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INVESTOR LETTER

Dear Valued Investors,

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

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

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

We are cautiously optimistic for 2011. In light of the market having gone up two years in a row, our outlook for this year are returns in the low double digits. We expect the US economy to continue to recover, driven by consumer spending and corporate capital expenditures. The Federal Reserve's sustained purchases of Sukuk will continue to underpin the recovery. Events in Europe are expected to lead to volatility. At some point, we believe Sukuk 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 RM23.1¹ billion to RM29.5 billion a clear sign of clients' confidence. With 66 unit trust funds (23 are Shariah-compliant), including 6 wholesale funds and 2 exchange-traded funds (ETFs), the Company is also one of the largest institutional money managers. Institutional AUM rose 35.3% to RM18.0 billion in December last year, also made further inroads into the region, managing RM1.4 billion for regional clients. The stability of our senior management team, with an average tenure of 5.3 years, has endowed the CIMB-Principal with the flexibility to adapt strategically and innovatively to rapidly-changing circumstances in a competitive regional marketplace.

You may not be aware but back in 2009, CIMB-Principal was the first Malaysian company to implement PAM® for Securities², a world class international portfolio management and accounting system. Last year, we implemented the Factset Attribution System to further enhance our fund managers' expertise. The firm remains ahead of the curve compared to many of its domestic peers, exemplified by the implementation of SWIFT and OMGEO connections for some clients, providing automated trading and settlement services. CIMB-Principal is one of the few fund managers in ASEAN with all these systems in place to better serve our clients and partners.

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

Yours sincerely

Campbell Tupling

Chief Executive

CIMB-Principal Asset Management Berhad

¹ End December 2009

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

MANAGER’S REPORT

What is the investment objective of the Fund?

The Fund aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in money market instruments that conform with Shariah.

Has the fund achieved its objective?

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

What are the fund investment policy and its strategy?

The Fund will place at least 90% of its net asset value in quality Shariah-compliant money market instruments such as Islamic Accepted Bills, Islamic Negotiable Instruments of Deposits and Islamic Repurchase Agreements (Repo-i) as well as in any other Shariah-compliant fixed income instruments and placements of Shariah-compliant deposits with financial institutions, all of which are highly liquid and have a remaining maturity period of less than 365 days. Up to 10% of the Fund’s net asset value may be invested in Shariah-compliant fixed income instruments which have a remaining maturity period of more than 365 days but less than 732 days. The Fund will be actively managed. The strategy is to invest in liquid, low risk short-term investments with a high degree of capital preservation. The investment strategy adheres to the SC Guidelines pertaining to investments for a money market fund. As such any changes to these guidelines would tantamount to a change in this investment strategy.

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

Fund category/ type

Money Market (Shariah) / Income

How long should you invest for?

Recommended 1 year or more

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

Low

When was the Fund launched?

17 March 2008

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

RM 241.76 million (235.43 million units)

What is the fund’s benchmark?

CIMB Islamic 1-Month General Investment Account-i (GIA)

What is the fund distribution policy?

Monthly, depending on the level of income (if any) the Fund generates

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

The Fund distributed a total of RM 1,901,339 as income to unit holders for the period of 01 December 2010 to 31 May 2011.

The Fund’s net asset values per unit after distributions are as follows:

Date	31.12.2010	31.01.2011	28.02.2011	31.03.2011	30.04.2011	31.05.2011
NAV per unit	1.0217	1.0233	1.0248	1.0251	1.0258	1.0269

PERFORMANCE DATA

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

	31.05.2011	31.05.2010	31.05.2009
	%	%	%
Unquoted Sukuk	94.15	67.11	34.31
Cash and Other Net Assets	5.85	32.89	65.69
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

	31.05.2011	31.05.2010	31.05.2009
Net asset value (RM Million)*	241.76	265.71	215.76
Units in circulation (Million)	235.43	261.37	213.49
Net asset value per unit (RM)*	1.0269	1.0166	1.0106
Highest NAV per unit (RM)	1.0283	1.0180	1.0071
Lowest NAV per unit (RM)	1.0204	1.0142	0.9994
Total return (%)	1.50	1.11	3.16
- Capital growth (%)	0.66	0.25	1.04
- Income distribution (%)	0.84	0.86	2.10

Distribution is made on the last Business Day of every month. The average distribution rate for the Fund for the six months financial year ended 31 May 2011 is 1.71% (Annualised)

Management expense ratio (%)	0.29	0.29	0.30
Portfolio turnover ratio (times) #	0.56	0.61	0.45

	Total Return	Annualized
	%	%
- One Year	2.83	2.83
- Three Years	8.39	4.11
- Since inception	8.62	2.61

* Ex-distribution

(Launch date: 17 March 2008)

The portfolio turnover ratio decreased to 0.56 times from 0.61 times a year ago due to lower trading activities during the period while the management expense ratio remained stable at 0.30%.

	31.05.2011	31.05.2010	31.05.2009	Since Inception
Annual total return (%)	2.83	2.19	3.16	8.62

Source: Lipper

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

MARKET REVIEW (1 DECEMBER 2010 TO 31 MAY 2011)

For the period under review, the MGS yield curve bear flattened with benchmark 3, 5, 7 and 10 year yields changing by +10bps, -6bps, +15bps and -9bps respectively to close the period at 3.31%, 3.52%, 3.92% and 4.02%. The notable weakening of the short end of the curve was primarily due to a combination of rising inflationary concerns as well as the prospect of rate hikes resuming in May 2011, while the mid to long end of the sovereign yield curve saw support from both local and foreign investors. Most notably, foreign ownership of MGS has been on an uptrend since the beginning of 2010. As at end of April 2011, the foreign holdings of local MGS reached a record high of RM83 billion which represents approximately 30% of total MGS outstanding.

In a preemptive move to avoid financial imbalances, Bank Negara Malaysia (BNM) was ahead of the pack in interest rate normalization. The OPR was raised by a total of 75 bps over 3 consecutive hikes of 25bps each (during the March, May and July 2010 MPC meetings) to rest at 2.75% for 2010. The first rate hike of 2011 occurred in the May MPC meeting whereby the OPR was raised by 25bps to 3.00% and the statutory reserve ratio (SRR) was raised by 1% to 3.00% as well.

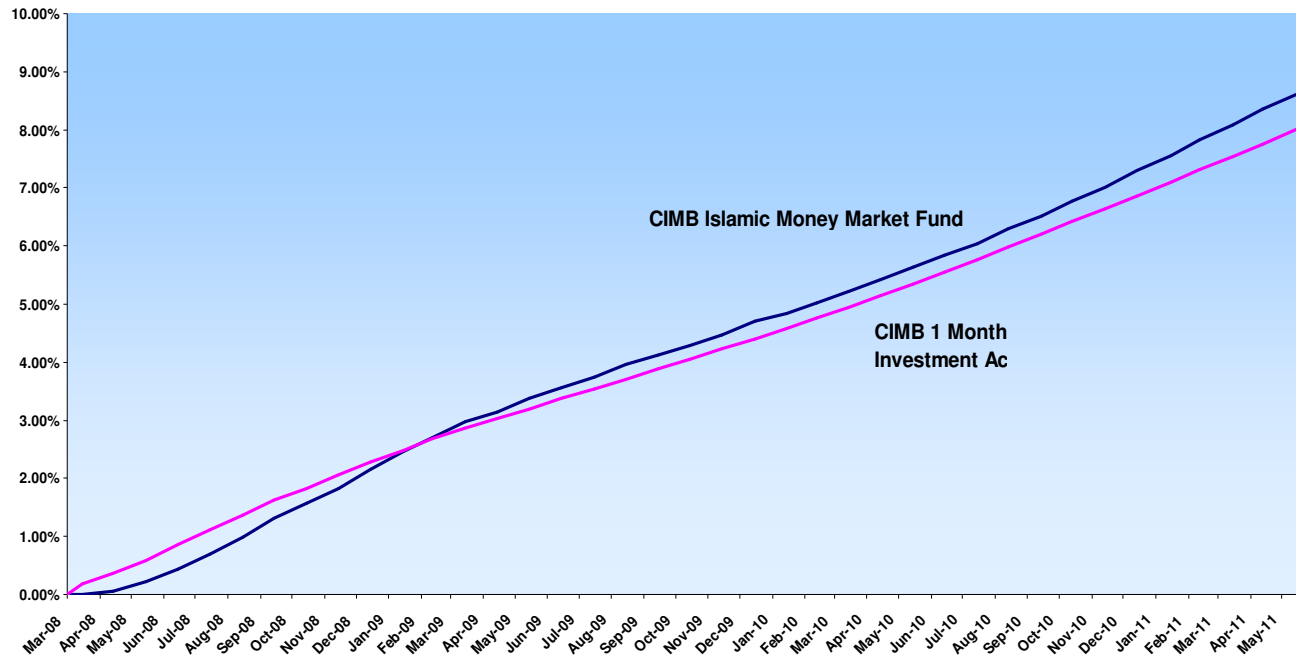
On the PDS front, corporate Sukuk yields enjoyed a bullish run for the mid-to-long tenured papers for the year under review. The 5, 7 and 10 year AAA yields rallied with yields dipping -17bps, -27bps and -38 bps respectively while 3 year AAA yields rose 6bps in adjustment to the OPR hike. The rally was fueled by increasing investor risk appetite as well as demand chasing supply.

Meanwhile, various external risk factors remain. The 1Q11 witnessed an exacerbating debt crisis in Europe with rating downgrades on Greece, Spain and Portugal, ongoing turmoil in North Africa and Middle East, and the aftermath of Japan's devastating earthquake. In spite of the external headwinds, BNM's annual report (released in March 11) remained positive in its assessment of domestic growth conditions. In spite of a slower than expected 1Q2011 GDP growth of 4.6% year-on-year (y-o-y) from 4.80% in 1Q2010, GDP growth is projected to be between 5.0 to 6.0% (7.2% in 2010). The central bank is wary of inflationary pressures, driven mainly by supply factors on account of rising global commodity prices. The rising commodity prices are in turn driven by adverse weather conditions, geopolitical risks, speculative activities and strong demand from emerging economies. Lastly, the central bank expects inflation to rise to an average of 2.5% to 3.5% in 2011 from 1.7% in 2010. The April 2011 inflation printed was the highest in 24 months at 3.2% y-o-y (from 3.0% in March 2011). The rise was due to higher core inflation as well as food & non-alcoholic beverage prices during the month.

FUND PERFORMANCE

	6 Month to 31.05.2011	1 Year to 31.05.2011	3 years to 31.05.2011	Since Inception to 31.05.2011
Income (%)	0.84	1.79	5.54	5.76
Capital (%)	0.66	1.02	2.70	2.70
Total Return (%)	1.50	2.83	8.39	8.62
Benchmark (%)	1.28	2.53	7.38	8.01
Average Total Return (%)	0.12	2.83	4.11	2.61

As at 31 May 2011, the Fund gave a 6 month and 1 year return of 1.50% and 2.83% respectively. Since inception, the Fund achieved a return of 8.62%.



Changes in Net Asset Value (“NAV”)

	31.05.2011	31.05.2010	% changes
Net Asset Value (“NAV”) (RM Million)	241.76	265.71	(9.01)
NAV/unit (RM)	1.0269	1.0166	1.01

The fund NAV shrank by 9.01% for the 1 year period from RM265.71million to RM241.76million due to fund redemptions. The NAV per unit increased by 1.01% from RM1.0166 per unit to RM1.0269 per unit.

As at 31 May 2011, in the Lipper Ranking of Unit Trusts; the Fund was ranked 3 amongst a peer count of 26 Funds on a YTD and 1 year performance basis. The peer category was Islamic Money Market Funds.

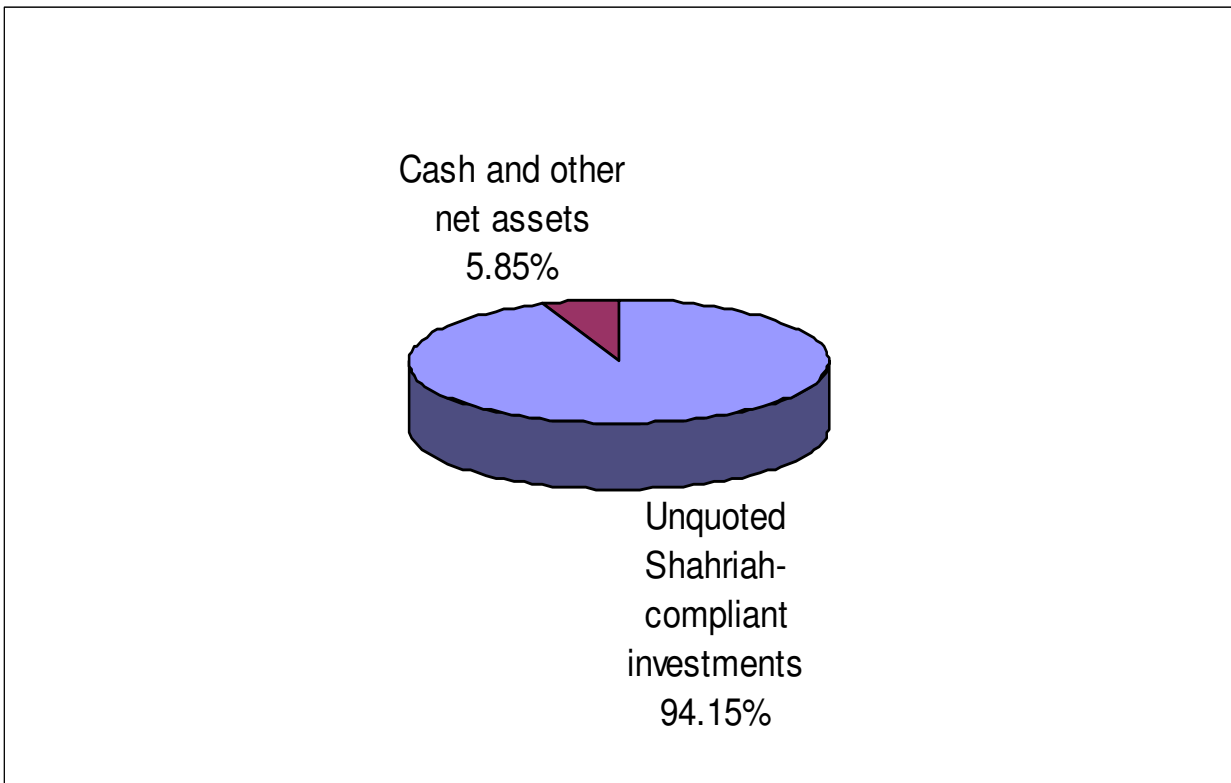
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance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

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	31 May 2011	31 May 2010
Unquoted Shariah-compliant investments	94.15	67.11
Cash and other net assets	5.85	32.89
TOTAL	100.00	100.00

The Fund was 94.15% invested in unquoted Sukuk, and remainder 5.85% invested in cash and other liquid assets.



MARKET OUTLOOK

We believe one more rate hike is in the cards for 3Q2011, taking the overnight policy rate (OPR) to 3.25% by year-end.

Additionally, technical supply and demand factors may have a stronger influence on the direction of market yields for the second quarter of 2011 (2Q2011). Based on BNM's auction calendar, there will be a string of long tenured govies slated for issuance from April onwards. Six auctions and three private placements are scheduled for 2Q11: the new issues of 15-year MGS 4/26, 10-year GII 4/21, reopening of 7-year MGS 9/17, reopening of 5.5-year GII 11/16, reopening of 10-year MGS 7/21 and new issues of 20-year MGS 6/31. In view of the heavy supply of MGS with tenures ranging from 10 years onwards coming up, we believe the yield curve will see some steepening.

The PDS market has been experiencing a bit of a dry spell in the first quarter of this year. We expect the primary issuance pipeline to pick up momentum from the second quarter onwards, taking cue from the implementation of some of the major Economic Transformation Programme (ETP) projects like the KL-MRT and other infrastructure-related projects. It is likely that the Sukuk issuances related to the ETP projects will be government guaranteed Sukuk ("GG") or AAA rated. We foresee a neutral and stable credit environment.

We still favour Corporates over Sovereigns, in particular AA- and A- rated segment for yield enhancement. For MGS, we will buy on weakness and adopt a more active trading stance. We are targeting neutral portfolio duration in view of the rising interest rate environment and higher inflationary expectations.

INVESTMENT STRATEGY

The Fund aims to fully invest its cash in high grade Islamic commercial papers and Sukuk, specifically in the 1-3 month maturity bucket, in line with our house view of another 25 bps OPR hike by the close of 2011.

UNIT HOLDING STATISTICS

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

Size of unit holding	No. of unit holders	No. of unit held	% of units held
5,000 and below	3,566	5,338	0.002
5,001 to 10,000	67	505,145	0.215
10,001 to 50,000	973	22,319,994	9.483
50,001 to 500,000	365	42,670,292	18.117
500,001 and above	11	169,931,198	72.183
Total	4,982	235,431,967	100.00

REBATES AND SOFT COMMISSION

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 MONEY MARKET FUND**

We, being the Directors of CIMB-Principal Asset Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 13 to 46 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the state of financial position of the Fund as at 31 May 2011 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the six months financial period ended on that date in accordance with Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Unit Trust Funds.

For and on behalf of the Manager

CIMB-Principal Asset Management Berhad (Company No.: 304078-K)

JOHN CAMPBELL TUPLING
Chief Executive Officer/Director

DATUK NORIPAH KAMSO
Director

Kuala Lumpur
29 July 2011

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF
CIMB ISLAMIC MONEY MARKET FUND**

We, AmTrustee Berhad, being the Trustee of CIMB Islamic Money Market Fund ("the Fund"), are of the opinion that CIMB-Principal Asset Management Berhad ("the Manager") has managed the Fund for the six months financial period ended 31 May 2011 in accordance with the following:

- (a) the Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on the Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws for the six months financial period ended 31 May 2011;
- (b) valuation/pricing is carried out in accordance with the Deed and any regulatory requirements;
- (c) creation and cancellation of units is carried out in accordance with the Deed and any regulatory requirements; and
- (d) the total distribution of 0.84 sen (gross) per unit for the six months financial period ended 31 May 2011 is consistent with the objective of the Fund.

For and on behalf of the Trustee
AmTrustee Berhad

TAN KOK CHEENG
Chief Executive Officer

Kuala Lumpur
29 July 2011

**SHARIAH ADVISOR'S REPORT TO THE UNITHOLDERS OF
CIMB ISLAMIC MONEY MARKET FUND**

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

In our opinion, CIMB-Principal Asset Management Berhad has managed and administered CIMB Islamic Money Market 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 period ended 31 May 2011.

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

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

ABDUL GHANI ENDUT

Head, Shariah Department / Designated Person Responsible for Shariah Department

Kuala Lumpur
29 July 2011

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2011**

	Note	01.12.2010 to 31.05.2011 RM	01.12.2009 to 31.05.2010 RM
NET INVESTMENT INCOME (SHARIAH-COMPLIANT)			
Profit income	4	3,346,839	4,205,270
Net realised gain/(loss) on sale of financial assets at fair value through profit or loss	10	372,016	5,889
Unrealised capital gain on financial assets at fair value through profit or loss	10	297,477	-
Amortisation of premium, net accretion of discounts	5	-	(155,558)
Other income		1,373	-
		<hr/>	<hr/>
		4,017,705	4,055,601
		<hr/>	<hr/>
EXPENSES			
Management fee	6	564,317	727,449
Trustee and custodian fees	7	90,291	116,392
Audit fee		3,400	-
Tax agent's fee		2,500	-
Other expenses		7,215	11,356
		<hr/>	<hr/>
		667,723	855,198
		<hr/>	<hr/>
NET PROFIT BEFORE FINANCE COST AND TAXATION		3,349,982	3,200,404
FINANCE COST		-	(2,412,635)
[2010: Net distribution of 0.87 sen (Gross: 0.87 sen) per unit]			
NET PROFIT BEFORE TAXATION		<hr/>	<hr/>
		3,349,982	787,769
TAXATION		9	-
		(4,603)	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<hr/>	<hr/>
		3,345,379	787,769
 Net profit after taxation is made up as follows:			
Realised amount		372,016	639,299
Unrealised amount		2,973,363	148,470
		<hr/>	<hr/>
		3,345,379	787,769
		<hr/>	<hr/>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2011

		01.12.2010 to 31.05.2011	01.12.2009 to 30.11.2010	01.12.2008 to 30.11.2009
	Note	RM	RM	RM
INVESTMENTS				
Financial assets at fair value through profit or loss	10	227,627,138	-	-
Unquoted Sukuk	11	-	170,279,575	133,566,029
		<u>227,627,138</u>	<u>170,279,575</u>	<u>133,566,029</u>
LIQUID ASSETS				
Deposits with licensed financial institutions		14,055,754	35,365,000	246,605,000
Bank balance in a licensed bank		195,652	165,968	164,009
	12	<u>14,251,406</u>	<u>35,530,968</u>	<u>246,769,009</u>
OTHER ASSETS				
Amount due from Manager		2,005,433	51,680,375	5,544,018
Profit income receivable		-	1,404,171	971,396
Amount due from dealer		10,277,687	-	-
		<u>12,283,120</u>	<u>53,084,546</u>	<u>6,515,414</u>
TOTAL ASSETS		<u>254,161,664</u>	<u>258,895,089</u>	<u>386,850,452</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2011 (CONTINUED)

		01.12.2010 to 31.05.2011	01.12.2009 to 30.11.2010	01.12.2008 to 30.11.2009
	Note	RM	RM	RM
LIABILITIES				
Amount due to Manager		2,006,899	4,675,797	30,255
Amount due to dealer		10,213,882	-	4,970,411
Accrued management fee		105,203	81,250	124,466
Amount due to Trustee		16,832	13,000	19,915
Tax liabilities		41,142	36,539	-
Other payables and accruals		14,486	17,853	22,776
		<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES		12,398,444	4,824,439	5,167,823
		<hr/>	<hr/>	<hr/>
NET ASSET VALUE OF THE FUND	13	241,763,220	254,070,650	381,682,629
EQUITY				
Unitholders' capital		236,753,255	250,504,725	379,811,809
Retained Earnings		5,009,965	3,737,064	1,661,839
Fair Value reserve		-	(171,139)	208,981
		<hr/>	<hr/>	<hr/>
		241,763,220	254,070,650	381,682,629
		<hr/>	<hr/>	<hr/>
NUMBER OF UNITS IN CIRCULATION		235,431,967	249,018,071	376,372,411
		<hr/>	<hr/>	<hr/>
NET ASSET VALUE PER UNIT (RM)		1.0269	1.0203	1.0141
		<hr/>	<hr/>	<hr/>

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2011**

	Note	Unitholders' Capital RM	Retained Earnings RM	Fair Value Reserve RM	Total RM
Balance as at 1 December 2010, as previously stated		-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132	19(a)	250,504,725	3,737,064	(171,139)	254,070,650
Balance as at 1 December 2010, restated after adoption of amendments to FRS 132		250,504,725	3,737,064	(171,139)	254,070,650
Adjustment for adoption of FRS 139	19(b)	-	(171,139)	171,139	-
Balance as at 1 December 2010, restated after adoption of FRS 139		250,504,725	3,565,925	-	254,070,650
Movement in unitholders' contribution:					
Creation of units from distribution	13	1,901,339	-	-	1,901,339
Creation of units from application	13	309,552,816	-	-	309,552,816
Cancellation of units	13	(325,205,625)	-	-	(325,205,625)
Total comprehensive income for the financial period		-	3,345,379	-	3,345,379
Distribution for the financial period (Gross/net: 0.84 sen)	8	-	(1,901,339)	-	(1,901,339)
Balance as at 31 May 2011		236,753,255	5,009,965	-	241,763,220

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2011**

	Note	Unitholders' Capital RM	Retained Earnings RM	Fair Value Reserve RM	Total RM
Balance as at 1 December 2009 as previously stated		-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132	19(a)	379,811,809	1,661,839	208,981	381,682,629
Balance as at 1 December 2009, restated after adoption of amendments to FRS 132		379,811,809	1,661,839	208,981	381,682,629
Movement in unitholders' contribution:					
Creation of units from distribution	13	4,839,220	-	-	4,839,220
Creation of units from application	13	848,333,655	-	-	848,333,655
Cancellation of units	13	(982,479,959)	-	-	(982,479,959)
Total comprehensive income for the financial year		-	6,914,445	-	6,914,445
Distribution for the financial year (Gross/net : 0.15 sen)	8		(4,839,220)		(4,839,220)
Change in fair value reserve		-	-	(380,120)	(380,120)
Balance as at 30 November 2010, restated		<u>250,504,725</u>	<u>3,737,064</u>	<u>(171,139)</u>	<u>254,070,650</u>

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

**UNAUDITED STATEMENT OF CASH FLOW
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2011**

	01.12.2010 to 31.05.2011	01.12.2009 to 30.11.2010
Note	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of unquoted Sukuk	24,921,941	120,636,180
Proceeds from redemption of unquoted Sukuk	128,700,000	399,500,000
Purchase of unquoted Sukuk	(210,043,095)	(562,732,624)
Profit income received from Shariah-compliant deposits with licensed financial institutions	642,244	2,101,948
Profit income received from unquoted Sukuk	3,788,045	6,598,880
Management fees paid	(540,364)	(1,435,690)
Trustee and custodian fees paid	(86,458)	(229,711)
Payments for other fees and expenses	(16,483)	(39,905)
Other income	1,373	-
Net cash outflow from operating and investing activities	<u>(52,632,797)</u>	<u>(35,600,922)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	359,227,758	802,197,298
Payments for cancellation of units	(327,874,523)	(977,834,417)
Net cash inflow/(outflow) from financing activities	<u>31,353,235</u>	<u>(175,637,119)</u>
Net decrease in cash and cash equivalents	(21,279,562)	(211,238,041)
Cash and cash equivalents at the beginning of the financial period	<u>35,530,968</u>	<u>246,769,009</u>
Cash and cash equivalents at the end of the financial period	12 <u>14,251,406</u>	<u>35,530,968</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2011**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY

CIMB Islamic Money Market Fund (“the Fund”) is governed by a Principal Master Deed dated 15th May 2008, a Third Supplemental Master Deed dated 25th June 2008, a Sixth Supplemental Master Deed dated 14th July 2008 and a Seventh Supplemental Master Deed dated 19th November 2008 (collectively referred to as “the Deeds”), made between CIMB-Principal Asset Management Berhad (the “Manager”) and AmTrustee Berhad (the “Trustee”).

The Fund invests principally in Shariah-compliant money market instruments, other Shariah-compliant fixed income instruments, Shariah-compliant deposits with licensed financial institutions and any other investments as approved by the Securities Commission (“SC”) from time to time, each of which has been and remains approved by a competent authority on the Shariah (which includes but shall not be limited to the Shariah Advisory Council of the SC and/or the Shariah Advisor of the Fund) as permissible investments that comply with Shariah requirements.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standards (“FRS”) in Malaysia and the SC Guidelines on Unit Trust Funds.

The preparation of financial statements in conformity with the FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their 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(m).

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

- Amendment FRS 132 “Financial Instruments: Presentation”

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

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

The effects as a result of adoption of the amendment on the statement of financial position for the prior periods are set out in Note 19(a).

- FRS 139 “Financial Instruments: Recognition and Measurement”

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

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

The effects as a result of adoption of the new standard on the opening balances of the statement of financial position at the beginning of the financial year are set out in Note 19(b).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

- (ii) The new standards, amendments and interpretations to published standards which are relevant to the Fund and have not been early adopted are:
- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective from 1 January 2011) require enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The Fund will apply this standard when effective.
- The Fund has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of this amendment on the financial statements of the Fund.
- IC Interpretation 17 "Distribution of non-cash assets to owners" (effective from 1 July 2010) provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. FRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

(b) Financial assets and liabilities

Classification

The Fund designates its Shariah-compliant unquoted Sukuk 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.

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 receivables comprise cash and cash equivalents, amount due from Manager, amount due from stockbrokers, dividend receivables and other 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 unquoted Sukuk 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 unquoted Sukuk have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

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

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

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

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

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

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 '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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Income recognition**

Profit income and hibah earned from Shariah-compliant deposits and unquoted Sukuk are recognised on the accrual basis.

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

Income arising from unquoted Sukuk that are issued at a significant discount or premium is accreted or amortised over life of such securities.

(d) Creation and cancellation of units

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

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

(e) Cash and cash equivalents (Shariah-compliant)

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

(f) Taxation

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

(g) Finance cost

Proposed distributions to unitholders are recognised in the statement of comprehensive income upon approval by the Board of Directors of the Manager. The distribution to the unitholders is recognised as finance cost in the statement of comprehensive income.

(h) 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)**(i) Amount due from/to brokers**

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.

(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) Segment reporting

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments

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

Financial instruments as at 31 May 2011 are as follows:

	Receivables RM	Financial assets at fair value through profit or loss RM	Total RM
Financial assets at fair value through profit or loss (Note 10)	-	227,627,138	227,627,138
Cash and cash equivalents (Note 12)	14,251,406	-	14,251,406
Amount due from dealers	10,277,687	-	10,277,687
Amount due from Manager	2,005,433	-	2,005,433
	26,534,526	227,627,138	254,161,664
	26,534,526	227,627,138	254,161,664

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

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

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in money market instruments that conform with Shariah principles. The Fund will place at least 90% of its net asset value in quality Shariah-compliant money market instruments such as Islamic Accepted Bills, Islamic Negotiable Instruments of Deposits and Islamic Repurchase Agreements (Repo-i) as well as in any other Shariah-compliant fixed income instruments and placements of Shariah-compliant deposits with licensed financial institutions, all of which are highly liquid and have a remaining maturity period of less than 365 days. Up to 10% of the Fund's net asset value may be invested in Shariah-compliant fixed income instruments which have a remaining maturity period of more than 365 days but less than 732 days. The strategy is to invest in liquid, low risk short-term investments with a high degree of capital preservation.

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated by the SC Guidelines on Unit Trust Funds 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 risk exposure will be reduced in the event of anticipated market weakness.

(i) Price risk

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

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

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

	2011 RM
Financial asset at fair value through profit and loss	<u>227,627,138</u>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Price risk (continued)

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

% Change in price	Market Value RM	<u>Unquoted Sukuk</u>
		Impact on net asset value RM
-5%	216,245,781	(11,381,357)
0%	227,627,138	-
5%	239,008,495	11,381,357

(ii) Profit rate risk

Profit rate risk is the risk that the value of the Fund's Shariah-compliant investments and its return will fluctuate because of changes in market profit rates. To manage the risk, Shariah-compliant investments will be concentrated in investment grade issues by financial institutions and companies determined by the Manager.

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

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of unquoted Sukuk and profit earned income from deposits with licensed financial institutions held by the Fund as at 31 May 2011 as a result of movement in profit rate. The analysis is based on the assumptions that the profit rate increased and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the profit rate, having regard to the historical volatility of the profit rate.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Profit rate risk (continued)

% Change in profit rate	Impact on net asset value	
	Unquoted Sukuk securities designated at fair value through profit or loss RM	Deposits with licensed financial institutions RM
-5%	(135,445)	(31,897)
0%	-	-
5%	135,445	31,897

(b) Credit risk

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

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

As at 31 May 2011	Unquoted Sukuk designated at fair value through profit and loss RM	Cash and cash equivalents RM	Other Assets RM	Total RM
Finance	-	14,251,406	-	14,251,406
Islamic Commercial Papers:				
P1	64,679,148	-	-	64,679,148
Unquoted Sukuk:				
AAA	10,188,434	-	-	10,188,434
AA1	65,716,951	-	-	65,716,951
AA2	10,931,850	-	-	10,931,850
AA3	27,977,407	-	-	27,977,407
A1	15,428,440	-	-	15,428,440
A2	1,043,930	-	-	1,043,930
A3	31,660,978	-	-	31,660,978
Others	-	-	12,283,120	12,283,120
	<u>227,627,138</u>	<u>14,251,406</u>	<u>12,283,120</u>	<u>254,161,664</u>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

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

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

	Less than 1 month RM	Within 1 year RM
Amount due to Manager	2,006,899	-
Amount due to Dealer	10,213,882	-
Accrued management fee	105,203	-
Amount due to Trustee and custodian	16,832	-
Other payables and accruals	-	55,628
	12,342,816	55,628
Contractual cash out flows	12,342,816	55,628

(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 Shariah non-compliant in the periodic review of the securities by the relevant Shariah advisor. If this occurs, the value of the Fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities in accordance with the advice from the Shariah Advisor.

(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. PROFIT AND HIBAH EARNED

	01.12.2010 to 31.05.2011 RM	01.12.2009 to 31.05.2010 RM
Profit income from deposits with Shariah-compliant licensed financial institutions	637,939	1,271,022
Profit income from unquoted Sukuk	2,708,900	2,934,248
	<u>3,346,839</u>	<u>4,205,270</u>

5. NET AMORTISATION OF PREMIUM

	01.12.2010 to 31.05.2011 RM	01.12.2009 to 31.05.2010 RM
Accretion of discounts, net of amortisation of premiums		
- Realised	-	(7,088)
- Unrealised	-	(148,470)
	<u>-</u>	<u>(155,558)</u>

6. MANAGEMENT FEE

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

For the financial period ended 31 May 2011, the management fee is recognised at a rate of 0.50% per annum (financial year ended 30 November 2010: 0.50%).

7. TRUSTEE'S FEE

In accordance with Clause 24(2) of the Master Deed dated 15 May 2008, the Trustee is entitled to a maximum fee of 0.10% (2010: 0.10%) per annum calculated daily based on the net asset value of the Fund, subject to a minimum fee of RM18,000 (2010: RM18,000) per annum.

For the financial period ended 31 May 2011, the Trustee's fee is recognised at a rate of 0.08% per annum (financial year ended 30 November 2010: 0.08%).

8. FINANCE COST - DISTRIBUTION

Distribution to unitholders is from the following sources:

	01.12.2010 to 31.05.2011 RM	01.12.2009 to 31.05.2010 RM
Profit income from Shariah-compliant deposits with licensed financial institutions	637,939	1,271,022
Profit income from unquoted Sukuk	3,007,098	2,934,248
Net realised gain on sale of Shariah-compliant investments	372,016	5,889
Unrealised gain on sale of Shariah-compliant investments	297,477	
Net amortisation of premium	(298,198)	(155,558)
Other income	1,373	-
	<u>4,017,705</u>	<u>4,055,601</u>
Less:		
Expenses	(667,723)	(855,198)
Taxation	(4,603)	-
	<u>3,345,379</u>	<u>3,200,403</u>
Net distribution distributed	3,345,379	3,200,403
Distribution equalization (memorandum account)	(1,444,040)	(787,768)
	<u>1,901,339</u>	<u>2,412,635</u>
Distribution on 31 Dec		
Gross/net distribution per unit (sen)	0.12	0.17
Distribution on 31 Jan		
Gross/net distribution per unit (sen)	0.09	0.11
Distribution on 28 Feb		
Gross/net distribution per unit (sen)	0.11	0.11
Distribution on 31 Mac		
Gross/net distribution per unit (sen)	0.21	0.15
Distribution on 30 Apr		
Gross/net distribution per unit (sen)	0.18	0.16
Distribution on 31 May		
Gross/net distribution per unit (sen)	0.13	0.17

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

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

9. TAXATION

	01.12.2010 to 31.05.2011 RM	01.12.2009 to 31.05.2010 RM
Current taxation:		
- Malaysian tax	4,603	-

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

	01.12.2010 to 31.05.2011 RM	01.12.2009 to 31.05.2010 RM
Net profit before taxation	3,349,982	3,200,404
Taxation at Malaysian statutory rate of 25% (2010: 25%)	837,496	800,101
Tax effects of:		
Income not subject to tax	(832,243)	(1,012,429)
Net realised gain on sale of investments not subject to tax	(167,373)	(1,472)
Expenses not deductible for tax purposes	23,823	30,116
Restriction on tax deductible expenses for unit trust funds	142,900	183,684
Taxation	4,603	-

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2011 RM
Designated at fair value at fair value through profit or loss	
- Unquoted Sukuk (Note (i))	227,627,138
	<u>227,627,138</u>
Net gain on assets at fair value through profit or loss	
- Realised	372,016
- Unrealised	297,477
	<u>669,493</u>

(i) Unquoted Sukuk

Name of issuer	Nominal value	Carrying cost	Fair value	Percentage of net asset value
As at 31 May 2011	RM	RM	RM	%
Amlslamic Bank Bhd 4.8% Due 21/12/2011 JD21	15,000,000	15,403,951	15,428,440	6.38
Bank Muamalat Malaysia 6.25% 05/09/2016	31,000,000	31,609,039	31,660,978	13.10
Bayu Padu Sdn Bhd 184D 28/09/2011	11,000,000	10,865,720	10,870,893	4.50
Cagamas MBS Bhd 3.7% Due 29/5/2012 FMAN29	5,000,000	5,010,497	5,012,514	2.07
Encorp Systembilt Sdn Bhd Due 3/1/2012 At Mat	5,000,000	4,900,502	4,900,000	2.03
Encorp Systembilt Sdn Bhd Due 3/7/2011 JJ3	6,050,000	6,031,514	6,031,850	2.49
Kapar Energy Ventures SB 6 1/4% Due 8/7/2011 JJ8	17,000,000	17,468,303	17,466,257	7.22
Kapar Energy Ventures SB 6.4% Due 6/1/2012 JJ8	8,000,000	8,329,789	8,335,084	3.45
KNM Capital Sdn Bhd 273D 22/11/2011	15,000,000	14,725,007	14,730,315	6.09
Malakoff Corp Berhad 185D 31/10/2011	10,000,000	9,853,819	9,853,290	4.08
New Pantai Expressway SB 5.9% Due 31/10/2011 AO30	12,500,000	12,681,716	12,683,277	5.25
Optimal Glycols Malaysia SB 5.58% Due 28/9/2012 MS29	5,000,000	5,179,308	5,175,921	2.14
Ranhill Powertron Sdn Bhd 5.8% Due 27/6/2011 JD27	5,000,000	5,130,020	5,132,445	2.12
Ranhill Powertron Sdn Bhd 6.2% Due 27/6/2012 JD27	3,000,000	3,140,340	3,161,396	1.31
RH Capital Sdn Bhd 7.90% 23/12/2011	1,000,000	1,040,722	1,043,930	0.43

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

(i) Unquoted Sukuk

Name of issuer As at 31 May 2011	Nominal value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
Sarawak Electricity Supply 6.4% Due 29/6/2011 JD29	4,000,000	4,118,042	4,118,308	1.70
Segari Energy Ventures Sdn Bhd 5.45% Due 11/5/2012 MN11	20,000,000	20,384,931	20,388,201	8.43
Tanjung Bin Power Sdn Bhd 7.2% Due 11/11/2011 MN11	15,000,000	15,284,936	15,294,130	6.33
Toyota Capital (M) Sdn Bhd 365D 23/02/2012	30,000,000	29,227,101	29,224,650	12.09
Westports M'sia Sdn Bhd 4.35% Due 7/3/2012 MS7	7,000,000	7,115,545	7,115,260	2.94
TOTAL UNQUOTED SUKUK	225,550,000	227,500,801	227,627,138	94.15
FAIR VALUE RESERVE		126,337		
TOTAL FAIR VALUE OF UNQUOTED SUKUK		227,627,138		

11. UNQUOTED SUKUK (SHARIAH-COMPLIANT)

Name of issuer	Nominal Value	Carrying cost RM	Fair value RM	Percentage of net asset value %
As at 31 May 2010				
Kesas Sdn Bhd 7.15% -11/10/2010 AO1	5,000,000	5,063,197	5,062,000	1.91
Penang Bridge Sdn Bhd 8%-30/8/2010 FA29	5,000,000	5,062,272	5,062,500	1.91
Encorp Systembilt Sdn Bhd -3/1/2011 JJ3	2,700,000	2,633,181	2,647,080	1.00
Konsortium Lebuhraya Bwh-Kulim 4%-15/7/2010 JJ15	2,000,000	2,001,108	2,001,200	0.75
Teknologi Tenaga Perlis 7.9% Due 13/9/2010 MS13	5,000,000	5,069,146	5,069,000	1.91
Optimal Chemicals (M) Sdn Bhd - 5.03% 29/09/2010	10,000,000	10,073,927	10,075,000	3.79
Puncak Niaga M Sdn Bhd 5% Due 27/10/2011 AO27	5,000,000	5,053,641	5,062,000	1.91
Sarawak Power Generation Sdn B - 6.40% 27/12/2010	5,000,000	5,103,060	5,094,500	1.92
Tesco Stores Malaysia -3.60% 03/05/11	5,000,000	5,000,000	5,005,500	1.88
Tesco Stores Malaysia 4.05% Due 12/11/2010 MN13)	5,000,000	4,997,123	5,019,500	1.89
GB3 Sdn Bhd 7.05% Due 20/12/2010 JD20	7,000,000	7,126,460	7,158,900	2.69
Pengurusan Air SPV Bhd -2.70% 08/11/10)	5,000,000	5,000,000	4,995,500	1.88
Ranhill Powertron Sdn Bhd 5.8% Due 27/6/2011 JD27	5,000,000	5,093,651	5,107,000	1.92
Sarawak Electricity Supply 6 15% Due 29/6/2010 JD29	10,000,000	10,024,847	10,026,000	3.77
Tanjung Bin Power Sdn Bhd 7% Due 11/11/2010 MN11	20,000,000	20,297,136	20,324,000	7.65
Bank Muamalat Malaysia 6 1/4% Due 5/9/2011 MS5	10,000,000	10,148,493	10,175,000	3.83
Harum Intisari Sdn Bhd 4 1/2% Due 28/9/2010 MS28	11,000,000	11,030,921	11,048,400	4.16
Esso Malaysia Berhad 30D 16/06/2010	25,000,000	24,972,753	24,970,525	9.40
Hubline Berhad 91D 20/07/2010	10,000,000	9,953,974	9,957,810	3.75
Pengurusan Air SPV Bhd 91D 06/08/2010	10,000,000	9,949,273	9,948,050	3.74
Toyota Capital (M) Sdn Bhd 364D 16/05/2011	15,000,000	14,519,036	14,522,460	5.47
TOTAL UNQUOTED SUKUK	177,700,000	178,173,198	178,331,925	67.11
FAIR VALUE RESERVE		158,727		
TOTAL FAIR VALUE		178,331,925		

11. UNQUOTED SUKUK (CONTINUED)

The effective weighted average profit rate per annum of unquoted Sukuk is as follows:

	01.12.2010 to 31.05.2011 %	01.12.2009 to 30.11.2010 %
Unquoted Sukuk	<u>0.04</u>	<u>3.81</u>

12. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	01.12.2010 to 31.05.2011 RM	01.12.2009 to 30.11.2010 RM
Deposits with licensed financial institutions	14,055,754	35,365,000
Bank balance in licensed banks	<u>195,652</u>	<u>165,968</u>
	<u>14,251,406</u>	<u>35,530,968</u>

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

	01.12.2010 to 31.05.2011 %	01.12.2009 to 30.11.2010 %
Deposits with licensed financial institutions	<u>0.36</u>	<u>2.67</u>

Deposits with licensed financial institutions have an average maturity of 0 days (2010: 2 days).

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

	<u>31.05.2011</u>		<u>30.11.2010</u>	
	No. of units	RM	No. of units	RM
At beginning of the financial year	249,018,071	254,070,650	376,372,411	381,682,629
Creation arising from distribution	1,855,074	1,901,339	4,757,876	4,839,220
Creation arising from applications	302,044,462	309,552,816	833,954,021	848,333,654
Cancellation of units	(317,485,640)	(325,205,625)	(966,066,237)	(982,479,959)
Distribution paid	-	(1,901,339)	-	-
Total comprehensive income for the financial period	-	3,345,379	-	2,075,226
Net change in fair value reserve	-	-	-	(380,120)
	<u>235,431,967</u>	<u>241,763,220</u>	<u>249,018,071</u>	<u>254,070,650</u>
Approved size of Fund	<u>506,250,000</u>		<u>506,250,000</u>	

As at 31 May 2011, the number of units not yet issued is 270,818,033 (2010: 257,231,929).

14. MANAGEMENT EXPENSE RATIO (“MER”)

	<u>01.12.2010</u>	<u>01.12.2009</u>
	<u>to</u>	<u>to</u>
	<u>31.05.2011</u>	<u>31.05.2010</u>
	<u>%</u>	<u>%</u>
MER	<u>0.29</u>	<u>0.29</u>

MER is based on the following calculation:

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

- A = Management fee
- B = Trustee’s fee
- C = Auditors’ remuneration
- D = Tax Agent’s fee
- E = Administration expenses
- F = Average net asset value of the Fund calculation on a daily basis

The average net asset value of the Fund for the financial year ended 31 May 2011 calculated on daily basis is RM 227,034,240 (2010: RM292,555,913).

15. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.12.2010	01.12.2009
	to	to
	31.05.2011	31.05.2010
	%	%
PTR (times)	<u>0.56</u>	<u>0.61</u>

PTR is based on the following calculation:

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

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

where:

total acquisition for the financial year = RM 218,528,008 (2010: RM 291,966,170)
 total disposal for the financial year = RM 35,199,628 (2010: RM 66,014,128)

16. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

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

Units held by the Manager and parties related to the Manager

	No. of units	2011 RM	No. of units	2010 RM
Manager				
CIMB-Principal Asset Management Berhad	<u>118,742</u>	<u>235,313,225</u>	<u>87,571</u>	<u>89,047</u>

The above units were transacted at the prevailing market price.

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

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

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

	2011 RM	2010 RM
<u>Significant related party transactions</u>		
Profit from Shariah-compliant deposits:		
- CIMB Islamic Bank Berhad	121,258	140,441
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed financial institution:		
- CIMB Islamic Bank Berhad	2,000,159	10,900,000

17. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers / dealers	Values of trade RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage %
CIMB Islamic Bank – Semantan #	1,017,181,000	28.56	-	-
RHB Bank Islamic Bhd -JT Razak	783,830,000	22.00	-	-
Hong Leong Islamic Bank Berhad	430,839,000	12.10	-	-
Amlslamic Bank Berhad	280,654,000	7.88	-	-
EONCAP Islamic Bank Berhad	193,657,000	5.44	-	-
OSK Investment Bank - SPI	193,643,000	5.44	-	-
Malayan Banking Bhd - Islamic	148,340,000	4.16	-	-
Bank Muamalat M Berhad-Trea	119,105,000	3.34	-	-
Bank Islam Malaysia Berhad	113,793,000	3.19	-	-
OSK Investment Bank Bhd	109,444,110	3.07	-	-
Others	171,727,553	4.82	-	-
	3,562,213,663	100.00	-	-

17. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

Brokers / dealers	Values of trade RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage %
CIMB Bank Bhd – Treasury #	118,834,480	33.09	-	-
OSK Investment Bank Bhd	60,506,306	16.85	-	-
Malayan Banking Bhd -KLMain	48,115,435	13.40	-	-
AmBank Berhad	38,917,334	10.84	-	-
HSBC Bank Malaysia Berhad	35,886,783	9.99	-	-
KAF Investment Bank Berhad	30,072,375	8.37	-	-
ABN-AMBRO Bank Berhad	10,177,090	2.83	-	-
OCBC Bank M Bhd - Treasury	10,025,200	2.79	-	-
Citi Bank Berhad	5,251,529	1.46	-	-
Bank Kerjasama Rakyat M Bhd	197,676	0.06	-	-
Others	1,148,407	0.32	-	-
	359,132,615	100.00	-	-

Included in transactions by the Fund are trades conducted on normal terms with CIMB CIMB Islamic Bank and CIMB Bank Bhd, companies related to the Manager of RM1,017,181,000 and RM nil (2010: RM nil and RM118,834,480).

18. 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.

18. SEGMENT INFORMATION (CONTINUED)

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

For the six months ended 31 May 2011:

	Unquoted sukuk sub- portfolio	Total
	RM	RM
Profit income	2,708,900	2,708,900
Net realised gain on sale of financial assets at fair value through profit or loss	372,016	372,016
Net unrealised gain on sale of financial assets at fair value through profit or loss	297,477	297,477
Total segment income	<u>3,378,393</u>	<u>3,378,393</u>
Financial assets at fair value through profit or loss	227,627,138	227,627,138
Amount due from dealers	10,277,687	10,277,687
Total segment assets	<u>237,904,825</u>	<u>237,904,825</u>
Amount due to dealers	10,213,882	10,213,882
Total segment liabilities	<u>10,213,882</u>	<u>10,213,882</u>

For the six months ended 31 May 2010:

	Unquoted sukuk sub- portfolio	Total
	RM	RM
Profit income	2,934,248	2,934,248
Net realised gain on sale of financial assets at fair value through profit or loss	5,889	5,889
Net amortization of premium	(155,558)	(155,558)
Total segment income	<u>2,784,579</u>	<u>2,784,579</u>
Financial assets at fair value through profit or loss	170,279,575	170,279,575
Total segment assets	<u>170,279,575</u>	<u>170,279,575</u>

18. 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:

	01.12.2010 to 31.05.2011 RM	01.12.2009 to 31.05.2010
Total segmental income	3,378,393	2,784,579
Interest income from deposits with licensed financial institutions	637,939	1,271,022
Other income	1,373	-
Other fees and expenses	<u>(667,723)</u>	<u>(855,197)</u>
Net profit before finance cost and taxation	3,349,982	3,200,404
Finance cost	<u>-</u>	<u>(2,412,635)</u>
Net profit before taxation	3,349,982	787,769
Taxation	<u>(4,603)</u>	<u>-</u>
Net profit after taxation	<u><u>3,345,379</u></u>	<u><u>787,769</u></u>

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

	01.12.2010 to 31.05.2011 RM	01.12.2009 to 30.11.2010 RM
Total segment assets	237,904,825	170,279,575
Cash and cash equivalents	14,251,406	35,530,968
Amount due from manager	2,005,433	51,680,375
Profit income receivable	<u>-</u>	<u>1,404,171</u>
Total assets	<u><u>254,161,664</u></u>	<u><u>258,895,089</u></u>
Total segment liabilities	10,213,882	-
Amount due to manager	2,006,899	4,675,797
Amount due to trustee	16,832	13,000
Accrued management fee	105,203	81,250
Tax liabilities	41,142	36,539
Other payables and accrued expenses	<u>14,485</u>	<u>17,853</u>
Total liabilities	<u><u>12,398,444</u></u>	<u><u>4,824,439</u></u>

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

19. 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.

	As previously stated	Adjustment	As restated
<u>1 December 2009</u>			
Statement of Financial Position			
Financial liability	381,682,629	(381,682,629)	-
Unitholders' capital	-	379,811,809	379,811,809
Retained earnings	-	1,661,839	1,661,839
Fair value reserve	-	208,981	208,981
	-	381,682,629	381,682,629

	As previously stated	Adjustment	As restated
<u>30 November 2010</u>			
Statement of Financial Position			
Financial liability	254,070,650	(254,070,650)	-
Unitholders' capital	-	250,504,725	250,504,725
Retained earnings	-	3,737,064	3,737,064
Fair value reserve	-	(171,139)	(171,139)
	-	254,070,650	254,070,650

19. CHANGES IN ACCOUNTING POLICIES

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

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

	Previous accounting policy RM	Change in accounting policy RM	Revised accounting policy RM
Statement of Financial Position			
Financial liability	241,763,220	(241,763,220)	-
Unitholders' capital	-	236,753,255	236,753,255
Retained earnings	-	4,883,627	4,883,627
Fair value reserve	-	126,338	126,338
	<u>-</u>	<u>241,763,220</u>	<u>241,763,220</u>
Statement of Comprehensive Income			
Finance cost	1,901,339	(1,901,339)	-
Total comprehensive income for the financial year	<u>1,444,040</u>	<u>1,901,339</u>	<u>3,345,379</u>

- (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).

19. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

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

<u>As at 1 December 2010</u>	As restated after adoption of amendments to FRS 132 (Note 19(a)) RM	Adjustment RM	As restated RM
Unitholders' capital	250,504,725	-	250,504,725
Retained earnings	3,737,064	(171,139)	3,565,925
Fair value reserve	(171,139)	171,139	-
	<u>254,070,650</u>	<u>-</u>	<u>254,070,650</u>

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

	Previous accounting policy RM	Changes in accounting policy RM	Revised accounting policy RM
Statement of Financial Position			
Financial assets through profit or loss	-	227,627,138	227,627,138
Unquoted Sukuk	227,627,138	(227,627,138)	-
Deposits with licensed financial positions	14,054,000	1,754	14,055,754
Profit receivable from unquoted Sukuk	2,058,740	(2,058,740)	-
Profit receivable from deposits with licensed financial institutions	1,754	(1,754)	-
Fair value reserve	126,338	(126,338)	-
Statement of Comprehensive Income			
Profit income from unquoted Sukuk	3,007,098	(298,198)	2,708,900
Net realised gain on financial assets at fair value through profit and loss	-	372,016	372,016
Net unrealised gain on financial assets at fair value through profit and loss	-	297,477	297,477
Net accretion of discount	(298,198)	298,198	-
Total comprehensive income for the financial year	<u>2,680,489</u>	<u>669,493</u>	<u>3,349,982</u>

DIRECTORY

Head office of the Manager

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Consulting Actuaries

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FINANCIAL CARE CENTER

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

REGIONAL OFFICES

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

BRANCHES

- Ground Floor, No 298-B,
Jalan Tok Hakim,
15000 Kota Bharu, Kelantan, 09-7471172
09-7471190
- 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

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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	03-7880 6893
• 2-6A, Jalan Pju 8/3a, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor.	03-7725 6320
• 12A-3 (2nd Floor), Block C, Jalan Pju 5/17 Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor.	03-6141 6369
• Unit A-2-5 & A-3-5, Block A, Pusat Perdagangan Pelangi, Pelangi Damansara, Pju 6 Persiaran Surian, 47800 Petaling Jaya, Selangor .	03-7725 2880
• 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 nd Floor, Jalan Tengku Zabedah Ampuan K/9k, 40000 Shah Alam, Selangor.	03-5541 0350
• Block E-1-03a & E-2-03a, Jalan Ss6/20a, Dataran Glomac, 47301 Kelana Jaya, Selangor.	03-7880 7082
• 98A, Jalan Ss21/39, Damansara Utama, 47400, Petaling Jaya, Selangor.	03-7725 0825
• D-10-08-G & D10-08-1, Pusat Perdagangan Dana 1, Jalan Pju 1a/46, 47301 Petaling Jaya, Selangor.	TBA
• 32 – 3, 3rd Floor, Jalan 1/27f, KI Satellite Centre (Klsc), Wangsa Maju Section 5 53300 Kuala Lumpur.	03-4142 2911
• A-2-1, Block A, 8 Jalan Pju 1a/20a Dataran Ara Damansara , 47301 Petaling Jaya.	03-7843 0506
• A-2-3, Block A, 8 Jalan Pju 1a/20a, Dataran Ara Damansara, 47301 Petaling Jaya.	03-7843 0503
• Unit B-3A-1, Setiawangsa Business Suites Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur.03-4256 6277	
• 22-2, Jalan Metro Wangsa, Seksyen 2 Wangsa Maju, 53300 Kuala Lumpur.	03-4149 8818
• J-06-01 Level 6 Block J, Solaris Mont' Kiara, Jalan Solaris, 50480 Kuala Lumpur.	03-6204 0113
• Suite B-12-11 Plaza Mont Kiara 2, Jalan 1/70c, Mont Kiara, 50480 Kuala Lumpur.	03-6203 9036
• A-7, Tingkat 1 Lorong Tun Ismail 12, Sri Dagangan 2, 25000 Kuantan, Pahang.	09-5161 430
• 15A, Jalan Ruby, 96000 Sibu, Sarawak.	084-325 515