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INVESTOR LETTER

Dear valued investors,

2011 was ushered in with a lot of optimism. Most analysts, if not all, were positive that the 2010 market rally would have spilt over into this year. However, it seems like the year may not be as predictable as we thought.

Nevertheless, as we all know the market is always cyclical. It goes up and comes down based on the current uncertainties. Ultimately, if you are a long-term investor, the best thing to do is to stay invested and not react emotionally by panic selling. What investors should do is to try to think forward with a plan and have a preferred asset allocation based on their risk tolerance. A well diversified portfolio is also important to mitigate risks in the long-term.

Usually, the source of market volatility is a mix of short and long-term causes. One of several immediate short-term causes has of course been the Standard and Poor's (S&P) ratings downgrade of long-term U.S. Government debt from AAA to AA+. The S&P downgrade had caused a massive downshift of investor's risk appetite that has been underway for several weeks.

We believe that once the current market turmoil subsides, we expect repercussions from the U.S. downgrade to be limited. Some fears that investors have, while certainly understandable in situation like this, are unsupported.

To be fair, here are some positive facts for the US:-

- US treasuries remain one of the safest investments even at AA+ rating;
- Over 60% of global allocated foreign exchange reserves are in USD and they are still highly in demand;
- US Treasuries are the most liquid securities traded in the world and it is hard to find alternatives or substitutes.
- Huge amounts of forced selling of US Treasures have yet to be seen

Overall, given the uncertainty in the markets, we still hold on to our view that the US will not go into a double dip recession. We will continue to remain positive on Asian Equities for second half of 2011 as we believe that strong fund flows into Asian fixed income markets may eventually have a positive spill over effect into the regional equity markets.

On another note, we are happy to announce that CIMB-Principal has garnered a total of 8 awards this year and will maintain our momentum of achievements in the industry for the best interest of our investors.

We are also happy to announce that CIMB-Principal Asset Management Berhad ("CIMB-Principal") is now GIPS-compliant.

GIPS or Global Investment Performance Standards are a set of standardized principles that provide guidance on how investment firms should calculate and report their investment results to prospective and current clients.

INVESTOR LETTER (CONTINUED)

By being GIPS-compliant, investors can now have a greater level of confidence in the integrity of performance presentations as well as our general practices. We trust this will provide further assurance that the performance and reporting figures we cite are prepared to the highest standards.

With this, we at CIMB-Principal will strive to consistently provide investors with potential capital gains over the long-term and at the same time become the most reliable and trusted fund house in the industry. We look forward to supporting your journey through the interesting financial markets to come.

Yours sincerely

Campbell Tupling
Chief Executive
CIMB-Principal Asset Management Berhad

MANAGER'S REPORT

What is the investment objective of the Fund?
The objective of the Fund is to grow the value of the Unit holders' investments over the long-term in a diversified mix of Malaysian assets in approved Shariah-compliant instruments while providing consistent income.

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

What are the fund investment policy and its strategy?
The Fund aims to invest in a diversified portfolio of Malaysian assets comprising Shariah-compliant equities and Shariah-compliant fixed income securities investments. In line with its objective, the investment policy and strategy of the Fund will be to maintain a balanced portfolio between Shariah-compliant equities and Shariah-compliant fixed income securities investments in the ratio of 60:40.

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

Fund category / type
Balanced (Shariah)/Growth & Income

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?
26 May 2003

What was the size of the Fund as at 30 June 2011?
RM156.39million (257.57 million units)

What is the fund's benchmark?
60% FBM EMAS Shariah Index + 40% CIMB Islamic 1-Month General Investment Account-i (GIA).

What is the fund distribution policy?
Distribution (if any) is expected to be distributed every January at the Manager's discretion*.

What was the net income distribution for the financial period ended 30 June 2011?
There is no distribution declared for the financial period ended 30 June 2011.

* Note: Pursuant to the Master Deed, the Manager has the right to make provisions for reserves in respect of distribution of the Fund. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders.

PERFORMANCE DATA

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

	30.06.2011	30.06.2010	30.06.2009
	%	%	%
Quoted Shariah-compliant Investments			
- Construction	3.58	6.56	7.02
- Consumer products	0.57	1.98	1.61
- Finance	1.13	-	-
- Industrial products	8.18	10.16	3.91
- Infrastructure project companies	4.96	0.88	2.08
- Plantations	7.58	13.14	9.49
- Properties	4.30	1.90	1.95
- Trading/Services	26.89	24.99	28.04
- Second Board	-	-	0.78
Shariah-compliant fixed income securities	35.60	36.22	32.00
Cash and Other Net Assets	7.21	4.17	13.12
	100.00	100.00	100.00

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

	30.06.2011	30.06.2010	30.06.2009
Net asset value (RM Million)	156.39	112.76	19.74
Units in circulation (million)	257.57	232.47	42.01
Net asset value per unit (RM)*	0.6071	0.5282	0.4698
Highest NAV per unit (RM)*	0.6071	0.5424	0.4793
Lowest NAV per unit (RM)*	0.5733	0.5016	0.3904
Total return (%)	5.89	2.78	16.89
- Capital growth (%)	5.89	2.78	16.89
- Income distribution (%)	-	-	-
Management expense ratio (%)	1.00	0.79	0.81
Portfolio turnover ratio (times) #	0.43	1.38	0.38

Average total return	Total return	Annualised
	%	%
- One Year	19.06	19.06
- Three Years	28.14	8.62
- Five Years	63.32	10.31
- Since inception	83.41	7.77

*Above figures are ex-distribution

(Launch date: 26 May 2003)

#The portfolio turnover ratio was lower at 0.43 times.

PERFORMANCE DATA (CONTINUED)

	30.06.2011	30.06.2010	30.06.2009	30.06.2008	30.06.2007
Annual total return (%)	19.06	16.81	(7.86)	(9.12)	40.24

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 (Malaysia) Sdn Bhd (253344-U).

MARKET REVIEW (01 JANUARY 2011 TO 30 JUNE 2011)

Equity

Global manufacturing activities picked up for the fifth straight month and rose to its highest level in more than six years in February 2011, while global services activities grew at its strongest pace in almost five years during the month. Similarly, the Organisation of Economic Cooperation and Development (OECD) composite leading indicator picked up for the fifth straight month by 0.37 to 103.1 in January, suggesting that OECD economic activities would likely pick up pace in the months ahead. The economic indicators released suggested that global economic growth was building momentum and would likely gain pace in 2011. However, there were fears that growth would be derailed by rising international commodity and food prices, together with the increase in crude oil prices to more than US$100/barrel, due to political uncertainty in the Middle East and North Africa. From supply-induced inflation, the situation threatened to spill over to a demand-pull inflationary situation that could be more difficult to manage and require more aggressive policy tightening.

In Malaysia, the market was boosted by sustained positive newsflow on the Government Transformation Programme (GTP), Economic Transformation Programme (ETP) and the 2011 Budget which were all hugely positive for the construction, property and consumer sectors. On the downside, market was hit by news of natural disasters in Japan, Australia and New Zealand, political turmoil in North Africa and the Middle East, Japan debt rating downgrade, monetary tightening in China, debt woes in Europe and reversal of funds flow from the emerging markets back to the developed markets. High oil prices have fuelled concerns about inflation and its adverse impact on future economic growth. For most economies, inflation is expected to peak in 2H2011.

Shariah-compliant fixed income securities

For the first quarter of 2011, the domestic sovereign bond market was affected by a myriad of major events. The year began with the Malaysian government bonds yields closing lower in view of the oncoming supply and potential inflationary pressure in 2011. Trading was further depressed by the tightening monetary policy measures of Thailand, South Korea and India and spurring speculation that Bank Negara Malaysia (“BNM”) could raise the policy rate. However, fear of rate hike was subdued after BNM maintained a dovish outlook at its January meeting and kept the Overnight Policy Rate (“OPR”) at 2.75%.

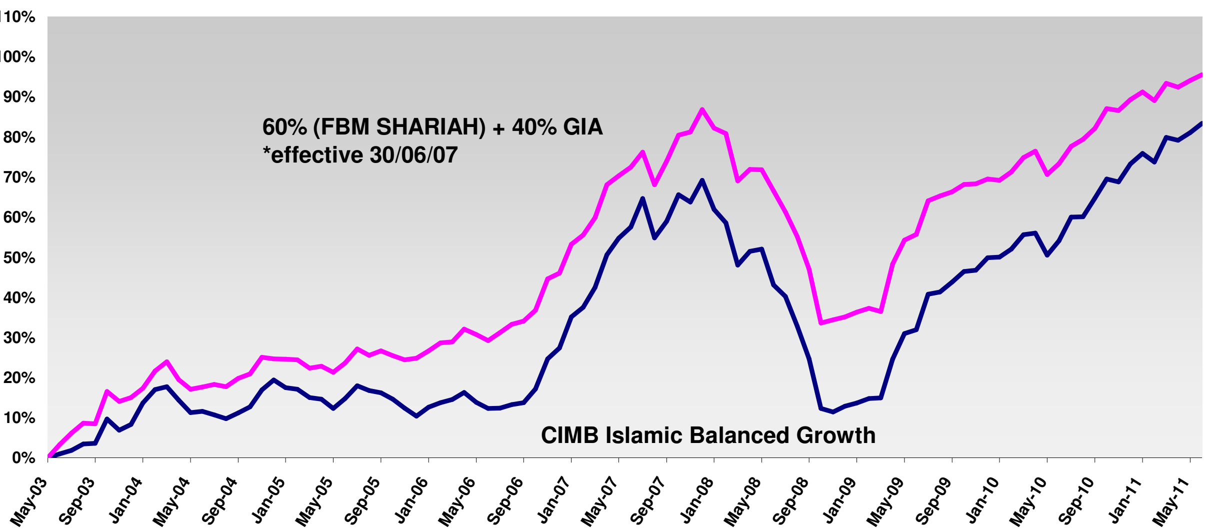
Exacerbating debt crisis in Europe, rating downgrades on Greece, Spain and Portugal, ongoing turmoil in North Africa and Middle East and the aftermath of Japan’s earthquake induced a flight to quality in the month of March. However, towards the end of the month, we saw a general selling in the MGS market with yields increasing across the board as the initial shock of external negatives dissipated. The belly of the curve weakened the most as the 5 and 7 year yields rose 21bps and 13bps to 3.60% and 3.84% respectively. As expected, in the March MPC meeting BNM maintained its OPR at 2.75% and raised the statutory reserve ratio (“SRR”) by 100bps to 2% with effect from 1st April 2011 as a preemptive measure to manage liquidity conditions.

In April, the MGS yield curve flattened for the first time in 4 months. Buying activities were mainly due to a strengthening ringgit and foreign money inflows for emerging market papers. In May, BNM raised its OPR for the first time this year from 2.75% to 3.00% and also hiked the banks’ SRR from 2.00% to 3.00%. In view of higher interest rates, shorter dated yields moved higher in tandem with the OPR resulting in the MGS yield curve bearish flattened in May. The ongoing European debt crisis and weak US economic indicators have resulted in a stead demand for government bonds in June and hence caused the MGS yield to shift lower for the month.

FUND PERFORMANCE

	6 months to 30.06.2011	1 Year to 30.06.2011	3 Year to 30.06.2011	5 Year to 30.06.2011	Since inception
Income (%)	-	3.48	14.20	18.66	43.36
Capital (%)	5.89	15.05	12.20	32.86	27.94
Total Return (%)	5.89	19.06	28.14	63.32	83.41
Benchmark (%)	1.53	12.79	17.41	51.36	95.55
Average Total Return (%)	N/A	19.06	8.62	10.31	7.77

For the interim period under review, the Fund gave a return of 5.89%, outperforming the benchmark by 4.36%. On a 1-year and 3-year basis, the Fund outperformed by 6.27% and 10.73% respectively.



Changes in Net Asset Value ("NAV")

	30.06.2011	30.06.2010	Change (%)
Net Asset Value ("NAV") (RM Million)	156.39	112.76	38.69
NAV/unit (RM)*	0.6071	0.5282	14.94

The Fund's NAV grew by 38.69% for the 1 year period ended 30 June 2011 from RM112.76 million to RM156.39 million. The NAV per unit increased by 14.94% from RM0.5282 per unit to RM0.6071 per unit.

Based on the Lipper rankings of Malaysian unit trust funds, the Fund was ranked in Quartile 1 and Quartile 2 respectively on a 1-year and 3-year performance basis.

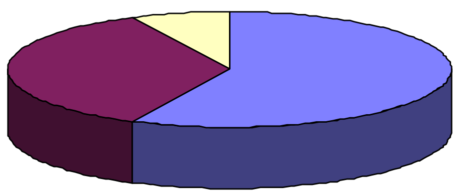
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures have been verified by Mercer (Malaysia) Sdn Bhd (253344-U).

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30.06.2011	30.06.2010
Shariah-compliant fixed income securities	35.60	36.22
Quoted Shariah-compliant Investment	57.19	59.61
Cash and other net assets	7.21	4.17
TOTAL	100.00	100.00

For 1H2011, equity exposure was kept reasonably high given our optimistic outlook for the market. As at end June, equity exposure was 57.19% of net asset value. Equity holdings were kept reasonably high at 57.19% given our optimistic outlook for the market. Investment in Shariah-compliant fixed income securities reduced from 36.22% to 35.60% with liquidity being maintained for trading opportunities and primary issues.



MARKET OUTLOOK

Equity

We do not expect any change in our market outlook as a result of the end of Quantitative Easing 2 (QE2) by the US Federal Reserve. Although the US economy is losing a bit of momentum, we feel this is not sufficient to warrant another package at a time where there is still growth and corporations are slowly increasing hiring. Corporate results are still robust and consumer spending is holding up. Although US manufacturing and services data show a softening at the same time that QE2 is ending, we do not expect this to lead to a double-dip recession as feared.

Locally, most Malaysians will not benefit from the lower energy prices as we did not experience the same level of price appreciation when oil prices were moving up. Inflation remains relatively high in Malaysia as a result of the withdrawal of subsidies for a number of price controlled items. The removal of subsidies and falling crude prices is positive for the country’s fiscal position. Corporate profits remain firm, growing in line with the economy. The challenge is asset inflation arising from high demand of properties; however we feel that Bank Negara and the commercial banks are prudent and will not go overboard in issuing credit.

Malaysia has received some investment flows as a safe haven market. With the KLCI at an all-time-high, growth opportunities are getting tougher to find. We believe the market is fairly valued for 2011 and will be rolling over to 2012 these few months. Malaysia trades at 18 to 20% premium valuation currently, up from 12 to 13% four months back. However, as the outlook for other ASEAN markets become clearer—from Thailand’s completed election to lower inflation in Indonesia—we could see some outflow which will limit the upside of Malaysia within ASEAN.

MARKET OUTLOOK (CONTINUED)

Shariah-compliant fixed income securities

There are two more MPC meetings before year end with one on 8th September 2011 and the final one on 11th November 2011. We believe BNM will hike another 25bps by year end on signs of demand led inflation seeping through in 2H2011. MYR appreciated 1.75% in July and is expected to strengthen further in anticipation of weaker USD. As such, we are adamant that offshore flows to local market to remain. There will be a few economic data to be released in August, namely June exports and imports numbers, June Industrial Production, July CPI and 2Q2011 GDP growth & unemployment rate.

In the corporate Shariah-compliant fixed income securities market, we continue to expect the current trend of duration lengthening and lower yield to persist as end-investors move down the credit curve for better yield pick-up. Liquidity remains ample in the market and unless supply of new issuances substantially improves in August, we continue to foresee spread compression for credit markets. Lower yields in the MGS market provides additional impetus for risk adverse players to participate in GG rated PDS papers.

INVESTMENT STRATEGY

Equity

Risk is moderating somewhat from Greece, China, and the global industry, but this support is temporary, even as it should last for a few months. More importantly, our medium-term view on equities is bullish relative to safe assets (cash and government bonds). The equity risk premium remains extremely high by historic standards, and corporate profits should continue to grow much faster than the underlying economy. The current global business cycle distinguishes itself from past ones by its overall weak growth pace, largely due to unfinished balance sheet repair (i.e. deleveraging) in major economies. However, the zero return on cash and fast rising corporate profit margins are equally distinctive and supportive of stronger equity gains than past cycles. With reduced uncertainties in the market, this will attract fund flows back into emerging markets. Nevertheless, we will continue to re-assess our asset allocation even as global markets are considering downgrade scenarios for peripheral European nations as well as the United States.

Shariah-compliant fixed income securities

For Shariah-compliant fixed income securities, we maintain our strategy to overweight the corporate debt segment with neutral portfolio duration target. We look to take profit on some over valued sukuk and participate in primary issues for better yield.

UNIT HOLDING STATISTICS

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

Size of unit holding	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	7,660	8.69	3.37
5,001 to 10,000	2,943	21.66	8.41
10,001 to 50,000	5,271	113.55	44.09
50,001 to 500,000	1,053	97.58	37.88
500,001 and above	8	16.09	6.25
	16,935	257.57	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 BALANCED GROWTH 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 45 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 June 2011 and of its financial performance, changes in equity and cash flows for the 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
26 August 2011

TRUSTEE'S REPORT TO THE UNITHOLDERS OF CIMB ISLAMIC BALANCED GROWTH FUND

We have acted as Trustee for CIMB Islamic Balanced Growth Fund ("Fund") for the financial period ended 30 June 2011. In our opinion, CIMB-Principal Asset Management Berhad ("the Manager" or "the Management Company") has operated and managed the Fund in accordance with the following:-

(a) limitations imposed on the investment powers of the Manager and Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;

(b) the valuation/pricing of the Fund is carried out in accordance with the Deed and any regulatory requirement; and

(c) creation and cancellation of units of the Fund are carried out in accordance with the Deed of the Fund and any regulatory requirement.

For and on behalf of the Trustee,
Mayban Trustees Berhad

JENNIFER WONG CHEE MUN
Head, Operations

Kuala Lumpur
26 August 2011

SHARIAH ADVISOR'S REPORT TO THE UNITHOLDERS OF CIMB ISLAMIC BALANCED GROWTH FUND

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

In our opinion, CIMB-Principal Asset Management Berhad has managed and administered CIMB Islamic Balanced Growth Fund in accordance with Shariah principles and complied with applicable guidelines, rulings or decisions issued by the Securities Commission pertaining to Shariah matters for the financial period from 1 January 2011 to 30 June 2011.

In addition, we also confirm that the investment portfolio of CIMB Islamic Balanced Growth 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 Advisor
CIMB ISLAMIC BANK BERHAD

ABDUL GHANI ENDUT
Head, Shariah Department / Designated Person Responsible for Shariah Advisory

Kuala Lumpur
26 August 2011

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2011

	Note	30.06.2011 RM	30.06.2010 RM
NET INVESTMENT INCOME (SHARIAH-COMPLIANT)			
Dividend income		1,240,744	310,931
Profit income	4	1,627,462	1,017,141
Net realised gain on sale of financial assets at fair value through profit or loss		8,380,669	1,528,010
Unrealised loss on financial assets at fair value through profit or loss		(1,003,308)	-
		10,245,567	2,856,082
EXPENSES			
Management fee	5	1,104,951	306,882
Trustee's fee	6	51,564	10,396
Transaction costs		301,639	-
Audit fee		6,710	6,540
Other expenses		22,307	7,956
		1,487,171	331,774
NET PROFIT BEFORE TAXATION		8,758,396	2,524,308
TAXATION	8	(49,580)	(5,355)
NET PROFIT AFTER TAXATION REPRESENTING TOTAL COMPREHENSIVE INCOME		8,708,816	2,518,953
Net profit after taxation is made up as follows:			
Realised amount		7,568,251	1,554,357
Unrealised amount		1,140,565	964,596
		8,708,816	2,518,953

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	30-Jun-11 RM	31-Dec-10 RM
INVESTMENTS (SHARIAH–COMPLIANT)			
Financial assets at fair value through profit or loss	9	145,252,154	138,185,941
LIQUID ASSETS			
Deposits with licensed financial institutions	10	13,738,423	6,942,236
Bank balance in a licensed bank	10	51,381	50,831
		13,789,804	6,993,067
OTHER ASSETS			
Amount due from stockbrokers		2,233,718	1,524,569
Amount due from Manager		769,985	267,689
Tax recoverable		81,626	39,317
Dividends receivable		293,516	445,764
Other receivable		-	-
		3,378,845	2,277,339
TOTAL ASSETS		**162,420,803**	**147,456,347**
LIABILITIES			
Amount due to stockbrokers		5,132,897	1,146,526
Amount due to Manager		667,184	1,257,359
Accrued management fee		183,954	176,855
Amount due to Trustee		8,585	8,253
Distribution payable		-	29,273
Other payables and accruals		37,157	37,157
TOTAL LIABILITIES		**6,029,777**	**2,655,423**
NET ASSETS VALUE OF THE FUND	11	**156,391,027**	**144,800,924**
Equity			
Unitholders' capital	11	131,949,221	127,554,701
Retained earnings		24,441,806	17,246,223
Fair value reserve		-	-
NET ASSET ATTRIBUTABLE TO UNITHOLDERS		**156,391,027**	**144,800,924**
NUMBER OF UNITS IN CIRCULATION		257,573,591	252,611,268
NET ASSET VALUE PER UNIT (RM)		0.6071	0.5732

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2011

	Note	Unitholders' capital RM	Retained earnings RM	Fair value reserve RM	Total RM
Balance as at 1 January 2011		127,554,701	17,246,223	-	144,800,924
Movement in unitholders' contribution:					
Creation of units	11	39,405,732	-	-	39,405,732
Cancellation of units	11	(35,011,212)	(1,513,233)	-	(36,524,445)
Total comprehensive income for the financial period		-	8,708,816	-	8,708,816
Balance as at 30 June 2011		131,949,221	24,441,806	-	156,391,027
Balance as at 1 January 2010, restated after adoption of FRS139		23,260,894	2,326,633	-	25,587,527
Movement in unitholders' contribution:					
Creation of units from applications	11	134,253,728	-	-	134,253,728
Creation of units from distributions	11	4,853,801	-	-	4,853,801
Cancellation of units		(34,813,722)	1,828,376	-	(32,985,346)
Total comprehensive income for the financial year		-	17,974,288	-	17,974,288
Distributions	7	-	(4,883,074)	-	(4,883,074)
Balance as at 31 December 2010		127,554,701	17,246,223	-	144,800,924

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

UNAUDIED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

	Note	30.06.2011 RM	31.12.2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of quoted securities		54,402,100	43,856,350
Proceeds from sale of Shariah-compliant fixed income securities		12,432,498	7,219,807
Proceeds from redemption of Shariah-compliant fixed income securities		-	5,000,000
Purchase of quoted securities		(48,175,486)	(99,132,185)
Purchase of Shariah-compliant fixed income securities		(15,388,583)	(57,605,431)
Dividend received		1,315,344	996,931
Profit income received from shariah-compliant deposits with licensed financial institutions		132,892	140,977
Profit income received from Shariah-compliant fixed income securities		1,595,440	1,809,459
Management fee paid		(1,097,853)	(1,176,360)
Trustee’s fees paid		(51,233)	(62,747)
Payments for other fees and expenses		(29,023)	(32,467)
Net cash inflow/(outflow) from operating and activities		5,136,096	(98,985,666)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		38,903,436	134,196,665
Payments for cancellation of units		(37,213,522)	(31,827,615)
Distribution payout		(29,273)	(39,583)
Net cash inflow from financing activities		1,660,641	102,329,467
Net increase in cash and cash equivalents		6,796,737	3,343,801
Cash and cash equivalents at the beginning of the year		6,993,067	3,649,266
Cash and cash equivalents at the end of financial period/year	10	13,789,804	6,993,067

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

NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2011

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY

CIMB Islamic Balanced Growth 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 Mayban Trustee Berhad (the "Trustee") and the registered unit holders of the Fund.

The Fund invests principally in Shariah-compliant equity 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 subsidiary of CIMB Group Sdn. Bhd. and regards CIMB Group Holdings Berhad as its ultimate holding company. Its principal activities are the management of unit trusts and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

The preparation of financial statements in conformity with the FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(n).

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

- FRS 8 "Operating Segments" (effective from 1 July 2009) replaces FRS 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The improvement to FRS 8 (effective from 1 January 2010) clarifies that entities that do not provide information about segment assets to the chief operating decision-maker will no longer need to report this information. Prior year comparatives must be restated.

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 :

- FRS 7 “Financial instruments: Disclosures” (effective from 1 January 2010) provides information to users of financial statements about an entity’s exposure to risks and how the entity manages those risks. The improvement to FRS 7 clarifies that entities must not present total profit income and expense as a net amount within finance costs on the face of the Income Statement. This standard does not have any impact on the classification and valuation of the Fund's financial statements.

- The revised FRS 101 “Presentation of financial statements” (effective from 1 January 2010) prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. 'Non-owner changes in equity' are to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

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

- FRS 107 “Statement of cash flows” (effective from 1 January 2010) clarifies that only expenditure resulting in a recognised asset can be categorised as a cash flow from investing activities.

- FRS 110 “Events after the balance sheet date” (effective from 1 January 2010) reinforces existing guidance that a dividend declared after the reporting date is not a liability of an entity at that date given that there is no obligation at that time.

- FRS 118 “Revenue” (effective from 1 January 2010) provides more guidance when determining whether an entity is acting as a ‘principal’ or as an ‘agent’. This standard does not have material impact on the classification and valuation of the Fund's financial statements.

- Amendment FRS 132 “Financial Instruments: Presentation”

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

- 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).

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

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 at fair value through profit or loss

Classification

The Fund designates its investments in Shariah-compliant quoted securities and Shariah-compliant fixed income securities as financial assets at fair value through profit or loss at inception.

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

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 amount due from stockbrokers, amount due from Manager and dividend receivable.

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, 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. 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 investments 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 at fair value through profit or loss (continued)

Recognition and measurement (continued)

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

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

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

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

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

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

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

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 earned from deposits and Shariah-compliant fixed income securities securities are recognised on the accrual basis.

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

(d) Creation and cancellation of units

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

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

(e) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalent 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.

(f) Taxation

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

(g) Distribution

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

(h) Amount due from/to brokers

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Amount due from/to brokers (continued)

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.

(i) 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.

(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 cost

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 at the date of the statement of financial position.

Financial instruments as at 30 June 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 9)	-	145,252,154	145,252,154
Cash and cash equivalents (Note 10)	13,789,804	-	13,789,804
Amount due from Manager	769,985	-	769,985
Amount due from Stockbroker	2,233,718	-	2,233,718
Dividend receivable	293,516	-	293,516
Tax recoverable	81,626	-	81,626
	17,168,649	145,252,154	162,420,803

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 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 objective of the Fund is to grow the value of the Unit holders' investments over the long-term in a diversified mix of Malaysian assets in approved Shariah instruments while providing consistent income.

The Fund is exposed to a variety of risks which include market risk inclusive of price risk and profit rate risk, credit risk, liquidity risk, single issuer risk, non compliance risk and capital risk.

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

(a) Market risk

(i) Price risk

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

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

At 30 June 2011, the Fund's overall exposure to price risk was as follows:

	2011 RM
Quoted securities and Shariah-compliant fixed income securities designated at fair value through profit or loss	145,252,154

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

% Change in price of quoted secutities	**Market value RM**	**Change in net asset value RM**
- 5%	(4,476,473)	85,052,998
0%	-	-
5%	4,476,473	94,005,944

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

a) Market risk (continued)

(ii) Profit rate risk

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

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

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

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

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

% Change in profit rate	Shariah-compliant fixed income securities designated at fair value trough profit or loss RM	Deposit with licensed financial institutions RM
-5%	(2,761,025)	(686,850)
0%	-	-
5%	2,761,025	686,850

(iii) Currency risk

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

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

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

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

As at 30.06.2011	Financial assets at fair value through profit or loss	Cash and cash equivalents	Other assets	Total
	RM	RM	RM	RM
Finance	-	13,789,804	-	13,789,804
Shariah-compliant fixed income securities				
- AAA	6,140,788	-	-	6,140,788
- AA1	4,127,230	-	-	4,127,230
- AA2	2,711,704	-	-	2,711,704
- AA3	27,691,675	-	-	27,691,675
- AA	2,107,934	-	-	2,107,934
- A1	2,038,847	-	-	2,038,847
- A2	2,516,376	-	-	2,516,376
- A3	6,057,175	-	-	6,057,175
- BBB1	2,330,954	-	-	2,330,954
Shariah-compliant quoted investments	89,529,471	-		89,529,471
Others	-	-	3,378,845	3,378,845
	145,252,154	13,789,804	3,378,845	162,420,803

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

(c) Liquidity risk

Liquidity risk is the risk that unquoted Shariah-compliant fixed income securities 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 2% of liquid assets at all times to reduce the liquidity risk.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

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

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

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	**1 month above RM RM**	**Total RM**
At 30 June 2011			
Amount due to stockbrokers	5,132,897	-	5,132,897
Amount due to Manager	667,184	-	667,184
Accrued management Fee	183,954	-	183,954
Amount due to Trustee	8,585	-	8,585
Other payables and accruals	-	37,157	37,157
Contractual cash out flows	5,992,620	37,157	6,029,777

(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 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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund do not follow the rules set out in the Fund's constitution, or the law that govern the Fund, or act fraudulently or dishonestly. It also includes the risk of the Manager not complying with internal control procedures. The non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the manager.

(g) Capital risk management

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

4. PROFIT INCOME

	30.06.2011 RM	30.06.2010 RM
Profit income from deposits with licensed financial institutions	132,741	197,179
Hibah	151	-
Profit income from Shariah-compliant fixed income securities	1,494,570	819,962
	1,627,462	1,017,141

5. 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 2.00% (2010: 2.00%) per annum, calculated daily based on the net asset value of the Fund.

For the financial period ended 30 June 2011, the management fee is recognised at a rate of 1.50% per annum (2010: 1.50%).

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

6. 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 0.20% (2010: 0.20%) per annum calculated daily based on the net asset value of the Fund, subject to a minimum fee of RM18,000 (2009: RM18,000) per annum.

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

Trustee Fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any).

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

7. DISTRIBUTION

Distribution to unitholders is derived from the following sources:

	30.06.2011	**31.12.2010**
	RM	**RM**
Dividend income	-	1,166,534
Profit and Hibah earned on deposits	-	2,015,025
Net realised gain on sale of investment	-	3,366,397
	-	6,547,956
Less:		
Expenses	-	(1,575,546)
Taxation	-	(89,336)
Net distribution amount	-	4,883,074
Final distribution		
Net distribution per unit (sen)	-	2.00
Gross distribution per unit (sen)	-	2.04

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

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

8. TAXATION

	30.06.2011 RM	30.06.2010 RM
Current taxation	49,580	5,355

A reconciliation of taxation applicable to net profit before finance cost and taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	30.06.2011 RM	30.06.2010 RM
Net profit before finance cost and taxation	8,758,396	2,524,308
Taxation at Malaysian statutory rate of 25% (2010: 25%)	2,189,599	631,077
Tax effects of:		
Income exempt from tax	(639,405)	(324,533)
Net realised gain on sale of investments not subject to tax	(1,844,340)	(382,003)
Expenses not deductible for tax purposes	91,129	4,588
Restriction on tax deductible expenses for unit trust funds	252,597	76,226
Taxation	49,580	5,355

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.06.2011 RM	31.12.2010 RM
Designated at fair value through profit or loss		
- Quoted shariah-compliant securities (Note (i))	89,529,471	86,000,496
- Shariah-compliant fixed income securities (Note (ii))	55,722,683	52,185,445
	145,252,154	138,185,941

(i) Quoted shariah-compliant securities

As at 30 June 2011	Nominal Value Unit	Carrying cost RM	Fair value RM	Percentage of net asset value %
Construction				
Gamuda Berhad	256,500	736,725	987,525	0.63
Hock Seng Lee Bhd	836,600	1,461,776	1,422,220	0.91
IJM Corporation Berhad	153,100	807,084	987,495	0.63
Malaysian Resources Corp Bhd	992,000	1,728,242	2,212,160	1.41
	2,238,200	4,733,827	5,609,400	3.58
Consumer Products				
MSM Malaysia Holdings Berhad	21,800	77,826	103,114	0.07
Tan Chong Motor Hldgs Berhad	167,000	759,996	791,580	0.51
	188,800	837,822	894,694	0.57

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

(i) Quoted securities

As at 30 June 2011 (Continued)	Nominal Value Unit	Carrying cost RM	Fair value RM	Percentage of net asset value %
Finance				
Bank Islam Malaysia Bhd	917,600	1,292,095	1,770,968	1.13
Industrial Products				
Kossan Rubber Industries	509,500	1,804,946	1,589,640	1.02
Latexx Partners Berhad	169,600	457,382	373,120	0.24
Lion Industries Corporation	140,000	253,530	263,200	0.17
Parkson Holdings Berhad	163,000	1,014,860	981,260	0.63
Petronas Chemicals Group Bhd	572,200	3,226,260	4,056,898	2.59
Petronas Gas Berhad	240,300	2,743,783	3,176,766	2.03
Supermax Corp Bhd	149,800	660,724	555,758	0.36
Wah Seong Corp Bhd	1	3	2	-
YTL Cement Bhd	338,300	1,729,040	1,803,139	1.15
	2,282,701	11,890,528	12,799,782	8.18
Infrastructure Project Companies				
Digi.com Berhad	104,500	2,737,992	3,034,680	1.94
Maxis Bhd	530,500	2,900,689	2,907,140	1.86
Time Dotcom Bhd	2,471,000	1,325,167	1,828,540	1.17
	3,106,000	6,963,848	7,770,360	4.96
Plantations				
Genting Plantations Berhad	235,000	1,888,641	1,861,200	1.19
IOI Corporation Berhad	694,593	3,392,293	3,681,343	2.35
Kuala Lumpur Kepong Berhad	244,900	4,370,324	5,426,984	3.47
Tradewinds Plantation Berhad	235,000	954,878	890,650	0.57
	1,409,493	10,606,136	11,860,177	7.58
Properties				
SP Setia Berhad -Warrant 21/01/2013	1,676,900	2,199,741	1,894,897	1.21
Eastern and Oriental Berhad	611,000	991,620	983,710	0.63
Mah Sing Group Berhad	371,700	757,314	970,137	0.62
UEM Land Berhad	1,023,800	2,233,495	2,876,878	1.84
	3,683,400	6,182,170	6,725,622	4.30

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

(i) Quoted securities (continued)

As at 30 June 2011 (Continued)	Nominal Value Unit	Carrying cost RM	Fair value RM	Percentage of net asset value %
Trading Services				
Airasia Berhad	841,000	2,063,847	2,960,320	1.89
Axiata Group Berhad	1,151,900	4,160,333	5,771,019	3.69
Dialog Group Berhad	1,064,870	1,442,046	2,939,041	1.88
Kencana Petroleum Berhad	1,026,100	1,709,402	2,883,341	1.84
KPJ Healthcare Berhad	209,000	890,591	965,580	0.62
Malaysia Marine And Heavy Engineering Bhd	135,100	825,400	1,125,383	0.72
Petronas Dagangan Berhad	195,100	2,898,366	3,141,110	2.01
Pos Malaysia Berhad	664,800	2,207,803	2,193,840	1.40
Sapura Crest Petroleum Berhad	700,500	1,727,932	2,942,100	1.88
Sime Darby Berhad	1,097,537	9,043,329	10,130,267	6.47
Telekom Malaysia Berhad	841,600	3,362,568	3,324,320	2.12
Tenaga Nasional Berhad	549,800	3,768,780	3,722,146	2.38
	8,477,307	34,100,397	42,098,467	26.89
TOTAL QUOTED SHARIAH -COMPLIANT INVESTMENTS	22,303,501	76,606,823	89,529,471	57.19
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**12,922,648**		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**89,529,471**		

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

(i) Shariah-compliant fixed income securities

As at 30 June 2011	Quantity Unit	Carrying cost RM	Market value RM	Percentage of net asset value %
AmIslamic Bank Bhd 4.80% 21/12/2011 (A1)	1,000,000	996,738	1,007,711	0.64
Bank Muamalat Malaysia 5.15% 15/06/2021 (A3)	5,000,000	4,994,414	5,032,757	3.22
Bank Muamalat Malaysia 6.25% 05/09/2016 (A3)	1,000,000	1,017,300	1,024,418	0.66
Diversified Venue Sdn Bhd 6.10% 30/12/2013 (AA)	2,000,000	2,101,127	2,107,934	1.35
Gamuda Berhad 5.25% 01/04/2015 (AA3)	3,000,000	3,094,452	3,146,260	2.01
Gulf Investment Corporation 5.25% 01/03/2016 (AAA)	1,000,000	992,671	1,035,648	0.66
Hubline Berhad 7.55% 23/12/11 (A2)	2,500,000	2,582,681	2,516,376	1.61
Jimah Energy Ventures SB 8.30% 11/11/2016 (AA3)	1,000,000	1,151,700	1,199,256	0.77
Jimah Energy Ventures SB 8.55% 12/05/2017 (AA3)	2,000,000	2,279,809	2,448,784	1.57
Jimah Energy Ventures SB 9.25% 12/05/2021 (AA3)	3,000,000	3,625,153	4,014,698	2.57
Kesas Sdn Bhd 7.70% 11/10/2012 (AA3)	1,000,000	1,057,901	1,060,441	0.68
Konsortium Lebuh Utara Timur 6.82% 28/10/2024 (AA3)	5,000,000	5,221,670	5,753,292	3.68
Konsortium Lebuh Utara Timur 7.12% 28/10/2026 (AA3)	1,000,000	1,033,274	1,167,384	0.75
Konsortium Lebuhraya Bwh-Kulim 4.00% 13/07/2018 (AA3)	1,500,000	938,016	1,462,951	0.94
Konsortium Lebuhraya Bwh-Kulim 4.00% 15/01/2018 (AA3)	1,000,000	1,359,082	996,880	0.64
Lebuhraya Kajang-Seremban 5.35% 10/06/2016 (BBB1)	1,000,000	901,326	796,031	0.51
Lebuhraya Kajang-Seremban 5.60% 12/06/2017 (BBB1)	2,000,000	1,833,515	1,534,923	0.98
Lingkaran Trans Kota Hldgs Bhd 5.60% 15/04/2019 (AA2)	2,500,000	2,659,391	2,711,704	1.73
Maju Expressway Sdn Bhd 5.65% 15/06/2015 (AA3)	2,000,000	1,966,707	2,117,548	1.35
Maju Expressway Sdn Bhd 6.10% 15/06/2018 (AA3)	2,000,000	2,062,356	2,187,953	1.40
Malakoff Corp Berhad 6.68% 29/04/2022 (AA3)	1,000,000	930,275	1,103,533	0.71
MISC Berhad 3.08% 23/09/11 (AAA)	2,000,000	2,001,683	2,016,185	1.29
National Bank Of Abu Dhabi 4.75% 29/06/2015 (AAA)	1,500,000	1,474,503	1,547,640	0.99
Padiberas Nasional Berhad 4.55% 20/01/2014 (AA3)	1,000,000	994,949	1,032,695	0.66

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

(ii) Shariah-compliant fixed income securities

As at 30 June 2011 (Continued)	Quantity Unit	Carrying cost RM	Market value RM	Percentage of net asset value %
Sime Darby Berhad 4.38% 14/11/14 (AAA)	1,000,000	1,018,050	1,023,320	0.65
Sime Darby Berhad 4.75% 16/11/16 (AAA)	500,000	510,995	517,993	0.33
Sunrise Berhad 4.55% 31/01/2014 (A1)	1,000,000	1,010,224	1,031,136	0.66
Teknologi Tenaga Perlis 9% 11/09/2015 (AA1)	1,000,000	1,219,875	1,208,303	0.77
Teknologi Tenaga Perlis 9.2% 13/09/2016 (AA1)	1,500,000	1,936,644	1,874,698	1.20
Westports M'sia Sdn Bhd 5.32% 02/05/2025 (AA1)	1,000,000	1,008,955	1,044,231	0.67
TOTAL SHARIAH-COMPLIANT FIXED INCOME SECURITIES	**52,000,000**	**53,975,436**	**55,722,683**	**35.60**
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**1,747,247**		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**55,722,683**		

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

(i) Quoted securities

As at 31 December 2010	Nominal Value Unit	Carrying cost RM	Fair value RM	Percentage of net asset value %
Construction				
Gamuda Berhad	524,300	1,502,660	1,997,583	1.38
IJM Corporation Berhad	514,600	2,448,250	3,205,958	2.21
Malaysian Resources Corp Bhd	1,260,000	1,883,616	2,507,400	1.73
UEM Land Berhad	376,656	811,495	919,041	0.63
WCT Berhad	413,090	1,154,422	1,317,757	0.91
YTL Corporation Bhd	221,300	1,771,053	1,861,133	1.28
	3,309,946	9,571,496	11,808,872	8.15
Consumer Products				
Tan Chong Motor Holdings Bhd	239,100	1,180,692	1,238,538	0.85
Finance				
Bank Islam Malaysia Bhd	630,600	874,092	889,146	0.61
Industrial Products				
KNM Group Bhd	157,000	434,764	445,880	0.31
Kossan Rubber Industries	410,000	1,476,187	1,295,600	0.89
Perisai Petroleum Teknologi Bhd	2,800,000	1,475,069	1,526,000	1.05
Petronas Chemicals Group Bhd	577,700	3,145,765	3,188,904	2.20
Petronas Gas Berhad	151,300	1,727,271	1,679,430	1.16
UEM Land Berhad	373,200	520,367	910,608	0.63
Wah Seong Corp Bhd	1	3	2	-
	4,469,201	8,779,426	9,046,424	6.24
Infrastructure Project Companies				
Digi.com Berhad	26,000	640,251	639,600	0.44
Maxis Communications Bhd	153,000	801,290	810,900	0.56
Time Dotcom Bhd	2,171,000	1,106,939	1,725,945	1.19
YTL Power International Bhd	346,600	842,065	845,704	0.58
	2,696,600	3,390,545	4,022,149	2.78
Plantations				
Genting Plantations Berhad	249,000	1,708,936	2,191,200	1.51
IOI Corporation Berhad	1,117,593	5,464,291	6,493,215	4.48
Kuala Lumpur Kepong Berhad	216,900	3,488,324	4,793,490	3.31
Sime Darby Berhad	1,145,537	9,249,973	10,080,726	6.69
TH Plantations Berhad	155,900	294,900	324,272	0.22
	2,884,930	20,206,424	23,882,903	16.48

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

(i) Quoted securities (continued)

As at 31 December 2010 (continued)	Nominal Value Unit	Carrying cost RM	Fair value RM	Percentage of net asset value %
Properties				
Eastern and Oriental Berhad	874,200	842,069	1,031,556	0.71
IJM Land Berhad	392,000	825,696	1,121,120	0.77
Mah Sing Group Berhad	537,700	986,864	989,368	0.68
SP Setia Berhad	233,900	1,249,872	1,391,705	0.96
Sunway City Berhad	47,000	197,349	204,450	0.14
	2,084,800	4,101,850	4,738,199	3.27
Technology				
Unisem Bhd	160,300	306,888	368,690	0.25
Trading Services				
Airasia Berhad	392,500	504,950	993,025	0.69
Axiata Group Berhad	2,127,800	7,669,279	10,107,050	6.98
Dialog Group Berhad	1,064,870	1,206,332	1,906,117	1.32
Faber Group Berhad	294,200	719,422	747,268	0.52
Kencana Petroleum Berhad	1,357,600	1,818,862	3,271,816	2.26
Malaysia Marine And Heavy Engineering Bhd	183,100	812,039	1,080,290	0.75
Malaysia Mining Corporation Berhad	325,000	770,943	903,500	0.62
Media Chinese Corporation Bhd	1,088,400	868,662	936,024	0.65
Pos Malaysia Berhad	259,900	837,414	873,264	0.60
QSR Brands Berhad	328,900	1,139,066	1,664,234	1.15
Sapura Crest Petroleum Berhad	1,090,000	2,155,014	3,379,000	2.33
Tenaga Nasional Berhad	495,100	4,050,007	4,143,987	2.86
	9,007,370	22,551,990	30,005,575	20.71
TOTAL QUOTED SHARIAH -COMPLIANT INVESTMENTS	**25,482,847**	**70,963,403**	**86,000,496**	**59.36**
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**15,037,093**		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**86,000,496**		

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

(ii) Shariah-compliant fixed income securities

As at 31 December 2010	Quantity Unit	Carrying cost RM	Market value RM	Percentage of net asset value %
AmIslamic Bank Bhd 4.80% 21/12/2011(A1)	1,000,000	1,006,590	1,010,551	0.70
Bank Muamalat Malaysia 6.25% 5/9/2011(A3)	1,000,000	1,029,544	1,032,589	0.71
Diversified Venue Sdn Bhd 6.10% 30/12/2013(AA)	2,000,000	2,105,720	2,113,868	1.46
Gamuda Berhad 4.59% 24/1/2013 (AA3)	4,000,000	4,092,650	4,130,999	2.85
Hubline Berhad 7.55% 23/12/11(A2)	2,500,000	2,557,458	2,563,917	1.77
Jimah Energy Ventures SB 8.3% 11/11/2016 (AA3)	1,000,000	1,149,241	1,193,764	0.82
Jimah Energy Ventures SB 8.55% 12/5/2017(AA3)	2,000,000	2,336,623	2,433,819	1.68
Jimah Energy Ventures SB 9.25% 12/5/2021(AA3)	3,000,000	3,642,845	3,970,429	2.74
Kesas Sdn Bhd 7.7% 11/10/2012 (AA3)	1,000,000	1,069,084	1,070,346	0.74
Konsortium Lebuh Utara Timur 6.82% 28/10/2024 (AA-)	5,000,000	5,284,678	5,456,226	3.77
Konsortium Lebuh Utara Timur 7.12% 28/10/2026 (AA-)	1,000,000	1,046,327	1,098,079	0.76
Konsortium Lebuhraya Bwh-Kulim 4% 15/01/2018 (AA3)	500,000	463,271	487,115	0.34
Konsortium Lebuhraya Bwh-Kulim 4% 13/07/2018 (AA3)	1,500,000	1,411,902	1,450,767	1.00
Lebuhraya Kajang-Seremban 5.35% 10/6/2016 (BBB1)	1,000,000	951,699	775,793	0.54
Lebuhraya Kajang-Seremban 5.6% 12/6/2017 (BBB1)	2,000,000	1,889,165	1,493,830	1.03
Maju Expressway Sdn Bhd 6.10% 15/06/2018 (AA-)	2,000,000	2,163,107	2,166,882	1.50
Maju Expressway Sdn Bhd 5.65% 15/06/2015 (AA-)	2,000,000	2,105,382	2,106,863	1.45
Malakoff Corp Berhad 6.18% 28/4/2017 (AA3)	1,000,000	994,910	1,077,440	0.74
Malakoff Corp Berhad 6.68% 29/4/2022 (AA3)	1,000,000	971,142	1,087,516	0.75
MISC Bhd 3.08% 23/09/11 (AAA)	2,000,000	2,016,452	2,017,118	1.39
National Bank Of Abu Dhabi 4.75% 29/06/2015 (AAA)	1,500,000	1,504,886	1,545,136	1.07
Penang Bridge Sdn Bhd 8.35% 30/8/2012 (AA2)	1,000,000	1,110,726	1,103,145	0.76
Puncak Niaga M Sdn Bhd 5% 27/10/2011 (A+)	1,000,000	1,012,976	1,001,666	0.69
Sime Darby Berhad 4.38% 14/11/2014 (AAA)	1,000,000	1,022,650	1,026,520	0.71
Sime Darby Berhad 4.75% 16/11/2016 (AAA)	500,000	506,319	522,393	0.36

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

(ii) Shariah-compliant fixed income securities

As at 31 December 2010 (continued)	Quantity Unit	Carrying cost RM	Market value RM	Percentage of net asset value %
Syarikat Bekalan Air Selangor 5% 30/9/2013 (A+)	2,000,000	2,041,392	1,983,491	1.37
Tanjung Bin Power Sdn sBhd 7.2% 11/11/2011(AA3)	3,000,000	3,111,438	3,116,531	2.15
Teknologi Tenaga Perlis 9% 11/9/2015 (AA1)	1,000,000	1,216,695	1,234,498	0.85
Teknologi Tenaga Perlis 9.2% 13/9/2016 (AA1)	1,500,000	1,789,985	1,914,154	1.32
TOTAL SHARIAH-COMPLIANT FIXED INCOME SECURITIES	**49,000,000**	**51,604,857**	**52,185,445**	**36.02**
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**580,588**		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**52,185,445**		

10. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	30.06.2010 RM	31.12.2010 RM
Bank balance in a licensed bank	51,381	50,831
Deposits with licensed financial institutions	13,738,423	6,942,236
	13,789,804	6,993,067

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

	30.06.2011 %	31.12.2010 %
Deposits with licensed financial institutions	2.92	2.69

Deposits with licensed financial institutions of the Fund have and average maturity of 2 days (31 December 2010: 3 days).

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

	30.06.2011		31.12.2010	
	No. of Units	RM	No. of Units	RM
At beginning of the financial year	252,611,268	144,800,924	49,868,525	25,587,527
Creations arising from applications	67,174,348	39,405,730	253,405,679	134,253,727
Creations arising from distributions	-	-	8,457,573	4,853,801
Cancellation of units	(62,212,025)	(36,524,443)	(59,120,509)	(32,985,346)
Total comprehensive income for the financial year	-	8,708,816	-	17,974,288
Distribution for the financial year	-	-	-	(4,883,074)
Net change in fair value reserve	-	-	-	-
At end of the financial year	257,573,591	156,391,027	252,611,268	144,800,924
Approved size of the Fund	500,000,000		500,000,000	

As at 30 June 2011, the number of units not yet issued is 242,426,409 (31 December 2010: 247,388,732).

12. MANAGEMENT EXPENSE RATIO ("MER")

	30.06.2011	30.06.2010
	%	%
MER	1.00	0.79

MER is derived from the following calculation:

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

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

The average net asset value of the Fund for the six month financial period ended 30 June 2011 calculated on daily basis is RM 148,590,903 (30 June 2010: RM41,985,189).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	30.06.2011	30.06.2010
PTR (times)	0.43	1.38

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

where:
total acquisition for the financial period = RM67,550,439 (2010: RM106,270,117)
total disposal for the financial period= RM 59,220,627 (2010: RM9,674,273)

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

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

Related parties	Relationship
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

	2011		2010	
	No. of units	RM	No. of units	RM
CIMB-Principal Asset Management Berhad	299,031	181,781	375,928	192,889

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 obtainable in transactions with unrelated parties unless otherwise stated. Profit rates on Shariah-compliant fixed income securities and short-term deposits were at normal commercial rates.

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

	30.06.2011 RM	30.06.2010 RM
<u>Significant related party transactions</u>		
Profit from Shariah-compliant deposits:		
- CIMB Islamic Bank Berhad	32,745	14,958
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed financial institutions:		
- CIMB Islamic Bank Berhad	161,563,000	1,224,000

15. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 June 2011 are as follows:

	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Hong Leong Islamic Bank Berhad	200,513,000	26.94	-	-
RHB Bank Islamic Berhad	181,491,000	24.39	-	-
CIMB Islamic Bank Berhad #	161,563,000	21.71	-	-
EONCAP Islamic Bank Berhad	43,310,000	5.82	-	-
CIMB Investment Bank Berhad #	38,002,603	5.11	86,327	30.23
JP Morgan Securities Sdn Bhd	19,701,381	2.65	43,840	15.35
AmIslamic Bank Berhad	17,505,000	2.35	-	-
Credit Suisse Malaysia Sdn Bhd	15,528,232	2.09	34,939	12.23
Bank Islam Malaysia Berhad	13,000,000	1.75	-	-
Maybank Securities Sdn Bhd	11,770,492	1.58	26,490	9.28
Others	41,783,828	5.61	93,982	32.91
	744,168,536	**100.00**	**285,578**	**100.00**

15. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the six months financial period ended 30 June 2010 are as follows:

	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CIMB Islamic Bank Berhad #	109,206,000	26.51	-	-
Hong Leong Islamic Bank Berhad	93,653,000	22.74	-	-
RHB Bank Islamic Berhad	53,383,000	12.96	-	-
Maybank Islamic Berhad	33,358,000	8.10	-	-
CIMB Investment Bank Berhad #	31,494,935	7.65	34,893	27.62
AmInvestment Bank Bhd	24,213,671	5.88	13,828	10.94
Affin Islamic Bank Berhad	22,041,000	5.35	-	-
Bank Islam Malaysia Berhad	11,440,000	2.78	-	-
Maybank Securities Sdn Bhd	10,462,103	2.54	24,370	19.29
JP Morgan Securities Sdn Bhd	5,610,717	1.36	12,680	10.04
Others	17,068,824	4.14	40,574	32.11
	411,931,250	**100.00**	**126,345**	**100.00**

\# Included in transactions by the Fund are trades conducted on normal terms with CIMB Islamic Bank Berhad, CIMB Investment Bank Berhad and CIMB Bank Berhad a company related to the Manager amounting to RM161,563,000, RM38,002,603 and RM1,000,000 respectively (2010: RM109,206,000, RM31,494,935 and RM Nil respectively).

16. SEGMENT INFORMATION

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

The committee is responsible for the Fund's entire portfolio and considers the business as two sub-portfolio, consisting of a Shariah-compliant quoted investments portfolio, which focuses on Shariah-compliant equity and equity-related securities, and a debt portfolio, which focuses on Shariah-compliant fixed income securities.

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

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

16. SEGMENT INFORMATION (CONTINUED)

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

	Shariah-compliant quoted investments sub-portfolio	
	30.06.2011	**30.06.2010**
	RM	**RM**
Dividend income	1,240,744	310,931
Profit income	1,627,462	1,017,141
Net realised gain on sale of financial assets at fair value through profit or loss	8,380,669	1,528,010
Unrealised capital gain on financial assets at fair value through profit or loss	(1,003,308)	-
Total segment income	10,245,567	2,856,082

	30.06.2011	**31.12.2010**
	RM	**RM**
Dividend receivable	293,516	445,764
Amount due from stockbrokers	2,233,718	1,524,569
Financial assets at fair value through profit or loss	145,252,154	138,185,941
Total segment assets	147,779,388	140,156,274
Amount due to stockbrokers	5,132,897	1,146,526
Total segment liabilities	5,132,897	1,146,526

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

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

	30.06.2011	**30.06.2010**
	RM	**RM**
Total segmental income	10,245,567	2,856,082
Other fees and expenses	(1,487,171)	(331,774)
Net profit before taxation	8,758,396	2,524,308
Taxation	(49,580)	(5,355)
Net profit after taxation and total comprehensive income	8,708,816	2,518,953

16. SEGMENT INFORMATION (CONTINUED)

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

	30.06.2011 RM	31.12.2010 RM
Total segment assets	147,779,388	140,156,274
Cash and cash equivalents	13,789,804	6,993,067
Amount due from Manager	769,985	267,689
Tax recoverable	81,626	39,317
Total assets	162,420,803	147,456,347
Total segment liabilities	5,132,897	1,146,526
Amount due to manager	667,184	1,257,359
Amount due to trustee	8,585	8,253
Accrued management fee	183,954	176,855
Distribution payable	-	29,273
Other payables and accrued expenses	37,157	37,157
Total liabilities	6,029,777	2,655,423

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.

DIRECTORY

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

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

Internet site
www.cimb-principal.com.my

E-mail address
service@cimb-principal.com.my

General investment enquiries
(03) 2084 2200

Trustee for the CIMB Islamic Balanced Growth Fund
Mayban Trustees Berhad (Company No.: 5004-P)
34th Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur MALAYSIA

Shariah Advisor of the CIMB Islamic Balanced Growth Fund
CIMB Islamic Bank Berhad. (Company No.:671380 H)
Level 34, Menara Bumiputra-Commerce
No 11, Jalan Raja Laut
50350 Kuala Lumpur
Tel: (03) 2619 1188
Fax: (03) 2691 3513, (03) 2691 3245

Auditors of the Trusts and of the Manager
PricewaterhouseCoopers (Company No. AF: 1146)
Level 10, 1 Sentral,
Jalan Travers, Kuala Lumpur Sentral,
PO Box 10192, 50706 Kuala Lumpur, MALAYSIA.

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

LIST OF CIMB WEALTH ADVISORS BERHAD'S OFFICES

ADDRESS	TELEPHONE
HEAD OFFICE	
• 50, 52 & 54, Jalan SS21/39, Damansara Utama, 47400 Petaling Jaya, Selangor.	03-77183000
FINANCIAL CARE CENTRE	
• 1 Jalan PJU 8/3B, Damansara Perdana, 47820 Petaling Jaya, Selangor.	03-77262000
REGIONAL OFFICES	
• 5A, 1st & 2nd Floor, Jalan Todak 4, Bandar Sunway, Seberang Jaya, 13700 Perai, Penang.	04-3702155 04-3702156
• 23 & 23A Jalan Harimau Tarum Taman Century, 80250 Johor Bahru, Johor.	07-3341748
• 48, Jalan SS 21/39, Damansara Utama 47400 Petaling Jaya, Selangor.	03-77122888
• 5B, Lot 414, Section 10, KTLD Jalan Rubber, 93400 Kuching, Sarawak.	082-259777
• No 1 Jalan Pasar Baru, Kampung Air, 88000 Kota Kinabalu, Sabah.	088-239951 088-239952
BRANCHES	
• Ground Floor, No. 298-B, Jalan Tok Hakim, 15000 Kota Bharu, Kelantan	09-7471190 09-7471172
• 30A, First Floor, Persiaran Greentown 1, Greentown Business Centre, 30450 Ipoh, Perak.	05-2439001 05-2439002
• No 13B, 2nd Floor, Jalan Mamanda 7/1, Off Jalan Ampang, 68000 Ampang, Selangor.	03-42702970
• 39-3 & 41-3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.	03-90592333
• 61, Jalan Melaka Raya 24,Taman Melaka Raya, 75000 Melaka.	06-2811111
• Lot 228, 1st Floor, Beautiful Jade Centre, Jalan Maju, 98000 Miri, Sarawak.	085-432525

SALES OFFICES

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

SALES OFFICES

- A-7, Tingkat 1 Lorong Tun Ismail 12, Sri Dagangan 2, 25000 Kuantan Pahang
- 15A, Jalan Ruby, 96000 Sibu, Sarawak