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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.

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

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

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

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

**INVESTOR LETTER (CONTINUED)**

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

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

Yours sincerely

**Campbell Tupling**

*Chief Executive*

*CIMB-Principal Asset Management Berhad*

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<sup>1</sup> End December 2009

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

## MANAGER'S REPORT

### **What is the investment objective of the Fund?**

To achieve long term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

### **Has the Fund achieved its objective?**

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

### **What are the Fund investment policy and its strategy?**

The Fund is predominantly an equity fund which invests through shares listed in the stock exchanges in the emerging and developed markets of Asia Pacific ex Japan, i.e. Hong Kong SAR, Taiwan, Korea, China, Indonesia, Malaysia, India, Thailand, the Philippines, Sri Lanka, Singapore, Australia and New Zealand. 70% - 98% of the NAV of the Fund can be invested in Shariah-compliant equities, Shariah-compliant warrants, Shariah-compliant options or other Shariah-compliant stock purchase rights, participation in Shariah-compliant mutual funds and other interests in Shariah-compliant collective investment schemes which are permitted under the SC Guidelines. Up to 30% of the Fund's NAV may also invest in Sukuk and Shariah-compliant deposits. For this Fund, the investments in Sukuk must satisfy a minimum rating requirement of at least a "BBB3" or "P2" rating by RAM or equivalent rating by MARC; "BB" by S&P or equivalent rating by Moody's or Fitch.

The Fund's policies on investment were carried out in accordance with the Deed.

### **Fund category/ type**

Equity (Shariah)/Growth

### **How long should you invest for?**

Recommended 5 years or more.

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

Moderate to High.

### **When was the Fund launched?**

2 June 2006.

### **What was the size of the Fund as at 30 April 2011?**

RM48.41 million (81.24 million units)

### **What is the Fund's benchmark?**

The Dow Jones Islamic Market Asia/Pacific ex Japan Index

### **What is the Fund distribution policy?**

Regular distributions are not the focus of this Fund. Distributions, if any, are at the discretion of the Manager.

### **What was the net income distribution for the financial period ended 30 April 2011?**

Consistent with its investment objective of maximizing capital growth, no distribution was declared for the financial year ended 30 April 2011.

**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the financial period are as follows:

	<b>30.04.2011</b>	<b>30.04.2010</b>	<b>30.04.2009</b>
	%	%	%
Quoted Shariah compliant Investments	93.42	95.93	93.81
Liquid assets and others	6.58	4.07	6.19
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	<b>30.04.2011</b>	<b>30.04.2010</b>	<b>30.04.2009</b>
Net Asset Value (RM million)	48.41	58.69	41.38
Units In circulation (Million)	81.24	101.65	97.68
Net Asset Value per Unit (RM)*	0.5959	0.5773	0.4234
Highest price (RM)*	0.6076	0.6202	0.5547
Lowest price (RM)*	0.4970	0.3373	0.3208
Total return (%)	3.15	36.54	-19.60
-capital (%)	3.15	36.54	-19.60
-income (%)	-	-	-
Management Expenses Ratio (%)	3.34	2.15	12.22
Portfolio Turnover Ratio (times)#	1.46	1.91	2.52

\*Above figures are ex-distribution

# The portfolio turnover ratio fell from the previous financial year's 1.9x to 1.4x due to fewer trades needed to properly position the portfolio.

<b>Period</b>	<b>Total return (%)</b>	<b>Annualised (%)</b>
1 Year	3.15	3.15
3 Years	13.24	4.23
Since inception	25.22	4.68

( Launch date : 2 June 2006)

	<b>01.05.2010 - 30.04.2011</b>	<b>01.05.2009 - 30.04.2010</b>	<b>01.05.2008 - 30.04.2009</b>	<b>01.05.2007 - 30.04.2008</b>	<b>Since Inception to 30.04.2007</b>
	%	%	%	%	%
Annual total return (%)	3.15	36.54	(19.60)	(0.38)	12.16

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

**MARKET REVIEW**

The Dow Jones Islamic Asia Pacific-ex Japan Index rose 10% in Ringgit terms during the period under review with Australia, Korea, Indonesia and Taiwan outperforming HK, China and India.

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

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

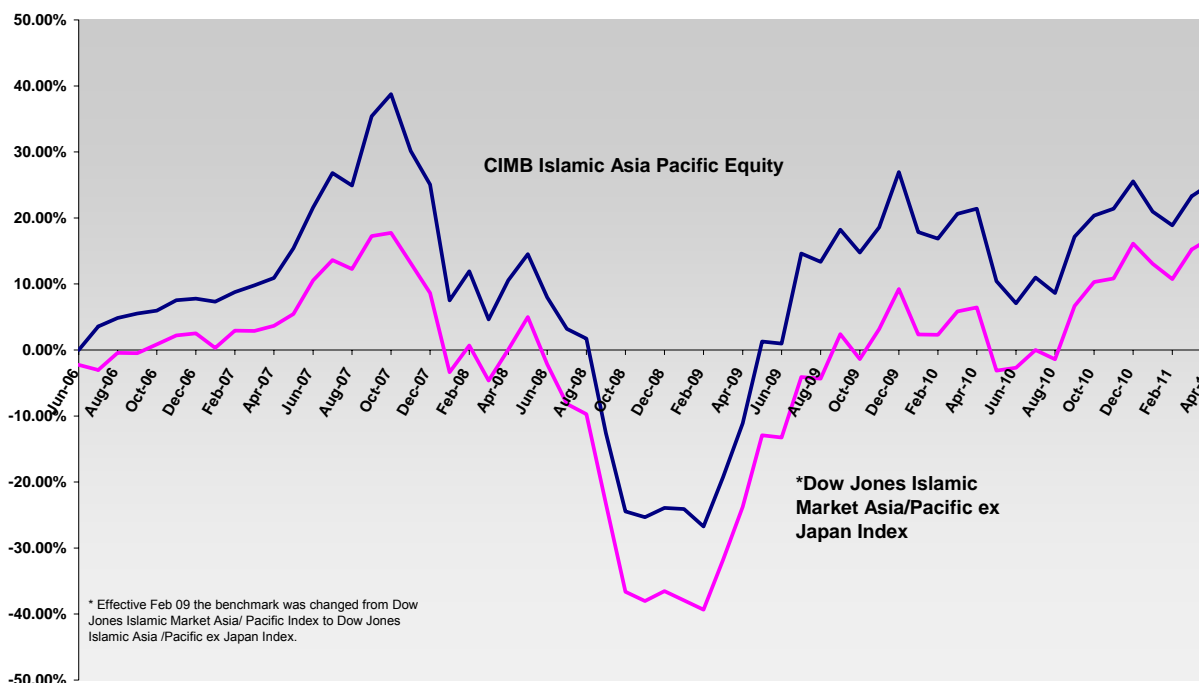
In 1Q11, the Japan earthquake, tsunami and nuclear incident on 11<sup>th</sup> March affected sentiment in Asian markets but only temporarily. The Bank of Japan poured liquidity into the financial system and doubled the size of its asset purchase plan to stabilize markets. India and Korea were the best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

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

FUND PERFORMANCE

	1 Year to 30/04/2011	3 Years to 30/04/2009	Since inception to 30.04.2011
Income	-	-	-
Capital	3.15	13.24	25.22
Total Return	3.15	13.24	25.22
Benchmark	9.90	16.92	17.00
Average Total Return	3.15	4.23	4.68

For the 1 year to end April 2011, the fund had a return of 3.15% lagging the benchmark by 6.75%. The underperformance was due to mainly to stock selections underperforming the benchmark.



Changes in Net Asset Value (“NAV”)

	30.04.2011	30.04.2010	Changes (%)
Net Asset Value (“NAV”) (RM)	48.41	58.69	(17.52)
Published NAV / unit (RM)	0.5959	0.5773	3.22

The NAV/unit gained 3.22% due mainly to capital appreciation of the investments held by the fund. However, the Net Asset Value of the fund fell by 17.52% to RM48.41m due redemptions.

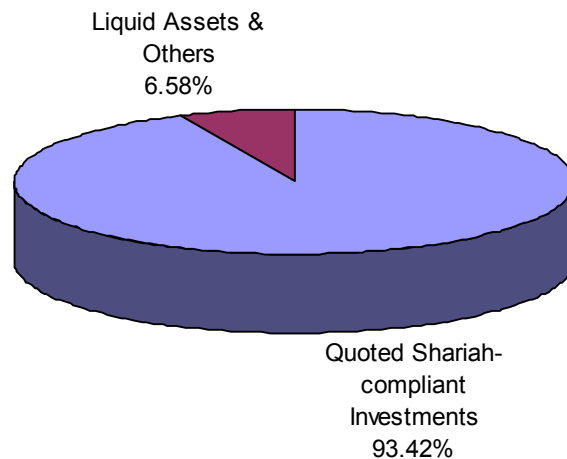
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance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

**PORTFOLIO STRUCTURE**

**Asset allocation**

(% of NAV)	30.04.2011	30.04.2010
Quoted Shariah-compliant Investments	93.42	95.93
Liquid Assets & Others	6.58	4.07
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The asset allocation to equities has remained similar compared with last year. We remain highly invested in equities.



**MARKET OUTLOOK**

Global economic growth is losing its momentum and appear to be entering a soft patch. In the US - the end of QE2 is putting monetary policy on hold. We do not expect meaningful action on the US fiscal challenge before the election - the problem is more political than economic. Europe's debt crisis will linger on. An extension of the bailout package will reduce the odds of a debt restructuring. Asian central banks remain focused on core inflation risks, although there are signs of economic growth moderating. Asia credit growth is rebounding as consumer and corporate confidence further strengthen in the region. Concerns of over-tightening in China have given rise to fears of a hard landing – an unlikely scenario in our view.

**INVESTMENT STRATEGY**

We remain constructive on Asian Equities for 2H 2011, despite the markets facing headwinds from macro risks in the coming quarter. As global growth momentum slows, we believe high growth stocks will remain in favor for their structural growth characteristics in a slowing growth environment. In addition, growth companies that have steady cash flows and above average dividend yield are likely to perform well as bond yields remain low. Hence, our portfolios would be invested mainly in high growth stocks and steady growth stocks with above average dividend yield. We would be under-weighted cyclical stocks and defensive stocks, in view of the current cyclical uncertainties and policy risks.

**UNIT HOLDING STATISTICS**

Breakdown of unit holdings by size as at 30 April 2011 are as follows:

<b>Size of holdings(units)</b>	<b>No. of unitholders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	4,014	0.99	1.22
5,001-10,000	308	2.38	2.93
10,001-50,000	751	16.65	20.49
50,001-500,000	124	13.73	16.90
Above 500,000	14	47.49	58.46
<b>Total</b>	<b>5,211</b>	<b>81.24</b>	<b>100</b>

**SOFT COMMISSIONS AND REBATES**

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

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

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

**STATEMENT BY MANAGER TO THE UNITHOLDERS OF  
CIMB ISLAMIC ASIA PACIFIC EQUITY FUND**

I, being the Director of CIMB-Principal Asset Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 14 to 50 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the state of affairs of the Fund as at 30 April 2011 and of the results, changes in net assets attributable to unitholders and cash flows of the Fund 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

30 June 2011

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

We have acted as Trustee of **CIMB Islamic Asia Pacific Equity Fund** ("the Fund") for the financial year ended 30 April 2011. To the best of our knowledge, **CIMB-Principal Asset Management Berhad**, ("the Management Company"), has operated and managed the Fund in accordance with the following:-

- a) limitations imposed on the investment powers of the Management Company 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) valuation/pricing is carried out in accordance with the Deed and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

For HSBC (Malaysia) Trustee Berhad

**TAN BEE NIE**  
Head, Trustee Operations

Kuala Lumpur  
30 June 2011

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

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

In our opinion, CIMB-Principal Asset Management Berhad has managed and administered CIMB Islamic Asia Pacific Equity Fund in accordance with Shariah and complied with applicable guidelines, rulings or decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 30 April 2011.

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

For and on-behalf of Shariah Adviser **CIMB Islamic Bank Berhad**

**ABDUL GHANI ENDUT**

Head Shariah Department/Designated Person Responsible for Shariah Advisory,

Kuala Lumpur  
30 June 2011

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CIMB Islamic Asia Pacific Equity Fund, which comprise the statement of financial position as at 30 April 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 50.

The Manager's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia 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 30 April 2011 and of its financial performance, changes in equity and cash flows for the financial year then ended.

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

**OTHER MATTERS**

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

**PRICEWATERHOUSECOOPERS**  
(No. AF: 1146)  
Chartered Accountants

Kuala Lumpur  
30 June 2011

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011**

		<b>2011</b>	<b>2010</b>
	<b>Note</b>	<b>RM</b>	<b>As restated RM</b>
<b>NET INVESTMENT INCOME</b>			
Dividend income		1,150,274	1,375,355
Profit and Hibah earned		13,207	9,556
Net realised gain on sale of financial assets at fair value through profit or loss		4,302,952	12,030,553
Unrealised capital loss on financial assets at fair value through profit or loss		(937,146)	-
Net foreign currency exchange loss		(794,832)	(655,575)
		<u>3,734,455</u>	<u>12,759,889</u>
<b>EXPENSES</b>			
Management fee	4	969,642	1,050,829
Trustee's and custodian fees	5	148,813	146,008
Transaction cost		592,244	-
Audit fee		6,100	6,100
Tax agent's fee		27,531	16,238
Payment made to Charitable Bodies	6	10,939	-
Other expenses		46,043	31,336
		<u>1,801,312</u>	<u>1,250,511</u>
<b>NET PROFIT BEFORE TAXATION</b>		<b>1,933,143</b>	<b>11,509,378</b>
TAXATION	7	(211,913)	(559,437)
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b><u>1,721,230</u></b>	<b><u>10,949,941</u></b>
Net income after taxation is made up as follows:			
Realised amount		1,621,113	12,054,378
Unrealised amount		100,117	(1,104,437)
		<u>1,721,230</u>	<u>10,949,941</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 APRIL 2011**

	Note	2011 RM	2010 As restated RM	2009 As restated RM
<b>INVESTMENTS</b>				
Financial assets at fair value through profit or loss	8	45,223,926	-	-
Quoted investments	9	-	56,373,054	38,815,376
		<u>45,223,926</u>	<u>56,373,054</u>	<u>38,815,376</u>
<b>LIQUID ASSETS</b>				
Bank balance in a licensed Bank	10	3,440,455	3,237,581	4,097,131
		<u>3,440,455</u>	<u>3,237,581</u>	<u>4,097,131</u>
<b>OTHER ASSETS</b>				
Amount due from stockbrokers	11	1,648,007	275,504	459,456
Amount due from Manager		78,959	530,844	17,086
Dividends receivable	12	141,579	18,531	53,725
Tax recoverable		3,533	3,533	51,850
		<u>1,872,078</u>	<u>828,412</u>	<u>582,117</u>
<b>TOTAL ASSETS</b>		<u>50,536,459</u>	<u>60,439,047</u>	<u>43,494,624</u>
<b>LIABILITIES</b>				
Amount due to stockbrokers	13	1,678,861	1,171,079	2,075,201
Amount due to Manager		341,941	466,878	52,731
Accrued management fee		71,032	90,625	58,792
Amount due to Trustee		2,762	3,524	2,286
Other payable and accruals		30,961	19,588	26,893
<b>TOTAL LIABILITIES</b>		<u>2,125,557</u>	<u>1,751,694</u>	<u>2,215,903</u>
<b>NET ASSET VALUE OF THE FUND</b>	14	<u>48,410,902</u>	<u>58,687,353</u>	<u>41,278,721</u>
<b>EQUITY</b>				
Unitholders' capital		28,440,049	40,437,730	38,985,898
Retained earnings/(accumulated losses)		19,970,853	10,510,616	(439,325)
Fair value reserve		-	7,739,007	2,732,148
<b>NET ASSET ATTRIBUTABLE TO UNITHOLDERS</b>		<u>48,410,902</u>	<u>58,687,353</u>	<u>41,278,721</u>
<b>Number of units in circulation</b>	14	<u>81,237,817</u>	<u>101,648,027</u>	<u>97,678,027</u>
<b>Net asset value per unit (RM)</b>		<u>0.5959</u>	<u>0.5773</u>	<u>0.4226</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011**

	<b>Note</b>	<b>Unitholders' capital RM</b>	<b>Retained earnings RM</b>	<b>Fair value reserve RM</b>	<b>Total RM</b>
<b>Balance as at 1 May 2010, as previously stated</b>		-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132	20(a)	40,437,730	10,510,616	7,739,007	58,687,353
Balance as at 1 May 2010, restated after adoption of amendments to FRS 132		40,437,730	10,510,616	7,739,007	58,687,353
Adjustment for adoption of FRS 139	20(b)	-	7,739,007	(7,739,007)	-
Balance as at 1 May 2010, restated after adoption of FRS 139		40,437,730	18,249,623	-	58,687,353
<b>Movement in unitholders' contribution:</b>					
Creation of units arising from applications		16,760,517	-	-	16,760,517
Cancellation of units		(28,758,198)	-	-	(28,758,198)
Total comprehensive income for the financial year		-	1,721,230	-	1,721,230
Balance as at 30 April 2011, restated		28,440,049	19,970,853	-	48,410,902

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011 (CONTINUED)**

	Note	Unitholders' capital RM	Retained earnings/ (accumulated losses) RM	Fair value reserve RM	Total RM
Balance as at 1 May 2009, as previously stated		-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132	20(a)	38,985,898	(439,325)	2,732,148	41,278,721
Balance as at 1 May 2009, restated after adoption of amendments to FRS 132		38,985,898	(439,325)	2,732,148	41,278,721
Movement in unitholders' contribution:					
Creation of units arising from applications		28,405,845	-	-	28,405,845
Cancellation of units		(26,954,013)	-	-	(26,954,013)
Total comprehensive income for the financial year		-	10,949,941	-	10,949,941
Change in fair value reserve		-	-	5,006,859	5,006,859
Balance as at 30 April 2010, restated		40,437,730	10,510,616	7,739,007	58,687,353

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR 30 APRIL 2011**

	Note	2011 RM	2010 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		86,927,325	116,854,906
Purchase of Shariah-compliant investments		(72,634,603)	(118,770,947)
Profit income and hibah received		13,207	9,556
Dividend received		1,027,226	1,029,183
Management fee paid		(989,235)	(1,018,996)
Trustee and custodian fees paid		(149,575)	(144,770)
Payment for other fees and expenses		(79,240)	(60,979)
Net realised foreign currency exchange (loss)/gain		(1,832,096)	448,862
Tax refund		-	40,411
Foreign tax paid		(211,913)	(461,650)
Net cash inflow/(outflow) from operating and investing activities		<u>12,071,096</u>	<u>(2,074,424)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from unit created		17,212,402	27,892,087
Payment for cancellation of units		(28,883,135)	(26,539,866)
Net cash (outflow)/ inflow from financing activities		<u>(11,670,733)</u>	<u>1,352,221</u>
Net increase/(decrease) in cash and cash equivalents		400,363	(722,203)
Effect of foreign currency exchange		(197,489)	(137,347)
Cash and cash equivalents at the beginning of the financial year		<u>3,237,581</u>	<u>4,097,131</u>
Cash and cash equivalents at the end of the financial year	10	<u>3,440,455</u>	<u>3,237,581</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011****1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY**

CIMB Islamic Asia Pacific Equity Fund (“the Fund”) is governed by a Principal Master Deed dated 15<sup>th</sup> May 2008, a Third Supplemental Master Deed dated 25<sup>th</sup> June 2008, a Sixth Supplemental Master Deed dated 14<sup>th</sup> July 2008, a Seventh Supplemental Master Deed dated 19<sup>th</sup> November 2008 and an Eighth Supplemental Deed dated 26 December 2008 (collectively referred to as “the Deeds”), made between CIMB-Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad.

The principal activity of the Fund is to invest in ‘Permitted Investments’ as defined in Clause 17 and Schedule 5 of the Deed, which invests through shares listed in the stock exchanges in the emerging and developed markets of Asia Pacific ex Japan, which can be invested in Shariah-compliant shares, stocks, warrants, options or the stock purchase rights, participation in mutual funds and other interests in collective investment schemes which are permitted under Securities Commission’s (“SC”) Guidelines on Unit Trust Funds, and may also invest into Shariah-compliant profit sharing debt instruments and deposits. The Fund commenced operations on 2 June 2006 and will continue its operation until terminated by the Manager, as provided under Clause 25 of the Deed.

The main objective of the Fund is to invest up to 70% - 98% in Shariah-compliant, stocks, warrants, options or other stock purchase rights, participation in mutual funds and other interests in collective investments schemes which are permitted under the SC Guidelines on Unit Trust Funds. Up to 30% of the Fund may also invest into Shariah-compliant profit sharing debt instruments and deposits.

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

The Manager, a company incorporated in Malaysia, is 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 applied 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 judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

- (i) Standards, amendments and interpretations to published standards that are applicable and effective
- FRS 8 "Operating Segments" (effective from 1 July 2009) replaces FRS 114<sub>2004</sub> 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

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

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

**(a) Basis of preparation (continued)**

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

- 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 derivatives in its balance sheet as either assets or liabilities 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. Because all derivatives, other than those that are designated hedging instruments, are considered held for trading, the unrealised gains or losses transferred to the fair value reserve in the previous financial period shall be recognised as an adjustment of the balance of retained earnings at the beginning of the financial period in which this Standard is initially applied (other than for a derivative that is a designated hedging instrument).

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

- (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.

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

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

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

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

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

Recognition and measurement

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

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

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Gains or losses arising from changes in fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income.

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

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

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

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

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

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

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

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

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

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

**(c) Income recognition**

Profit income earned from Shariah-compliant deposits is recognised based on effective profit rate method on an accrual basis.

Dividend income is recognised on the ex-dividend date.

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

**(d) Functional and presentation currency**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(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 returned to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The outstanding units are carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

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

**(f) Cash and cash equivalents (Shariah-compliant)**

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 amounts of cash and which are subject to an insignificant risk of changes in value.

**(g) Taxation**

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

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

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(i) Foreign currency translation**

Foreign currency assets and liabilities are translated into Ringgit Malaysia at the rates ruling on the statement of financial position date. Transactions during the financial year are converted into Ringgit Malaysia at the rates of exchange ruling on respective transaction dates. Differences on exchange are included in the statement of comprehensive income.

**(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) Transaction costs**

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

**(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 geographical 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)

(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 on the statement of financial position date.

Financial instruments as at 30 April 2011 are as follows:

	Financing and receivables RM	Financial assets at fair value through profit or loss RM	Total RM
Financial assets at fair value through profit or loss (Note 8)	-	45,223,926	45,223,926
Cash and cash equivalents (Note 10)	3,440,455	-	3,440,455
Amount due from stockbrokers	1,648,007	-	1,648,007
Amount due from Manager	78,959	-	78,959
Dividend receivable	141,579	-	141,579
Tax recoverable	3,533	-	3,533
	<u>5,312,533</u>	<u>45,223,926</u>	<u>50,536,459</u>

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

(n) 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 statement of financial position date, and the reported amounts of income and expenses during the reported financial year. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results may differ from those estimates.

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

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

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is predominantly an equity fund which invests through shares listed in the stock exchanges in the emerging and developed markets of Asia Pacific ex Japan, i.e: Hong Kong SAR, Taiwan, Korea, China, Indonesia, Malaysia, India, Thailand, the Philippines, Sri Lanka, Singapore, Australia and New Zealand. 70% - 98% of the NAV of the fund can be invested in Shariah-compliant equities.

The Fund is exposed to a variety of risks which include market risk (price risk, interest rate risk and currency risk), credit risk, liquidity risk, single issuer risk, status risk arising from the financial instruments it holds and capital risk management.

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**

Any purchase of securities will involve an element of risk. The value of securities may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's net asset value and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The market risk is managed through portfolio diversification and asset allocation whereby the equity exposure will be reduced in the event of anticipated market weakness.

**(i) Price risk**

Price risk is the risk that the fair value of a Shariah-compliant quoted investment 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.

As at 30 April 2011, the Fund's overall exposure to price risk was as follows:

	<b>2011</b>
	<b>RM</b>
Financial assets at fair value through profit or loss	<u>45,223,926</u>

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of quoted securities as at 30 April 2011. The analysis is based on the assumptions that the price of the quoted securities fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

% Change in price of quoted securities	Market Value RM	Change in net asset value RM
-5%	42,962,730	(2,261,196)
0%	45,223,926	-
5%	47,485,122	2,261,196

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Market risk (continued)

(ii) Interest rate risk

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

Interest rate is a general economic indicator that will have an impact on the management of the Fund. It does not in any way suggest that this Fund is invested in conventional financial instruments.

As at 30 April 2011, the Fund does not hold any financial instruments that expose it to interest rate risk.

(iii) Currency risk

Part of the Shariah-compliant quoted investments is denominated in foreign currencies. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely direction of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations. The following table sets out the foreign currency risk concentrations of the Fund as at 30 April 2011.

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Other assets RM	Total RM
AUD	9,092,501	-	-	9,092,501
HKD	8,030,951	-	1,180,624	9,211,575
IDR	1,957,945	-	-	1,957,945
INR	4,455,026	674,225	490,442	5,619,693
KRW	9,914,764	-	-	9,914,764
SGD	3,367,943	-	109,538	3,477,481
THB	-	-	8,982	8,982
TWD	7,241,012	932,733	-	8,173,745
USD	1,163,784	1,525,359	-	2,689,143
<b>Total</b>	<b>45,223,926</b>	<b>3,132,317</b>	<b>1,789,586</b>	<b>50,145,829</b>

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES

#### (a) Market risk (continued)

##### (iii) Currency risk (continued)

The table below summarises the sensitivity of the Fund's fair value on Shariah-compliant quoted investments to changes in foreign exchange movements as at 30 April 2011. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate	Impact on net income before tax	Impact on net asset value
	%	RM	RM
AUD	5	454,625	454,625
HKD	5	460,579	460,579
IDR	5	97,897	97,897
INR	5	280,985	280,985
KRW	5	495,738	495,738
SGD	5	173,874	173,874
THB	5	449	449
TWD	5	408,687	408,687
USD	5	134,457	134,457
		<u>2,507,291</u>	<u>2,507,291</u>

#### (b) Credit risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of coupon, principals and proceeds from realisation of Shariah-compliant quoted investments. In the case of the Fund, 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 credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Securities Commission's Guidelines on Unit Trust Funds.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

(b) Credit risk (continued)

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

30 April 2011	Quoted Shariah-compliant investments RM	Cash balance and deposits RM	Other assets RM	Total RM
Basic Materials	11,669,664	-	17,435	11,687,099
Consumer	7,674,133	-	23,288	7,697,421
Finance	-	3,440,455	-	3,440,455
Industrials	9,717,365	-	98,983	9,816,348
Oil & Gas	5,224,129	-	-	5,224,129
Technology	8,347,586	-	1,648,006	9,995,592
Telecommunications	1,427,266	-	1,874	1,429,140
Trading and services	1,163,783	-	-	1,163,783
	<u>45,223,926</u>	<u>3,440,455</u>	<u>1,789,586</u>	<u>50,453,967</u>

All financial assets of the Fund as at 30 April 2011 are neither past due nor impaired.

(c) Liquidity risk

Liquidity risk is the risk that Shariah-compliant quoted investments cannot be readily sold at or near its actual value without taking a significant discount. This will result in lower net asset value of the Fund. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days. The Fund has a policy of maintaining a minimum level of two percent (2%) of liquid assets at all times to reduce the liquidity risk.

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

	Less than 1 month RM	Within 1 year RM
<b>At 30 April 2011</b>		
Amount due to stockbrokers	1,678,861	-
Amount due to Manager	341,941	-
Accrued management fee	71,032	-
Amount due to Trustee	2,762	-
Other payables and accruals	-	30,961
<b>Contractual cash out flows</b>	<u>2,094,596</u>	<u>30,961</u>

**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) Reclassification of Shariah status risk**

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

**(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. MANAGEMENT FEE**

In accordance with Clause 24(1) of the Master Deed, the Manager is entitled to a maximum management fee of 1.85% per annum calculated daily based on the net asset value of the Fund.

For the financial year ended 30 April 2011, the management fee is recognised at a rate of 1.80% per annum (2010: 1.80%).

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

**5. TRUSTEE'S FEE**

In accordance with Clause 24(2) of the Master Deed, the Trustee is entitled to a fee not exceeding 0.20% per annum calculated based on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum (excluding foreign sub-custodian fees and charges).

For the financial year ended 30 April 2011, the Trustee's fee is recognised at a rate of 0.07% per annum (2010: 0.07%).

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

**6. PAYMENT MADE TO CHARITABLE BODIES**

This is a payment derived from net realised gain on sales of non Shariah-compliant securities of Neptune Orient Lines Limited, which were delisted from Dow Jones AP Islamic Index on 11 June 2009. The non Shariah-compliant security was purchased on 29 May 2009 and subsequently disposed of on 16 June 2009. A gain amounting to RM 10,939 arising from the disposal is to be channelled to Universiti Teknologi Mara as approved by Shariah Adviser. All costs related to its acquisition and disposals are to be borne by the Manager.

**7. TAXATION**

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Current taxation		
- Malaysian tax	-	7,906
- Foreign tax	211,913	551,531
	<u>211,913</u>	<u>559,437</u>

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

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Net profit before taxation	<u>1,933,143</u>	<u>11,509,378</u>
Taxation at Malaysian statutory rate of 25% (2010: 25%)	483,286	2,877,345
Tax effects of:		
Income not subject to tax	(315,900)	(182,334)
Net realised gain on sale of investments not subject to tax	(617,714)	(3,007,638)
Expenses not deductible for tax purposes	198,450	42,757
Restriction on tax deductible expenses for unit trust funds	251,878	269,870
Effect of foreign tax on foreign taxable income	211,913	551,531
Underprovision in prior financial years	-	7,906
Taxation	<u>211,913</u>	<u>559,437</u>

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Name of counter	Quantity (unit)	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 April 2011</b>				
<b>SECURITIES-FOREIGN</b>				
<b><u>AUSTRALIA</u></b>				
<b>Basic Materials</b>				
Alumina Ltd	123,779	947,186	906,555	1.87
BHP Billiton Ltd	20,065	2,055,087	2,980,079	6.16
Incitec Pivot Ltd	47,457	463,144	578,265	1.19
OZ Minerals Ltd	318,243	1,600,776	1,485,116	3.07
	<u>509,544</u>	<u>5,066,193</u>	<u>5,950,015</u>	<u>12.29</u>
<b>Industrial</b>				
Brambles Ltd	42,979	950,910	937,368	1.94
<b>Oil &amp; Gas</b>				
Linc Energy Ltd	107,447	1,000,769	947,114	1.96
WorleyParsons Ltd	4,715	500,887	463,744	0.95
	<u>112,162</u>	<u>1,501,656</u>	<u>1,410,858</u>	<u>2.91</u>
<b>Telecommunications</b>				
Telstra Corp Ltd	84,223	742,477	794,260	1.64
<b>TOTAL AUSTRALIA</b>	<b><u>748,908</u></b>	<b><u>8,261,236</u></b>	<b><u>9,092,501</u></b>	<b><u>18.78</u></b>
<b><u>HONG KONG</u></b>				
<b>Consumer</b>				
Anta Sports Products Ltd	209,000	989,698	1,000,403	2.07
Belle International Holdings Ltd	201,000	1,099,208	1,161,273	2.40
Xinyi Glass Holdings Co Ltd	276,000	983,783	984,518	2.03
Sa Sa Intl Hldg Ltd	676,000	1,051,931	1,197,950	2.47
	<u>1,362,000</u>	<u>4,124,620</u>	<u>4,344,144</u>	<u>8.97</u>
<b>Industrial</b>				
COSCO Pacific Ltd	206,000	1,136,488	1,262,386	2.61
<b>Oil &amp; Gas</b>				
CNOOC Ltd	127,000	678,279	927,338	1.92
PetroChina Company Ltd	352,000	1,388,446	1,497,083	3.09
	<u>479,000</u>	<u>2,066,725</u>	<u>2,424,421</u>	<u>5.01</u>
<b>TOTAL HONG KONG</b>	<b><u>2,047,000</u></b>	<b><u>7,327,833</u></b>	<b><u>8,030,951</u></b>	<b><u>16.59</u></b>

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

Name of counter	Quantity (unit)	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 April 2011</b>				
<b>SECURITIES-FOREIGN (CONTINUED)</b>				
<b><u>INDIA</u></b>				
<b>Basic Materials</b>				
Sterlite Industries (India) Ltd	83,118	996,305	1,010,638	2.09
<b>Industrial</b>				
Larsen & Toubro Ltd	4,775	582,981	509,694	1.05
Mundra Port	102,640	954,372	991,883	2.05
Titan Industries Ltd	298	79,476	80,335	0.17
	<u>107,713</u>	<u>1,616,829</u>	<u>1,581,912</u>	<u>3.27</u>
<b>Oil &amp; Gas</b>				
Reliance Industries Ltd	21,103	1,632,119	1,388,849	2.87
<b>Technology</b>				
Infosys Technologies Limited	2,436	298,127	473,627	0.97
<b>TOTAL INDIA</b>	<b><u>214,370</u></b>	<b><u>4,543,380</u></b>	<b><u>4,455,026</u></b>	<b><u>9.20</u></b>
<b><u>INDONESIA</u></b>				
<b>Basic Materials</b>				
Tambang Batubara Bukit Asam	127,000	919,974	978,774	2.02
<b>Industrial</b>				
Semen Gresik Persero Tbk	146,500	454,002	480,989	0.99
United Tractors Tbk Pt	62,000	494,977	498,182	1.03
	<u>208,500</u>	<u>948,979</u>	<u>979,171</u>	<u>2.02</u>
<b>TOTAL INDONESIA</b>	<b><u>335,500</u></b>	<b><u>1,868,953</u></b>	<b><u>1,957,945</u></b>	<b><u>4.04</u></b>
<b><u>SINGAPORE</u></b>				
<b>Consumer</b>				
Golden Agri-Resources Ltd	566,000	833,653	911,579	1.89
<b>Industrial</b>				
Keppel Corporation Ltd	35,200	743,688	1,014,486	2.09
Sembcorp Marine Ltd	105,000	1,437,731	1,441,878	2.98
	<u>140,200</u>	<u>2,181,419</u>	<u>2,456,364</u>	<u>5.07</u>
<b>TOTAL SINGAPORE</b>	<b><u>706,200</u></b>	<b><u>3,015,072</u></b>	<b><u>3,367,943</u></b>	<b><u>6.96</u></b>

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

<b>Name of counter</b>	<b>Quantity (unit)</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of net asset value %</b>
<b>As at 30 April 2011</b>				
<b>SECURITIES-FOREIGN (CONTINUED)</b>				
<b><u>SOUTH KOREA</u></b>				
<b>Basic Materials</b>				
OCI Company Ltd	1,080	1,083,598	1,909,094	3.94
<b>Consumer</b>				
Hyundai Mobis	2,439	1,538,154	2,418,410	5.00
<b>Industrial</b>				
Hyundai Engineering & Construction	6,415	1,483,407	1,592,869	3.29
<b>Technology</b>				
LG Display Co Ltd	17,500	1,938,234	1,860,898	3.84
Samsung Electronics Co Ltd	865	1,547,760	2,133,493	4.41
	18,365	3,485,994	3,994,391	8.25
<b>TOTAL SOUTH KOREA</b>	<b>28,299</b>	<b>7,591,153</b>	<b>9,914,764</b>	<b>20.48</b>
<b><u>TAIWAN</u></b>				
<b>Basic Materials</b>				
Formosa Plastics Corporation	89,000	691,801	1,076,704	2.22
Nan Ya Plastics Corporation	82,000	505,248	744,439	1.54
	171,000	1,197,049	1,821,143	3.76
<b>Industrial</b>				
Hon Hai Precision Industry Co.	80,872	902,433	907,294	1.88
<b>Technology</b>				
High Tech Computer Corp	17,600	954,672	2,365,792	4.89
Taiwan Semiconductor Manufacturer	200,000	1,108,114	1,513,776	3.12
	217,600	2,062,786	3,879,568	8.01

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

Name of counter	Quantity (unit)	Aggregate cost RM	Market value RM	Percentage of net asset value %
As at 30 April 2011				
<b>SECURITIES-FOREIGN (CONTINUED)</b>				
<b><u>TAIWAN (continued)</u></b>				
<b>Telecommunications</b>				
Chunghwa Telecom Co Ltd	67,200	569,907	633,007	1.31
<b>TOTAL TAIWAN</b>	<b>536,672</b>	<b>4,732,175</b>	<b>7,241,012</b>	<b>14.96</b>
<b><u>UNITED STATES</u></b>				
<b>Trading and Services</b>				
Ctrip.com International Ltd	8,120	1,019,451	1,163,784	2.40
<b>TOTAL UNITED STATES</b>	<b>8,120</b>	<b>1,019,451</b>	<b>1,163,784</b>	<b>2.40</b>
<b>TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES</b>	<b>4,625,069</b>	<b>38,359,253</b>	<b>45,223,926</b>	<b>93.42</b>
<b>UNREALISED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>6,801,861</b>		
<b>EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES</b>		<b>62,812</b>		
<b>TOTAL FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>45,223,926</b>		

9. QUOTED SHARIAH COMPLIANT INVESTMENTS

Name of counter	Quantity (unit)	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 April 2010</b>				
<b>By Geography</b>				
<b>AUSTRALIA</b>				
<b>Basic Materials</b>				
BHP Billiton Ltd	37,381	3,454,401	4,479,649	7.65
Incitec Pivot Ltd	124,000	1,216,867	1,185,142	2.02
Lynas Corporation Limited	759,000	1,175,721	1,205,316	2.06
	<u>920,381</u>	<u>5,846,989</u>	<u>6,870,107</u>	<u>11.73</u>
<b>Health Care</b>				
CSL Limited	11,840	1,125,886	1,127,790	1.93
<b>Industrial</b>				
James Hardie Industries SE	51,300	1,174,229	1,161,645	1.98
Toll Holdings Limited	52,200	1,093,594	1,097,595	1.88
	<u>103,500</u>	<u>2,267,823</u>	<u>2,259,240</u>	<u>3.86</u>
<b>Oil &amp; Gas</b>				
Caltex Australia Limited	43,400	1,302,649	1,488,174	2.54
	<u>1,079,121</u>	<u>10,543,347</u>	<u>11,745,311</u>	<u>20.06</u>
<b>HONG KONG</b>				
<b>Basic Materials</b>				
China Coal Energy Company Kingboard Chemicals Holdings Limited	301,000	1,424,411	1,485,132	2.54
	93,500	1,355,235	1,620,780	2.52
	<u>394,500</u>	<u>2,779,646</u>	<u>3,105,912</u>	<u>5.06</u>
<b>Consumer Services</b>				
Esprit Holdings Limited	46,000	1,140,875	1,068,840	1.83
<b>Industrial</b>				
COSCO Pacific Ltd	232,000	1,211,139	1,013,485	1.73
Lonking Holdings Ltd	306,000	729,566	731,075	1.25
	<u>538,000</u>	<u>1,940,705</u>	<u>1,744,560</u>	<u>2.98</u>
<b>Technology</b>				
Lenovo Group Limited	636,000	999,294	1,527,308	2.61
<b>Telecommunication</b>				
China Mobile Limited	48,000	1,806,824	1,519,538	2.60
	<u>1,662,500</u>	<u>8,667,344</u>	<u>8,966,158</u>	<u>15.08</u>

9. QUOTED SHARIAH COMPLIANT INVESTMENTS (CONTINUED)

Name of counter	Quantity (unit)	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 April 2010</b>				
<b>INDIA</b>				
<b>Consumer Goods</b>				
Bajaj Auto Limited	8,440	1,153,649	1,266,787	2.16
<b>Financials</b>				
Phoenix Mills Ltd	35,249	448,195	537,947	0.92
<b>Healthcare</b>				
Dr Reddys Labs	14,000	1,140,793	1,264,738	2.16
<b>Industrial</b>				
Crompton Greaves Ltd	77,300	1,411,288	1,460,425	2.49
Grasim Industries Limited	5,660	939,393	1,107,569	1.89
	<u>82,960</u>	<u>2,350,681</u>	<u>2,567,994</u>	<u>4.38</u>
<b>Oil &amp; Gas</b>				
Cairn India Ltd	54,600	1,021,846	1,235,909	2.10
Reliance Industries Ltd	35,330	2,785,045	2,618,275	4.46
	<u>89,930</u>	<u>3,806,891</u>	<u>3,854,184</u>	<u>6.58</u>
<b>Technology</b>				
Infosys Technologies Limited	6,940	697,684	1,362,498	2.33
	<u>237,519</u>	<u>9,597,893</u>	<u>10,854,148</u>	<u>18.53</u>
<b>INDONESIA</b>				
<b>Basic Materials</b>				
International Nickel Indonesia	700,000	1,170,362	1,235,500	2.11
PT Timah Tbk	1,085,000	1,045,709	1,034,114	1.77
	<u>1,785,000</u>	<u>2,216,071</u>	<u>2,269,614</u>	<u>3.88</u>
<b>SINGAPORE</b>				
<b>Consumer Services</b>				
Raffles Education Corp Ltd	1,402,000	1,256,327	1,203,892	2.06
<b>Utilities</b>				
Hyflux Ltd	132,000	652,401	1,063,019	1.82
	<u>1,534,000</u>	<u>1,908,728</u>	<u>2,266,911</u>	<u>3.88</u>
<b>SOUTH KOREA</b>				
<b>Basic Materials</b>				
Posco	776	786,110	1,111,526	1.90
<b>Consumer Goods</b>				
Halla Climate Control Corporation	34,826	1,208,408	1,499,521	2.56
Hyundai Mobis	2,590	1,216,432	1,382,835	2.36
	<u>37,416</u>	<u>2,424,840</u>	<u>2,882,356</u>	<u>4.92</u>

9. QUOTED SHARIAH COMPLIANT INVESTMENTS (CONTINUED)

Name of counter	Quantity (unit)	Aggregate Cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 April 2010</b>				
<b>SOUTH KOREA (CONTINUED)</b>				
<b>Industrial</b>				
Samsung Electro-Mechanics Co. Ltd	3,891	1,306,962	1,580,430	2.70
<b>Technology</b>				
LG Display Co. Ltd.	11,300	1,161,581	1,553,716	2.65
Samsung Electronics Co. Ltd.	1,406	2,387,304	3,426,499	5.85
	<u>12,706</u>	<u>3,548,885</u>	<u>4,980,215</u>	<u>8.50</u>
	<u>54,789</u>	<u>8,066,797</u>	<u>10,554,527</u>	<u>18.02</u>
<b>TAIWAN</b>				
<b>Basic Materials</b>				
Taiwan Fertilizer Co. Ltd.	161,000	1,358,839	1,642,321	2.81
<b>Industrial</b>				
Everlight Electronics Co. Ltd.	154,874	1,599,589	1,564,111	2.67
Hon Hai Precision Industry Co.	79,350	972,286	1,196,023	2.04
	<u>234,224</u>	<u>2,571,875</u>	<u>2,760,134</u>	<u>4.71</u>
<b>Technology</b>				
MediaTek Incorporation	33,042	1,385,373	1,790,908	3.06
Taiwan Semiconductor Manufacturing Co. Ltd.	220,000	1,193,356	1,379,994	2.36
	<u>253,042</u>	<u>2,578,729</u>	<u>3,170,902</u>	<u>5.42</u>
	<u>648,266</u>	<u>6,509,443</u>	<u>7,573,357</u>	<u>12.94</u>
<b>UNITED STATES</b>				
<b>Technology</b>				
SINA Corporation	8,287	1,120,539	967,690	1.65
<b>Health Care</b>				
Mindray Medical Int. Ltd.	9,670	1,175,826	1,175,338	2.01
	<u>17,957</u>	<u>2,296,365</u>	<u>2,143,028</u>	<u>3.66</u>
<b>TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES</b>	<u>7,019,152</u>	49,805,988	<u>56,373,054</u>	<u>96.05</u>
<b>FAIR VALUE RESERVE</b>		7,739,007		
<b>EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES</b>		(1,171,941)		
<b>TOTAL MARKET VALUE OF QUOTED SHARIAH-COMPLIANT SECURITIES</b>		<u>56,373,054</u>		

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

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Bank balances in licensed banks	3,440,455	3,237,581
	<u>3,440,455</u>	<u>3,237,581</u>

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

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Philippine Dollar	-	5
Ringgit Malaysia	308,138	2,305,368
Taiwan Dollar	932,733	468,856
US Dollar	1,525,359	214,534
India Rupee	674,225	248,818
	<u>3,440,455</u>	<u>3,237,581</u>

**11. AMOUNT DUE FROM STOCKBROKERS**

The currency profile of amount due from stockbrokers is as follow:

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Hong Kong Dollar	1,163,853	-
Indian Rupee	484,154	275,504
	<u>1,648,007</u>	<u>275,504</u>

**12. DIVIDENDS RECEIVABLE**

The currency profile of dividends receivable is as follow:

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Hong Kong Dollar	16,771	18,531
Indian Rupee	6,289	-
Singapore Dollar	109,538	-
Thai Baht	8,981	-
	<u>141,579</u>	<u>18,531</u>

**13. AMOUNT DUE TO STOCKBROKERS**

The currency profile of amount due to stockbrokers is as follow:

	<b>2011 RM</b>	<b>2010 RM</b>
Hong Kong Dollar	1,595,968	1,171,079
Indian Rupee	80,053	-
United States Dollar	2,831	-
	<u>1,678,861</u>	<u>1,171,079</u>

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

	<b>No of units</b>	<b>2011 RM</b>	<b>No of units</b>	<b>2010 RM</b>
<b>At the beginning of the financial year</b>	101,648,027	58,687,353	97,678,027	41,278,721
Add: Creation of units	30,295,993	16,760,517	51,127,791	28,405,845
Less: Cancellation of units	(50,706,203)	(28,758,198)	(47,157,791)	(26,954,013)
Net increase in net assets attributable to unitholders	-	1,721,230	-	10,949,941
Net change in fair value reserve	-	-	-	5,006,859
<b>At the end of the financial year</b>	<u>81,237,817</u>	<u>48,410,902</u>	<u>101,648,027</u>	<u>58,687,353</u>
<b>Approved size of the Fund</b>	<u>400,000,000</u>		<u>400,000,000</u>	

As at 30 April 2011, the number of units not yet issued is 318,762,183 (2010: 298,351,973).

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

	<b>2011</b>	<b>2010</b>
	%	%
MER	3.34	2.15

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 = Transaction cost
- F = Other expenses
- G = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on daily basis is RM 53,948,371 (2010: RM 58,267,029).

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

	<b>2011</b>	<b>2010</b>
PTR (times)	1.46	1.91

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

Where:

Total acquisition for the financial year = RM 73,013,769 (2010: RM 117,866,825)

Total disposal for the financial year = RM 84,460,504 (2010: RM 104,640,401)

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

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

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

Unit held by the Manager and parties related to the Manager

	<b>2011</b>		<b>2010</b>	
	<b>Units</b>	<b>RM</b>	<b>Units</b>	<b>RM</b>
<b>The Manager</b>				
CIMB-Principal Asset Management Berhad	19,566	11,659	105,825	60,934

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.

**18. TRANSACTIONS WITH BROKERS/DEALERS**

Details of transactions with top 10 brokers/dealers for the financial year ended 30 April 2011 are as follows:

<b>Brokers/dealers</b>	<b>Values of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
Hong Leong Islamic Bank Berhad	59,022,000	22.01	-	-
CIMB Islamic Bank - Semantan	27,298,000	10.18	-	-
Austock Securities Limited	20,241,250	7.55	60,581	13.86
Macquarie Sec Singapore	16,509,340	6.16	50,661	11.59
Samsung Securities Co Ltd KR	15,873,295	5.92	36,473	8.35
CLSA Ltd. HK	15,823,249	5.90	50,636	11.59
Credit Suisse Se HK Ltd	15,548,410	5.80	33,355	7.63
RHB Bank Islamic Bhd -JT Razak	14,909,000	5.56	-	-
China International Capital Co	13,419,140	5.00	33,548	7.68
J.P. Morgan Sec Singapore	9,189,145	3.43	30,938	7.08
Others	60,387,639	22.49	140,853	32.22
	<u>268,220,468</u>	<u>100.00</u>	<u>437,045</u>	<u>100.00</u>

**18. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)**

Details of transactions with top 10 brokers/dealers for the financial year ended 30 April 2010 are as follows:

<b>Brokers/dealers</b>	<b>Values of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
CLSA Ltd. HK	35,544,181	13.61	104,141	15.75
Macquarie Sec Singapore	33,558,314	12.85	101,499	15.35
Citigroup Glo Mkts SIN Pte Ltd	30,123,953	11.54	76,880	11.62
J.P. Morgan Sec Singapore	28,885,211	11.06	84,236	12.74
Austock Securities Limited	21,341,786	8.17	64,025	9.68
Samsung Securities Co Ltd KR	12,938,209	4.95	32,345	4.89
CIMB Islamic Bank - Semantan	9,462,000	3.62	-	-
Nomura Sec Singapore Pte Ltd	9,071,292	3.47	25,567	3.87
Macquarie Sec Ltd Taiwan Br	8,867,940	3.40	29,721	4.49
Credit Suisse Sec (S) Pte Ltd	7,527,609	2.88	20,674	3.13
Others	63,815,398	24.45	122,287	18.48
	<u>261,135,893</u>	<u>100.00</u>	<u>661,375</u>	<u>100.00</u>

# Included in transactions by the Fund are trades conducted on normal terms with CIMB Investment Bank Bhd, a company related to the Manager amounting to RM27,298,000 (2010: RM9,462,000).

**19. SEGMENT INFORMATION**

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

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

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

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

**19. SEGMENT INFORMATION (CONTINUED)**

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

For the period ended 30 April 2011:

	<b>2011</b>	<b>Shariah-compliant quoted investments sub-portfolio</b>
	<b>RM</b>	<b>2010</b>
		<b>RM</b>
Dividend income	1,150,274	1,375,355
Net realised gain on sale of financial assets at fair value through profit or loss	4,302,952	12,030,553
Unrealised capital loss on financial assets at fair value through profit or loss	(937,146)	-
Transaction costs	(592,244)	-
Net foreign currency exchange loss	(794,832)	(655,575)
<b>Total segment income</b>	<b>3,129,004</b>	<b>12,750,333</b>
Dividend receivable	141,579	18,531
Amount due from stockbrokers	1,648,007	275,504
Financial assets at fair value through profit or loss	45,223,926	56,373,054
<b>Total segment assets</b>	<b>47,013,512</b>	<b>56,667,089</b>
Amount due to stockbrokers	1,678,861	1,171,079
<b>Total segment liabilities</b>	<b>1,678,861</b>	<b>1,171,079</b>

**19. 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 to the net income is provided as follows:

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Total net segmental income	3,129,004	12,750,333
Profit income from deposits with licensed financial institutions	13,207	9,556
Other fees and expenses	(1,209,068)	(1,250,511)
Net profit before taxation	1,933,143	11,509,378
Taxation	(211,913)	(559,437)
Net profit for the financial year	1,721,230	10,949,941

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

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Total segment assets	47,013,512	56,667,089
Bank balances in licensed banks	3,440,455	3,237,581
Other receivables	82,492	534,377
Total assets	50,536,459	60,439,047
Total segment liabilities	1,678,861	1,171,079
Amount due to Manager	341,941	466,878
Amount due to Trustee	2,762	3,524
Accrued management fee	71,032	90,625
Other payables and accrued expenses	30,961	19,588
Total liabilities	2,125,557	1,751,694

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

**20. CHANGES IN ACCOUNTING POLICIES**

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

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

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 below.

	<b>As previously stated RM</b>	<b>Adjustment RM</b>	<b>As restated RM</b>
<b><u>1 May 2009</u></b>			
<b>Statement of Financial Position</b>			
Financial liability	41,278,721	(41,278,721)	-
Unitholders' capital	-	38,985,898	38,985,898
Accumulated losses	-	(439,325)	(439,325)
Fair value reserve	-	2,732,148	2,732,148
	-	41,278,721	41,278,721
<b><u>30 April 2010</u></b>			
<b>Statement of Financial Position</b>			
Financial liability	58,687,353	(58,687,353)	-
Unitholders' capital	-	40,437,730	40,437,730
Retained earnings	-	10,510,616	10,510,616
Fair value reserve	-	7,739,007	7,739,007
	-	58,687,353	58,687,353

**20. CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

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

Effect of changes in accounting policy on the statement of financial position as at 30 April 2011 and statement of changes in equity for the year ended 30 April 2011 are set out below.

	<b>Previous accounting policy RM</b>	<b>Change in accounting policy</b>	<b>Revised accounting policy RM</b>
<b>Statement of financial Position</b>			
Financial liability	48,410,902	(48,410,902)	-
Unitholders' capital	-	28,440,049	28,440,049
Retained earnings	-	13,168,992	13,168,992
Fair value reserve		6,801,682	6,801,682
	-	48,410,902	48,410,902

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

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

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

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

	<b>As restated after adoption of amendments to FRS 132 (Note 20(a)) RM</b>	<b>Adjustment RM</b>	<b>As restated RM</b>
<b><u>1 May 2010</u></b>			
Unitholders' capital	40,437,730	-	40,437,730
Retained earnings	10,510,616	7,739,007	18,249,623
Fair value reserve	7,739,007	(7,739,007)	-
	58,687,353	-	58,687,353

20. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

Effect of changes in accounting policy on the statement of financial position as at 30 April 2011, statement of comprehensive income and statement of changes in equity for the financial year 30 April 2011 are set out below.

	Previous accounting policy RM	Change in accounting policy RM	Revised accounting policy RM
<b>Statement of Financial Position</b>			
Financial assets at fair value through profit or loss	-	45,223,926	45,223,926
Quoted investments	45,223,926	(45,223,926)	-
Fair value reserve	6,672,471	6,672,471	-
 <b>Statement of Comprehensive Income</b>			
Net realised gain on sale of financial assets at fair value through profit or loss	3,957,616	345,336	4,302,952
Unrealised capital loss on financial assets at fair value through profit or loss	-	(937,146)	(937,146)
Transaction costs	-	(592,244)	(592,244)
Total comprehensive income for the financial year	<u>2,787,766</u>	<u>(1,066,536)</u>	<u>1,721,230</u>

**DIRECTORY**

**Head office of the Manager**

CIMB-Principal Asset Management Berhad (Company No.: 304078-K)  
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**Shariah Adviser of the CIMB Islamic Asia Pacific Equity Fund**

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**Auditors of the Trusts and of the Manager**

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**Consulting Actuaries**

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**CIMB Islamic Asia Pacific Equity Fund is also available from CIMB Wealth Advisors Berhad's Offices**

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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**

- U7-3, 7th Floor, Menara Perbadanan, Jalan Tengku Petra Semerak,  
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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 (2<sup>nd</sup> 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, 2<sup>ND</sup> 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, 2<sup>ND</sup> Floor, Jalan Tengku Zabedah Ampuan K/9K, 40000 Shah Alam, Selangor 03-5541 0350
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- 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
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- A-2-3, Block A, 8 Jalan PJU 1A/20A, Dataran Ara Damansara, 47301 Petaling Jaya 03-7843 0503
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- 22-2, Jalan Metro Wangsa, Seksyen 2 Wangsa Maju, 53300 Kuala Lumpur 03-4149 8818
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