 2011 are as follows:

Brokers / dealers	Value of trades RM	Percentage of total trades %
Standard Chartered Bank	9,868,025	29.12
Nomura Sec Singapore Pte Ltd	5,164,166	15.24
Morgan Stanley	3,995,116	11.79
Credit Suisse Sec (S) Pte Ltd	3,661,528	10.80
Credit Suisse Se HK Ltd	3,489,362	10.30
CIMB Bank Labuan#	3,475,326	10.25
Citi Bank Berhad #	1,433,511	4.23
RHB Investment Bank Berhad	1,029,093	3.04
OSK Investment Bank Berhad	1,013,315	2.99
Deutsche Bank M Berhad	763,375	2.24
	<u>33,892,817</u>	<u>100.00</u>

Included in transactions by the Fund are trades conducted on normal terms with CIMB Bank Berhad and CIMB Bank Labuan, companies related to the Manager amounting to RM1,433,511 and RM3,475,326 respectively.

Transactions entered into by the Fund by value of trades for the financial period ended 31 January 2010 are as follows:

Brokers / dealers	Value of trades RM	Percentage of total trades %
JPMorgan Securities M Sdn Bhd	22,633,662	23.78
OCBC Bank M Bhd	20,328,182	21.35
AmlInvestment Bank Bhd	10,958,050	11.51
Exane Derivatives	10,451,939	10.98
Maybank Investment Bank Bhd	7,910,247	8.31
CIMB Investment Bank Bhd #	6,030,000	6.33
CIMB Bank Bhd #	3,545,970	3.72
CIMB Bank Labuan #	3,502,975	3.68
Standard Chartered Bank Bhd	2,963,072	3.12
CITICORP Securities TH Limited	1,836,000	1.93
Others	5,036,826	5.29
	<u>95,196,923</u>	<u>100.00</u>

Included in transactions by the Fund are trades conducted on normal terms with CIMB Investment Bank Bhd, CIMB Bank Bhd and CIMB Bank Labuan, companies related to the Manager amounting to RM6,030,000 ,RM3,545,970 and RM3,502,975 respectively.

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:

For the year ended 31 January 2011 and 31 January 2010:

	Unquoted investments portfolio	
	2011	2010
	RM	RM
Net realised gain on sale of financial assets at fair value through profit or loss	1,892,822	987,519
Unrealised gain on financial assets at fair value through profit or loss	(3,363,012)	-
Net foreign currency exchange gain	(33,320)	529,883
Interest income from unquoted fixed income securities	3,579,240	2,125,391
Net accretion of discount	-	1,024,475
Total segment income	2,075,730	4,667,268
Financial assets at fair value through profit or loss	35,012,693	59,557,912
Amount due from dealers	1,553,066	-
Total segment assets	36,565,759	59,557,912
Total segment liabilities	-	-

21. SEGMENT INFORMATION

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

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

	2011	2010
	RM	RM
Total segmental income	2,075,730	4,667,268
Interest income from deposits with licensed financial institutions	20,830	236,319
Other income	470,664	328,608
Net fair value gain / (loss) on derivative assets	531,340	(13,640)
Other fees and expenses	(719,178)	(821,202)
Net profit before taxation	2,379,386	4,397,353
Taxation	(103,588)	(89,267)
Net profit after taxation and total comprehensive income	2,275,798	4,308,086

21. SEGMENT INFORMATION (CONTINUED)

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

	2011	2010
	RM	RM
Total segment assets	36,565,759	59,557,912
Cash and cash equivalents	7,087,404	4,625,083
Derivative assets	517,700	-
Interest receivable	-	941,305
Other Receivable	22,488	141,567
Total assets	<u>44,193,351</u>	<u>65,265,867</u>
Total segment liabilities	-	-
Amount due to manager	170,641	391,518
Derivative liabilities	-	13,640
Amount due to trustee	2,968	4,114
Accrued management fee	46,607	61,769
Tax payable	101,844	63,527
Other payables and accrued expenses	21,000	14,000
Total liabilities	<u>343,060</u>	<u>548,568</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.

22. 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.

22. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

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 February 2010</u>			
Statement of Financial Position			
Financial liability	64,717,299	(64,717,299)	-
Unitholders' capital	-	55,667,503	55,667,503
Retained earnings	-	4,308,086	4,308,086
Fair value reserve	-	4,741,710	4,741,710
	<u>64,717,299</u>	<u>64,717,299</u>	<u>64,717,299</u>

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

	Previous accounting policy	Change in accounting policy	Revised accounting policy
	RM	RM	RM
Statement of financial position			
Financial liability	43,850,291	(43,850,291)	-
Unitholders' capital	-	32,524,697	32,524,697
Retained earnings	-	9,946,896	9,946,896
Fair value reserve	-	1,378,698	1,378,698
	<u>43,850,291</u>	<u>43,850,291</u>	<u>43,850,291</u>

22. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

<u>1 February 2010</u>	As restated after adoption of amendments to FRS 132 (Note 22(a)) RM	Adjustment RM	As restated RM
Unitholders' capital	55,667,503	-	55,667,503
Retained earnings	4,308,086	4,741,710	9,049,796
Fair value reserve	4,741,710	(4,741,710)	-
	<u>64,717,299</u>	<u>-</u>	<u>64,717,299</u>

22. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

Effect of changes in accounting policy on the statement of financial position as at 31 January 2011 and statement of comprehensive income for the financial year ended 31 January 2011 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	-	35,012,693	35,012,693
Unquoted fixed income securities	34,224,597	(34,224,597)	-
Deposits with licensed financial institutons	3,657,000	734	3,657,734
Interest receivable from unquoted fixed income securities	788,096	(788,096)	-
Interest receivable from deposits with licensed financial insitutions	734	(734)	-
Fair value reserve	<u>(481,214)</u>	<u>481,214</u>	<u>-</u>
 Statement of Comprehensive Income			
Interest income from unquoted fixed income securities	2,445,432	1,133,808	3,579,240
Net unrealised gain on financial assets at fair value through profit or loss	-	(3,363,012)	(3,363,012)
Net accretion of discount	1,133,808	(1,133,808)	-
Total comprehensive income for the financial year	<u>5,627,169</u>	<u>(3,363,012)</u>	<u>2,275,798</u>

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Head office of the Manager

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04-3702156
- 23 & 23A Jalan Harimau Tarum
Taman Century, 80250 Johor Bahru, Johor. 07-3341748
- 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
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Jalan Tengku Petra Semerak,
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09-7471190
- 30A, First Floor, Persiaran Greentown 1,
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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,
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- 61, Jalan Melaka Raya 24, Taman Melaka Raya, 75000 Melaka. 06-2811111
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• 18A, Tingkat Taman Ipoh 6, Ipoh Garden South, 31400 Ipoh, Perak.	05-5453343
• 75-76, Taman Aman Muhibbah, Jalan Kampung Sitiawan, 32000 Sitiawan, Perak.	05-6917761
• 32-3, 3rd Floor Jalan 1/27F, KL Satellite Centre (KLSC), Wangsa Maju, Section 5, 53300 Kuala Lumpur.	03-41422911
• 92B, Jalan Burhanuddin Helmi, Taman Tun Dr Ismail, 60000 Kuala Lumpur.	03-77276603
• Suite B-12-12, Plaza Mont Kiara, No 2, Jalan 1/70C Mont Kiara, 50480 Kuala Lumpur.	03-62035035
• Suite 3A-3 Wisma W.I.M., No 7, Jalan Abang Haji Openg, Taman Tun Dr Ismail, 60000 Kuala Lumpur.	03-77108916
• No 131A, 1st Floor, Jalan SS 17/1A, Subang Jaya, 47500 Selangor.	03-56210788
• Unit 113 & 213, Block C, Daman sara Intan, 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor.	03-71182234
• A-2-1, Block A, 8 Jalan PJU 1A/20A, Dataran Ara Damansara, 47301 Petaling Jaya, Selangor.	03-78430506
• Lot C-615 & Lot C -616, Level 6, Block C, Kelana Square, 17, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor.	03-78806893
• 11A-3A, 3rd Floor, Mayang Plaza, Jalan SS26/4, Taman Mayang Jaya, 47301 Petaling Jaya, Selangor.	03-78033718
• A-2-3, Block A, 8 Jalan PJU 1A/20A, Dataran Ara Damansara, 47301 Petaling Jaya, Selangor.	03-78430503
• C-3-2A Taman Kasturi, Cheras, 43000 Selangor.	03-90743870
• 43-2 Jalan Wangsa Setia 1, Wangsa Melawati, 53300 Kuala Lumpur.	03-41490355
• 2-6A Jalan PJU 8/3A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor.	03-77256320
• Block E-03A 1st & 2nd Floor, Dataran Glomac, Kelana Jaya, 47301 Selangor.	03-78807082
• 12A-3 (2nd Floor), Block C Jalan PJU 5/17, Dataran Sunway, Kota Damansara, 47810 Selangor.	03-61416369
• Room No 203, 2nd Floor Lai Piang Kee Building, Jalan Pryer, 90000 Sandakan, Sabah.	089-213851
• 1st Floor, Lot 52, Block F, Jati Commercial Centre, P.O.Box 81677, 87026 Labuan Federal Territory.	087-428303
• 15A, Jalan Ruby, 96000 Sibu, Sarawak.	084-325515