

**CIMB ISLAMIC BALANCED FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2011**

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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?**

To achieve medium to long-term growth in both capital and income by investing in Shariah-compliant investments.

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

For the year 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 Shariah-compliant equities and Shariah-compliant fixed income investments. In line with its objective, the investment policy and strategy will be to maintain a balanced portfolio between Shariah-compliant equities and Shariah-compliant fixed income investments in the ratio of 60:40. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investments by the Fund in Shariah-compliant equities shall not exceed 60% of the NAV of the Fund and investments in Shariah-compliant fixed income securities and Shariah-compliant liquid assets shall not be less than 40% of the NAV of the Fund with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC; "BB" by S&P or equivalent rating by Moody's or Fitch. At least 2% its Fund's NAV will be invested in Shariah-compliant liquid assets.

### **Fund category/ type**

Balanced (Shariah)/ Growth and Income.

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

Recommended 3 years or more.

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

Moderate.

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

08 March 2001.

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

RM 153.03 million (357.60 million units).

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

30% FTSE Bursa Malaysia EMAS Shariah Index + 30% Dow Jones Islamic Asia Pacific ex Japan + 40% CIMB Islamic 1-month General Investment Account.

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

The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.

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

2.80 sen per unit on 6 October 2010.

The Fund net asset value per unit before and after the latest distribution was RM0.4623 and RM0.4346 per unit respectively.

**PERFORMANCE DATA**

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

	<b>30.09.11</b>	<b>30.09.10</b>	<b>30.09.09</b>
	%	%	%
Quoted Shariah-compliant Investments			
- Trading/Services	19.75	15.93	26.76
- Basic Materials	5.05	5.06	-
- Plantations	1.95	6.81	8.70
- Properties	0.57	1.00	1.13
- Construction	0.63	3.14	3.21
- Financial	0.61	0.10	-
- Industrial products	5.69	8.93	11.13
- Consumer products	2.96	5.82	3.11
- Oil & Gas	2.93	2.44	-
- Technology	3.38	5.86	6.00
- Warrants	0.20	-	-
Unquoted Sukuk	37.90	35.50	30.00
Cash and Other Net Assets	18.38	9.41	9.96
	<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:

	<b>30.09.11</b>	<b>30.09.10</b>	<b>30.09.09</b>
Net asset value (RM million)	153.03	130.87	127.85
Units in circulation (million)	357.60	286.29	275.24
Net asset value per unit (RM)	0.4279	0.4572	0.4645 *
Highest NAV per unit (RM)	0.4649	0.4732	0.4694
Lowest NAV per unit (RM)	0.4193	0.4179	0.3561 *
Total return (%) ^	(0.31)	7.16	23.69
- Capital growth (%)	(6.34)	(1.55)	13.63
- Income distribution (%)	6.44	8.85	8.85
Gross distribution per unit (sen)	2.80	3.50	3.50
Net distribution per unit (sen)	2.80	3.50	3.50
Date of distribution	6-Oct-10	24-Nov-09	12-May-09
Management expense ratio (%)	2.37	1.81	1.75
Portfolio turnover ratio (times) #	1.05	0.97	1.26
Average total return		Total Return	Annualised %
- One Year		(0.31)	(0.31)
- Three Years		32.14	9.73
- Five Years		46.78	7.98
- Since Inception		89.97	6.26

\* Ex-distribution

(Launch date: 08 March 2001)

# The Fund's Portfolio Turnover Ratio increased from 0.97 to 1.05 times, arising from higher transactions made during the period under review.

**PERFORMANCE DATA (CONTINUED)**

	<b>30.09.2011</b>	<b>30.09.2010</b>	<b>30.09.2009</b>	<b>30.09.2008</b>	<b>30.09.2007</b>
Annual total return (%)	(0.31)	7.16	23.69	(19.39)	37.80

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 ended 30 September 2011 have been verified by Mercer (Malaysia) Sdn Bhd (253344-U).

**MARKET REVIEW (1 OCTOBER 2010 TO 30 SEPTEMBER 2011)****Fixed Income**

Overall, the MGS yield curve bearish steepened over the 4Q2010 which was impacted by monetary policy tightening to curb inflationary pressured by several regional central banks starting with China after the People's Bank of China raised its deposit rate by 50 bps to 2.75%. Concerns with the introduction of certain capital controls measure have prompted some selling in the regional market which also affected the local market. The release of the MGS/GII auction calendar for 2011 which was skewed towards the mid to long end of the curve resulting in market players shortening its duration in favour of shorter dated government securities. The announcement by the Federal Reserve that it will start the second round of quantitative easing via purchase of government debt from the open market with proposed purchase of up to USD600 billion of UST, resulted in profit taking activities by UST players. The UST ended the quarter higher across the board.

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.

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.

In May 2011, BNM raised its Overnight Policy Rate ("OPR") for the first time in 2011 from 2.75% to 3.00%. In its MPC statement, BNM revealed that the Malaysian economy remains firmly on a steady growth path, to improve gradually during the course of the year underpinned by the firm expansion of domestic demand. In view of higher interest rates, shorter dated yields moved higher in tandem with the OPR resulting in the MGS yield curve bearish flattened during the month.

For the 2Q2011, the MGS yield curve bullish flattened. There was steady demand for government bonds due to the external developments. The ongoing European debt crisis and weak US economic indicators resulted in a rally along the UST markets and pressuring the MGS yields to move lower.

BNM kept the OPR on hold at 3.00% during the July Monetary Policy Committee meeting while raising the Statutory Reserve Requirement by 100 bps to 4.00%. In July and August, the sovereign yield curve continued to bull flatten. The trend of the MGS market was mirrored in the corporate bond space. Trading remained concentrated in the AAA and AA rating categories. Month-on-month, credit spreads continued to compress further in August with longer tenure AA3 registering the most tightening. The MGS market was bearish in September after the rally in August on concerns that some European banks are finding difficulty getting USD funding. This was in view of the European debt crisis which resulted in global market scurrying for USD and creating strong demand. Consequently, most regional currencies weakened vis-à-vis the USD with USD to MYR exchange rate strengthening from a low of 2.9700 to close at 3.2070 at the end of the month. The market reacted negatively to the weakening of the MYR as benchmark MGS yield bearish steepened.

**MARKET REVIEW (1 OCTOBER 2010 TO 30 SEPTEMBER 2011) (CONTINUED)****Equity**

Asian markets traded within a broad range during the year under review, when a slew of events hit confidence in equity markets starting with the downgrade of the US credit rating by S&P to AA+, the first time in 70 years on August 5. Markets began worrying about rising US recession risks, escalating Euro-area stress and inflationary pressure in large emerging markets, like China and India.

The US economy continued to remain in a soft patch. 2Q2011 GDP growth came in at a tepid annualised rate of 1.3%, short of consensus estimates of 1.8% due to weak consumer spending. Furthermore, there was the sharp downward revision of 1Q2011 GDP growth from the earlier estimate of 1.9% to only 0.4%, following downward revisions for inventories and personal consumption as well as higher imports. Consumer spending came to a grinding halt, as higher gasoline prices and auto supply chain disruptions resulted in a meager 0.1% (2.1% in 1Q) rise in consumer spending in 2Q, the slowest in two years. Europe also came under pressure as 2Q2011 GDP growth came in below expectations and the August Manufacturing PMI slipped into contraction zone with a reading of 49 (Germany just managed to hold its head above water with a reading of 50.9). Gold touched an all-time high of USD1898/Oz as investors rushed to safe havens.

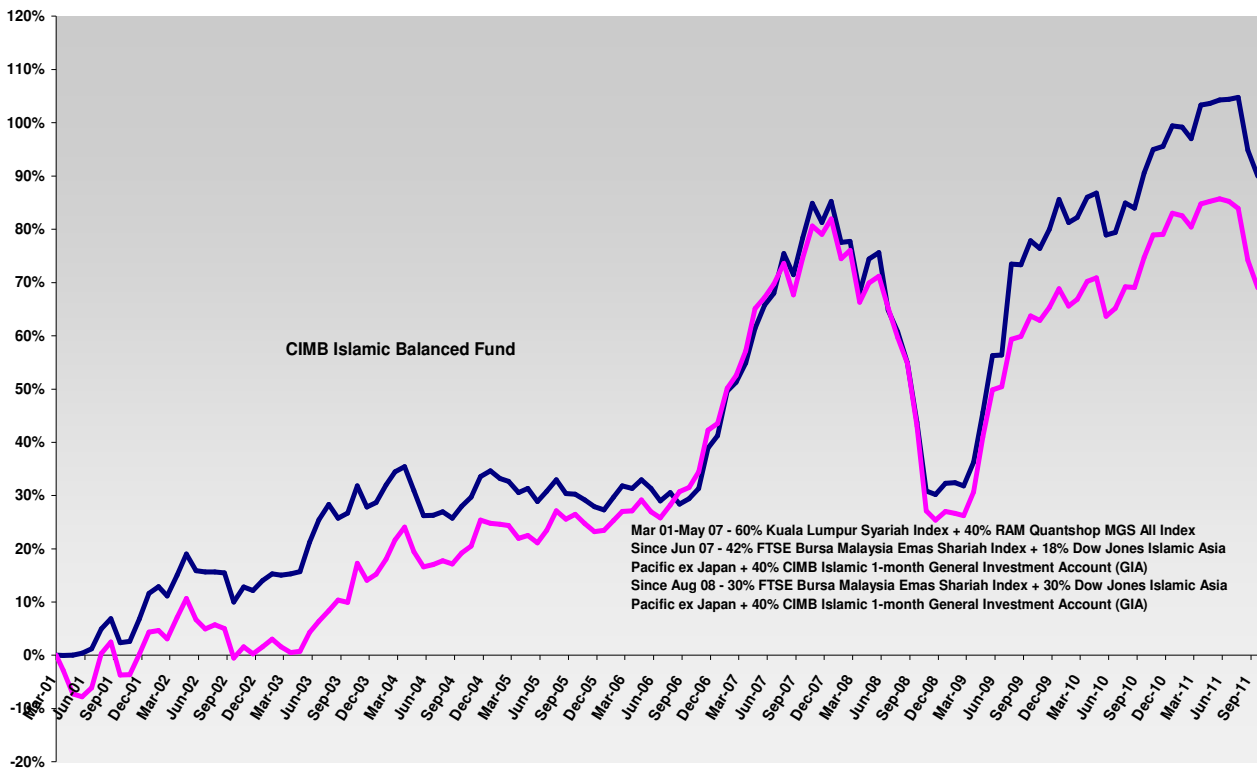
The US Congress and the Obama administration soothed fears of a US default by coming to a compromise agreement on raising the debt ceiling. This agreement entailed the raising of the USD14.3 trillion debt ceiling, a spending cut of USD1 trillion and longer term strategies to shave off another USD1.5 trillion debt by 2021. Other policy actions included the US Federal reserve's Operation Twist announced on September 21 (where the Fed will sell shorter term Treasury holdings and buy longer term debt and mortgage-backed securities to lower interest rates), as well as ECB's coordinated action with other central banks to conduct dollar liquidity operations. In 3Q11, Greece temporarily averted a disorderly default process when its parliament passed the latest austerity package, combined with voluntary maturity extensions by core European investors. However, it is easier to approve an austerity package than it is to implement it and actually push the budget deficit down to the required 7.5% level.

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 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 fuelled concerns about inflation and its adverse impact on future economic growth. For most economies, inflation is expected to peak in 2H2011.

**FUND PERFORMANCE**

	<b>1 Year to 30.09.2011</b>	<b>3 years to 30.09.2011</b>	<b>5 years to 30.09.2011</b>	<b>Since Inception to 30.09.2011</b>
Income (%)	6.44	26.12	35.57	72.15
Capital (%)	(6.34)	4.77	8.27	10.36
Total Return (%)	(0.31)	32.14	46.78	89.97
Benchmark (%)	(3.25)	18.15	28.50	69.01
Average Total Return (%)	(0.31)	9.73	7.98	6.26

For the year under review, the Fund fell -0.31%, outperforming the benchmark by 2.94%. Since inception, the Fund has outperformed by 20.96%.



**Changes in Net Asset Value (“NAV”)**

	<b>30.09.2011</b>	<b>30.09.2010</b>	<b>% changes</b>
Net Asset Value (“NAV”) (RM Million)	153.03	130.87	16.93
NAV/unit (RM)	0.4279	0.4572	(6.41)

The Fund’s NAV increased 16.93% for the 1 year period ended 30 September 2011. Meanwhile, the NAV per unit fell -6.41% from RM0.4572 to RM0.4279.

Based on the Lipper rankings of Malaysian Islamic Mixed Asset unit trust funds, the Fund was ranked in the 2<sup>nd</sup> quartile on a 1-year and 3-year performance basis.

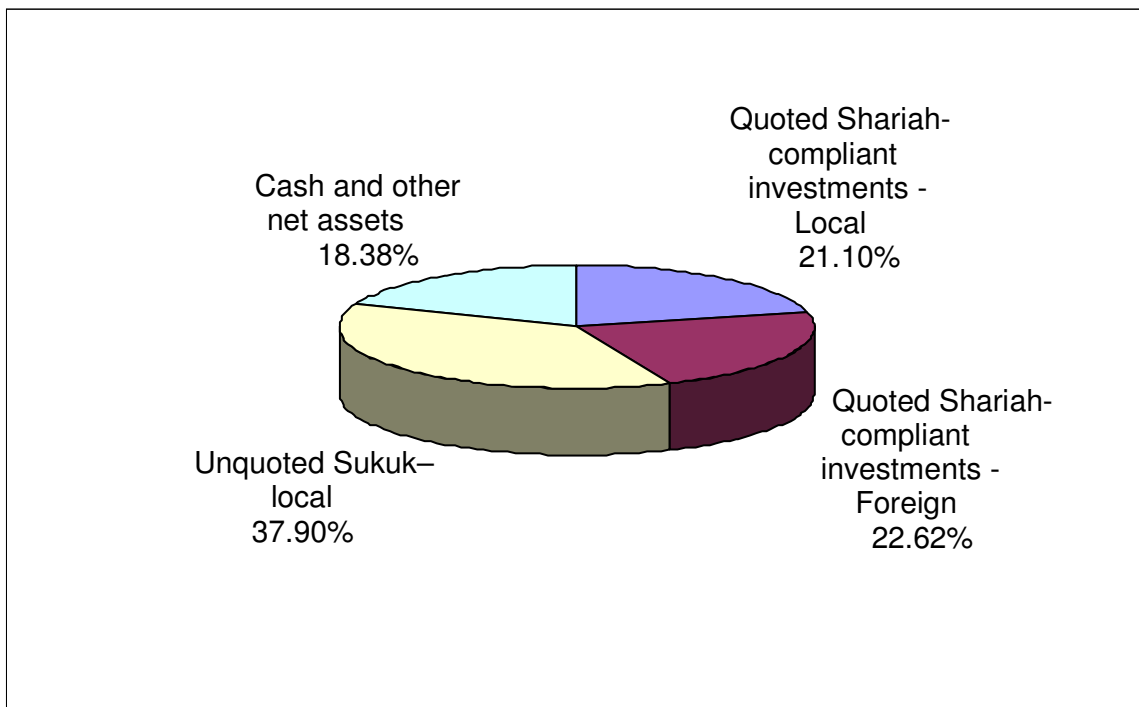
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. 1 year financial year ended 30 September 2011 performance figures have been verified by Mercer (Malaysia) Sdn Bhd (253344-U).

**PORTFOLIO STRUCTURE**

**Asset allocation**

(% of NAV)	30 September 2011	30 September 2010
<b>Quoted Shariah-compliant investments - local</b>	21.10	28.89
<b>Quoted Shariah-compliant investments - foreign</b>	22.62	26.20
<b>Unquoted Sukuk- local</b>	37.90	35.50
<b>Cash and other net assets</b>	18.38	9.41
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

For the period under review, the total investment in fixed income stood at 37.90%. Equity exposure was kept reasonably high to enable the Fund to participate in the market rally which hit new all-time highs in July. Subsequent to 31 August 2011, we brought down equity exposure in view of the increasing market volatility. As at 30 September 2011, total equity exposure stood at 43.72%.



## MARKET OUTLOOK

### Fixed Income

The Malaysian local bond market currently hinges upon the prospects of potential outflows from foreign investors, who were holding close to RM98.7 billion as at end-August, roughly 35% of total outstanding MGS. This amount should be lower with the recent selling by hedge funds in September. We expect to see volatility in the MGS market, as long as the USD continues to strengthen further. The USD index, DXY, is approaching 80.0 and still climbing. Any unresolved issues pertaining to the European debt crisis are likely to create nervousness within the market. We will continue to monitor developments in the US and Europe, as further escalations in the European debt crisis may cause panic selling in the market.

In the corporate bond space, supply of new issuances has not been forthcoming. Demand continues to outstrip supply as we still see ample liquidity in the market. Following the sell down in MGS in September, credit spreads have further compressed for the year and we expect corporate bond yields to be range bound.

### Equity

The global economic growth is slowing after rebounding from the depths of the global financial crisis. The US is facing stagnation as its political system is incapable of delivering any affirmative policies. Falling wages and a structural decline in labor productivity are threatening the US economic recovery. Consumer confidence unexpectedly sank as the US Conference Board's household sentiment index slumped to 39.8 in Oct (45.4 in Sep), the lowest level since Mar 09. Economists expected a reading of 46.0. Initial jobless claims remained flat, as it slipped to a seasonally adjusted 402,000 in the week ended 27 Oct (403,000 in the prior week). Economists had forecast claims edging down to 400,000. Having said that, the 3Q2011 US GDP growth rose at a 2.5% annual rate (+1.3% in 2Q), matching economists' expectations. This was supported by household purchases which rose by 2.4% in 3Q (+0.7% in 2Q), beating expectations of a 1.9% increase.

Over in Europe, the agreement among European leaders to expand a bailout fund to solve the region's debt crisis is hoped to signal the creation of the right momentum and background for other nations to take action. Under the package agreed to in end October, European private banks holding Greek debt, will accept a loss of 50% and raise more capital to protect themselves against losses resulting from any future government defaults. The main bailout fund will also be boosted to €1tr. The debt problem in the Eurozone has raised systemic risks but we see no imminent seizure as the ECB continues to provide liquidity. The ECB is well aware of the risk of any bank failure which will have implications on the future of the EU.

Adding to the uncertainty is the perception that central banks and governments of the day are running out of policy options to spur economic growth. In the US, the budget compromise with the Republican Party will curtail President Obama's ability to enact counter-cyclical expenditure measures. Markets are expecting the Federal Reserve to roll out QE3. However, apart from boosting asset prices and inflation again, it will not have a lasting effect as demonstrated by the previous rounds of quantitative easing. However, for now markets remain optimistic on the "Bernanke put".

**MARKET OUTLOOK (CONTINUED)****Equity (continued)**

It is likely that global economic growth will be sub-par for the immediate future. The US and core Europe will likely alternate between slow growth and mild recessions. We do not expect a full blown global recession at this point. In the US, corporate balance sheets remain healthy and retail sales are still expanding at 8.5% y-o-y. In contrast, the European periphery will likely undergo deep economic contraction. In the Asia Pacific ex-Japan region, the key question remains whether China will experience a hard landing as continued liquidity tightening has led to credit worries on local government and small / medium-sized enterprises. A China hard landing, if it happens, is likely to have significant impact on Asian growth as China is a key export market for many Asian countries.

In Malaysia, growth will continue to be supported by government pump priming ahead of the expected General Election, projects under the governments Economic Transformation Project (ETP) and domestic consumption arising from Malaysia's traditionally high savings rate. On 25 October, PM Datuk Seri Najib Tun Razak unveiled four dimensions identified in the ETP to realise the Greater KL/Klang Valley aspiration. These dimensions focus on enhancing Greater KL/Klang Valley as a magnet to attract more dynamic multinational companies to establish their global or regional headquarters there, and to make Greater KL/Klang more liveable by providing a good transportation network via the Mass Rapid Transit, as well as basic services. Meanwhile, September consumer prices rose more than expected by 3.4% yoy (+3.3% in August), mainly driven by higher food costs. The median estimate called for a 3.3% increase.

**INVESTMENT STRATEGY****Fixed Income**

Overall, we are still bullish in corporate bonds and cautiously optimistic in government securities after the recent sell down. We will maintain the current portfolio duration and be selective on corporate credits with a focus on issuers with steady cashflow streams.

**Equity**

As markets staged a strong rebound since hitting a low in September, we have increased asset allocation to participate in the upswing. We remain under-weighted on cyclical and economically-sensitive stocks, given our outlook of slowing global and Asian GDP growth. Our preference is for large caps with a visible and predictable earnings stream and balance sheet strength. As such, the portfolio is still positioned reasonably defensively with a significant weighting in dividend stocks in the telecommunication and consumer staple sectors.

**UNIT HOLDING STATISTICS**

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

<b>Size of unit holding</b>	<b>No. of unit holders</b>	<b>No. of units held</b>	<b>% of units held</b>
5,000 and below	34,698	6,761,922	1.89
5,001 to 10,000	2,453	18,236,443	5.10
10,001 to 50,000	6,440	150,181,757	42.00
50,001 to 500,000	1,704	168,294,104	47.06
500,001 and above	10	14,121,759	3.95
<b>Total</b>	<b>45,305</b>	<b>357,595,985</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

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

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

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

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
CIMB ISLAMIC BALANCED FUND**

I, being the Director of CIMB-Principal Asset Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 17 to 65 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 September 2011 and of its financial performance, changes in equity and cash flows of the Fund for the financial year then ended in accordance with Financial Reporting Standards in Malaysia.

For and on behalf of the Manager,  
**CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD**  
(COMPANY NO.: 304078-K)

**JOHN CAMPBELL TUPLING**  
Chief Executive Officer/Director

Kuala Lumpur  
29 November 2011

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

We, Universal Trustee (Malaysia) Berhad, being the Trustee for CIMB Islamic Balanced Fund ("the Fund"), are of the opinion that CIMB-Principal Asset Management Berhad ("the Manager"), acting in the capacity of Manager of the Fund, have fulfilled their duties in the following manner for the financial year ended 30 September 2011:

- (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 Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws during the financial year ended 31 August 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 distribution of 2.80 sen per unit (gross) for the financial year ended 30 September 2011 is consistent with the objective of the Fund.

For and on behalf of the Trustee  
**UNIVERSAL TRUSTEE (MALAYSIA) BERHAD**

**LIEW KOK WAH**  
Chief Executive Officer

Kuala Lumpur  
29 November 2011

**SHARIAH ADVISOR REPORT TO THE UNIT HOLDERS OF  
CIMB ISLAMIC BALANCED FUND**

We have acted as the Shariah Advisor of CIMB Islamic Balanced Fund. Our responsibility is to ensure that the procedures and processes employed by CIMB-Principal Asset Management Berhad and the provision of the Principal Master Deed dated 15 May 2008, a Fourth Supplemental Master Deed dated 25 June 2008, a Sixth Supplemental Master Deed dated 14 July 2008 and a Seventh Supplemental Master Deed dated 19 November 2008 (collectively referred to as the “Deeds”) are in accordance with the Shariah.

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

In addition, we also confirm that the investment portfolio of CIMB Islamic Balanced Fund comprises securities which have been classified as Quoted Shariah-compliant Investments by the Shariah Advisory Council of the Securities Commissions (“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 Investments.

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  
29 November 2011

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB ISLAMIC BALANCED FUND

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CIMB Islamic Balanced Fund in pages 17 to 65 which comprise the statement of financial position as at 30 September 2011 of the Fund, and the statements of comprehensive income, changes in equity and cash flows of the Fund for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 21.

The Manager's Responsibility for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards ("FRS") in Malaysia, and for such internal control as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Fund as of 30 September 2011 and of its financial performance and cash flows for the year then ended.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
CIMB ISLAMIC BALANCED FUND (CONTINUED)**

**REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)**

**OTHER MATTERS**

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

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

Kuala Lumpur  
29 November 2011

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

	Note	2011 RM	2010 RM
<b>NET INVESTMENT INCOME</b>			
Dividend income	4	2,631,730	1,845,053
Profit income	5	3,223,370	2,595,411
Net loss on financial assets at fair value through profit or loss	11	(2,686,728)	-
Net realised gain on sale of investments		-	11,204,059
Net foreign currency exchange loss		(96,124)	(3,237,064)
Net amortisation of premium	6	-	(282,446)
		<u>3,072,248</u>	<u>12,125,013</u>
<b>EXPENSES</b>			
Management fee	7	2,425,522	1,835,303
Trustee and custodian fees	8	230,691	208,393
Transaction cost		1,026,676	-
Audit fee		7,100	7,100
Tax agent's fee		54,117	38,824
Other expenses		65,191	121,815
		<u>3,809,297</u>	<u>2,211,435</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(737,049)	9,913,578
Taxation	10	(120,817)	(519,517)
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<u>(857,866)</u>	<u>9,394,061</u>
(Loss)/profit after taxation is made up as follows:			
Realised amount		10,779,930	10,567,496
Unrealised amount		(11,637,796)	(1,173,435)
		<u>(857,866)</u>	<u>9,394,061</u>

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

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

	<b>Note</b>	<b>2011 RM</b>	<b>2010 As restated RM</b>	<b>2009 As restated RM</b>
<b>CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss	11	124,843,980	-	-
Quoted investments	12	-	72,090,424	76,744,433
Unquoted sukuk	13	-	46,456,600	38,346,240
Cash and cash equivalents (Shariah-compliant)	14	27,945,447	11,515,047	10,619,229
Amount due from stockbrokers		-	41,659	1,492,761
Amount due from Manager		1,411,468	5,392,672	26,386
Dividend receivable		186,919	99,541	71,089
Profit income receivable		-	851,467	721,851
Tax recoverable		110,102	174,742	382,284
<b>TOTAL ASSETS</b>		<u>154,497,916</u>	<u>136,622,152</u>	<u>128,404,273</u>
<b>CURRENT LIABILITIES</b>				
Amount due to stockbrokers		355,512	1,382,767	-
Amount due to Manager		810,590	651,610	364,338
Amount due to dealer		-	3,775,991	-
Accrued management fee		215,942	147,811	157,530
Amount due to Trustee		13,475	9,854	10,502
Other payables and accruals		71,234	82,019	24,268
<b>TOTAL LIABILITIES</b>		<u>1,466,753</u>	<u>6,050,052</u>	<u>556,638</u>
<b>NET ASSET VALUE OF THE FUND</b>	15	<u><b>153,031,163</b></u>	<u><b>130,572,100</b></u>	<u><b>127,847,635</b></u>
<b>EQUITY</b>				
Unitholders' capital		119,477,337	88,805,119	86,507,781
Retained earnings		33,553,826	29,612,602	26,990,761
Fair value reserve		-	12,154,379	14,349,093
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u><b>153,031,163</b></u>	<u><b>130,572,100</b></u>	<u><b>127,847,635</b></u>
<b>Number of units in circulation</b>	15	<u><b>357,595,985</b></u>	<u><b>286,294,135</b></u>	<u><b>275,241,673</b></u>
<b>Net asset value per unit (RM)</b>		<u><b>0.4279</b></u>	<u><b>0.4561</b></u>	<u><b>0.4645</b></u>

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

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

		Unitholders' capital RM	Retained earnings RM	Fair value reserve RM	RM
<b>Balance as at 1 October 2010, as previously stated</b>		-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132	<b>21(a)</b>	91,812,448	26,605,273	12,154,379	130,572,100
<b>Balance as at 1 October 2010, restated after adoption of amendments to FRS 132</b>		91,812,448	26,605,273	12,154,379	130,572,100
Adjustment for adoption of FRS 139	<b>21(b)</b>	-	12,154,379	(12,154,379)	-
<b>Balance as at 1 October 2010, restated after adoption of FRS 139</b>		91,812,448	38,759,652	-	130,572,100
Movement in unitholders' contribution:					
Creation of units arising from applications		100,111,269	-	-	100,111,269
Creation of units arising from distribution		7,988,043	-	-	7,988,043
Cancellation of units		(76,250,450)	-	-	(76,250,450)
Total comprehensive loss for the financial year		-	(857,866)	-	(857,866)
Distribution	<b>9</b>	-	(8,531,933)	-	(8,531,933)
<b>Balance as at 30 September 2011, restated</b>		<u>123,661,310</u>	<u>29,369,853</u>	<u>-</u>	<u>153,031,163</u>
<b>Balance as at 1 October 2009, as previously stated</b>		-	-	-	-
Prior year adjustment for adoption of amendments to FRS 132	<b>21(a)</b>	86,507,781	26,990,761	14,349,093	127,847,635
<b>Balance as at 1 October 2009, restated after adoption of amendments to FRS 132</b>		86,507,781	26,990,761	14,349,093	127,847,635
Movement in unitholders' contribution:					
Creation of units arising from applications		29,166,335	-	-	29,166,335
Creation of units arising from distribution		9,559,087	-	-	9,559,087
Cancellation of units		(33,420,755)	-	-	(33,420,755)
Total comprehensive income for the financial year		-	9,394,061	-	9,394,061
Distribution	<b>9</b>	-	(9,779,549)	-	(9,779,549)
Change in fair value reserve		-	-	(2,194,714)	(2,194,714)
<b>Balance as at 30 September 2010, restated</b>		<u>91,812,448</u>	<u>26,605,273</u>	<u>12,154,379</u>	<u>130,572,100</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2011**

	Note	2011 RM	2010 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		143,263,703	109,218,334
Proceeds from sale of unquoted sukuk		23,909,797	16,359,700
Proceeds from redemption of unquoted sukuk		2,662,705	5,000,000
Purchases of Shariah-compliant investments		(145,066,002)	(94,981,434)
Purchases of unquoted sukuk		(38,870,480)	(24,738,284)
Dividend received		2,238,757	1,481,919
Profit income received from Shariah-compliant deposit with licensed financial institutions and hibah received		302,548	103,087
Profit income received from unquoted sukuk		3,095,752	2,362,708
Management fee paid		(2,357,391)	(1,845,022)
Trustee fee paid		(227,069)	(209,041)
Payment for other fees and expenses		(17,287)	(456,240)
Taxation refund		134,100	236,535
Realised foreign exchange loss		(443,465)	(1,997,507)
Net cash (out)/inflow from operating activities		<u>(11,374,332)</u>	<u>10,534,755</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from unit created		104,092,474	23,800,049
Payment for cancellation of units		(76,091,471)	(33,133,482)
Distribution paid		(543,890)	(220,462)
Net cash in/(out)flow from financing activities		<u>27,457,113</u>	<u>(9,553,895)</u>
Net increase in cash and cash equivalents		16,082,781	980,860
Effect of foreign exchange differences		347,619	(85,042)
Cash and cash equivalents at the beginning of the financial year		<u>11,515,047</u>	<u>10,619,229</u>
Cash and cash equivalents at the end of the financial year	14	<u><u>27,945,447</u></u>	<u><u>11,515,047</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2011**

**1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY**

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

The objective of the Fund is to achieve medium to long-term growth in both capital and income by investing in permissible Shariah-compliant investments. The Fund invests principally a diversified portfolio of Shariah-compliant equities and Shariah-compliant fixed income investments.

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

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

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(l).

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

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

### (a) Basis of preparation (continued)

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

- 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.

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.

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

### (a) Basis of preparation (continued)

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

The effects as a result of adoption of the amendment on the statement of financial position for the prior periods are set out in Note 21(a).

- FRS 139 "Financial Instruments: Recognition and Measurement"

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

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

The effects as a result of adoption of the new standard on the opening balances of the statement of financial position at the beginning of the financial year are set out in Note 21(b).

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.

- (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.

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

The Fund designates its Shariah-compliant quoted investment and 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.

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 Manager, dividend receivable, cash and cash equivalents.

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. Shariah-compliant quoted investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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

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

Gains or losses from the changes in fair value of the investments including the effects of currency translation are presented in the statement of comprehensive income in the financial period in which they arise.

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

Shariah-compliant quoted investments are valued at the bid prices quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

Quoted investments in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position.

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

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

### (b) Financial assets and liabilities (continued)

#### Classification (continued)

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 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 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.

### (c) Income recognition

Dividend income is recognised on the ex-dividend date.

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Foreign currencies**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.

Transactions and balances

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

**(e) 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 (“NAV”). 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 NAV per unit at the time of creation or cancellation. The Fund’s NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

The units in the Fund are puttable instruments which entitle the unitholders to a pro-rata share of the net asset of the Fund. The units are subordinated and have identical features. There is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units in the Fund over the life of the units are based on the change in the net asset of the Fund.

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

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

**(g) Taxation**

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period.

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

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

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

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

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

**(i) Transaction costs**

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

**(j) Segmental information**

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

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

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

**(k) Financial instruments**

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged 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 September 2011 are as follows:

	<b>Financing and receivables RM</b>	<b>Financial assets at fair value through profit or loss RM</b>	<b>Total RM</b>
Financial assets at fair value through profit or loss (Note 11)	-	124,843,980	124,843,980
Cash and cash equivalents (Note 14)	27,945,447	-	27,945,447
Amount due from Manager	1,411,468	-	1,411,468
Dividend receivable	186,919	-	186,919
	<u>29,543,834</u>	<u>124,843,980</u>	<u>154,387,814</u>

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

**(l) Critical accounting estimates and judgements in applying accounting policies**

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

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

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

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The investment objective of the Fund is to achieve medium to long-term growth in both capital and income by investing in Shariah-compliant investments. The investment strategy of the Fund is to invest in a diversified portfolio of Shariah-compliant equities and Shariah-compliant fixed income investments. In line with its objective, the investment policy and strategy will be to maintain a balanced portfolio between Shariah-compliant equities and Shariah-compliant fixed income investments in the ratio of 60:40. The investments by the Fund in Shariah-compliant equities shall not exceed 60% of the NAV of the Fund and investments in Shariah-compliant fixed income securities and Shariah-compliant liquid assets shall not be less than 40% of the NAV of the Fund with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC; “BB” by S&P or equivalent rating by Moody’s or Fitch. At least 2% of its Fund’s NAV will be invested in Shariah-compliant liquid assets.

The Fund is exposed to a variety of risks which include market risk (price risk and profit rate risk and currency 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 Shariah-compliant quoted investment and unquoted sukuk will fluctuate because of changes in market prices (other than those arising from profit rate risk and currency risk).

Any irregular fluctuation of the value of a particular Shariah-compliant quoted investment and unquoted sukuk may affect the unit price. The impact is however minimized as the Fund invest in a wide portfolio of investments, this spreading the element of risk.

The price risk is managed through diversification and selection of securities and other financial instruments within specified limits according to the Deed. As at 30 September 2011, the Fund’s overall exposure to price risk was as follows:

	<b>2011</b>
	<b>RM</b>
Financial assets at fair value through profit or loss	124,843,980

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Price risk (continued)

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

% Change in price of Shariah-compliant quoted investment and unquoted sukuk	Market value RM	Change in net asset value RM
-5%	118,601,781	(6,242,199)
0%	124,843,980	-
5%	131,086,179	6,242,199
<u>                    </u>	<u>                    </u>	<u>                    </u>

(ii) Profit rate risk

In general, when profit rates rise, unquoted sukuk prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when profit rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate profit rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future profit rate trend of the Manager, which is based on its continuous fundamental research and analysis.

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 decrease and vice versa. Furthermore, unquoted sukuk with longer maturity and lower yield coupon rates are more susceptible to profit rate movements.

Investors should note that unquoted sukuk 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 income 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 table below summarises the sensitivity of the Fund's net asset value to movements in prices of unquoted sukuk held by the Fund as at 30 September 2011 as a result of movement in profit rate. The analysis is based on the assumptions that the profit rate increased and decreased by 1% (100 basis points) with all other variables held constant.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Profit rate risk (continued)

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.

% Change in profit rate	<u>Impact on profit after tax</u> Unquoted fixed income securities designated at fair value through profit or loss RM
+100 basis point	(2,408,234)
-100 basis point	2,577,323

(iii) Currency risk

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

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

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Dividend receivable	Total
	RM	RM	RM	RM
AUD	7,079,185	15,208	37,706	7,132,099
HKD	9,504,897	90,426	48,347	9,643,670
IDR	609,349	-	-	609,349
INR	3,125,375	16,348	-	3,141,723
KRW	4,427,529	-	-	4,427,529
SGD	3,046,796	39,569	-	3,086,365
THB	1,627,284	-	-	1,627,284
TWD	5,050,349	2,417,898	-	7,468,247
PHP	158,996	5	-	159,001
USD	-	6,401,467	-	6,401,467
	<u>34,629,760</u>	<u>8,980,921</u>	<u>86,053</u>	<u>43,696,734</u>

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

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

The table below summarises the sensitivity of the Fund's net asset value to movements in foreign exchange movements as at 30 September 2011. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, which is the standard deviation of the daily fluctuation of the exchange rates against MYR from the date of constitution of the Fund to 30 September 2011, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any fluctuation in foreign exchange rate will result in a corresponding increase/decrease in the net assets attributable to unit holders by approximately 5%.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate	Impact on net income before tax	Impact on net asset value
	%	RM	RM
AUD	5	356,605	356,605
HKD	5	482,184	482,184
IDR	5	30,467	30,467
INR	5	157,086	157,086
KRW	5	221,376	221,376
SGD	5	154,318	154,318
THB	5	81,364	81,364
TWD	5	373,412	373,412
PHP	5	7,950	7,950
USD	5	320,073	320,073

#### (b) Credit risk

Credit risk refers to the ability of an issuer or a counterparty to make timely payments of coupon, 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.

Investment in sukuk and Shariah-compliant securities may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to issuer's non payment or untimely payment of the investment as well as the returns on investment. This will cause a decline in value of the defaulted sukuk and subsequently depresses the NAV of the Fund.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

Usually, credit risk is more apparent for an investment with a longer tenure, i.e the longer the duration, the higher the credit risk. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of the issuer.

In addition, the investment manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manage the duration of the investment in accordance with the objective of the Fund, the sukuk investment must satisfy a minimum rating requirement of at least “BBB3” or “P2” by RAM or equivalent rating by MARC, Moody’s S&P or Fitch. Should the Fund invests into a Shariah-compliant fixed income fund managed by other fund managers, the Manager will ensure via due diligence exercise on the Shariah-compliant fixed income fund, the appropriate creditworthiness and duration management of the Shariah-compliant fixed income fund.

The credit risk arising from placements of Shariah-compliant deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable Shariah-compliant 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:

Industry	Financial assets at fair value through profit or loss	Cash and cash equivalents RM	Amount due from manager RM	Dividend receivable	Total RM
Unquoted sukuk					
- AAA	1,072,514	-	-	-	1,072,514
- AA1/AA+	5,880,693	-	-	-	5,880,693
- AA2/AA	2,659,467	-	-	-	2,659,467
- AA3/AA-	41,358,225	-	-	-	41,358,225
- A3/A1	3,100,490	-	-	-	3,100,490
- BBB1	2,798,901	-	-	-	2,798,901
- B+	1,080,763	-	-	-	1,080,763
Basic materials	-	-	-	106,091	106,091
Construction	-	-	-	8,424	8,424
Consumer goods	-	-	-	16,418	16,418
Finance	-	27,945,447	-	10,189	27,955,636
Industrials	-	-	-	10,118	10,118
Infrastructure project companies	-	-	-	22,880	22,880
Oil & Gas	-	-	-	8,004	8,004
Trading & services	-	-	-	4,795	4,795
Others	-	-	1,411,468	-	1,411,468
	<u>57,951,053</u>	<u>27,945,447</u>	<u>1,411,468</u>	<u>186,919</u>	<u>87,494,887</u>

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk can be defined as the ease with which the security can be sold at or near its fair value depending on the volume traded in the market. If a security encounters a liquidity crunch, the security may need to be sold at a discount to the market fair value of the security. This in turn would depress the NAV and/or growth of the fund. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the funds with more apparent liquidity risk, the Manager will continuously conduct research and analysis work to actively manage the asset allocations.

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 on the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	<b>Less than 1 month RM</b>	<b>Less than 1 year RM</b>
<b>At 30 September 2011</b>		
Amount due to stockbrokers	355,512	-
Amount due to Manager	810,590	-
Accrued management fee	215,942	-
Amount due to Trustee	13,475	-
Other payables and accruals	-	71,234
	<u>1,395,518</u>	<u>71,234</u>
<b>Contractual cash out flows</b>	<b><u>1,395,518</u></b>	<b><u>71,234</u></b>

(d) Country risk

When a Fund invests into foreign markets, the foreign investments portion may be affected by risks specific to a country in which it invests in. Such risk includes changes in the country's economic fundamentals, social and political stability, currency movements and foreign investment policies. The factors may have impact on the prices of the Fund's investment in that country and consequently may also affect the fund's NAV and its growth. To mitigate these risks, the Manager will select securities and collective investment schemes that spread across countries within its portfolio in an attempt to avoid such events. The decision on the diversification will be based on its constant fundamental research and analysis on the global markets.

(e) 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.

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**(f) 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.

**(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. DIVIDEND INCOME**

	<b>2011 RM</b>	<b>2010 RM</b>
Dividend income from Shariah-compliant investments in:		
- Local equities	1,235,437	922,486
- Foreign equities	1,396,293	922,567
	2,631,730	1,845,053
	2,631,730	1,845,053

**5. PROFIT INCOME**

	<b>2011 RM</b>	<b>2010 RM</b>
Profit income from Shariah-compliant deposits with licensed financial institutions	295,898	103,240
Profit income from unquoted sukuk	2,921,652	2,492,171
Hibah	5,820	-
	3,223,370	2,595,411
	3,223,370	2,595,411

**6. NET AMORTISATION OF PREMIUM**

	<b>2011 RM</b>	<b>2010 RM</b>
(Amortisation of premium)/accretion of discount		
- realised	-	(348,567)
- unrealised	-	66,121
	-	(282,446)
	-	(282,446)

**7. 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 1.50% (2010: 1.50%) per annum calculated daily based on the net asset value of the Fund.

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

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

**8. TRUSTEE AND CUSTODIAN FEES**

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 RM35,000 (2010: RM35,000) per annum.

The foreign custodian fee ranges from a minimum of 0.04% per annum to a maximum of 0.38% per annum on the net asset value of the respective foreign portfolio, depending on the country invested, and is charged monthly in arrears and subject to a minimum fee of USD500 (2010: USD500) per month.

For the financial year ended 30 September 2011 the trustee and foreign custodian fees are recognised at a rate of 0.10% (2010: 0.10%) and 0.04% to 0.38% (2010: 0.04% to 0.38%) per annum respectively.

There will be no further liability to the Trustee and custodian in respect of trustee and custodian fees other than the amount recognised above.

**9. DISTRIBUTION**

	<b>2011 RM</b>	<b>2010 RM</b>
Distribution to unitholders is derived from the following sources:		
Previous year's realised income:		
Dividend income	623,204	202,846
Profit income	690,264	846,579
Net realised gain on sale of investments	7,849,445	9,220,324
Accretion of discount, net of amortisation of premium	(198,003)	117,669
	8,964,910	10,387,418
Less:		
Expenses	(432,977)	(607,869)
Net distribution amount	8,531,933	9,779,549
<b>Distribution on 6 October 2010 and 24 November 2009</b>		
Net distribution per unit (sen)	2.80	3.50
Gross distribution per unit (sen)	2.80	3.50

**9. DISTRIBUTION (CONTINUED)**

Net distribution above is sourced from previous 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 expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

**10. TAXATION**

	<b>2011 RM</b>	<b>2010 RM</b>
Current taxation:		
-Malaysian tax	26,084	16,832
-Foreign tax	95,169	483,032
(Over)/underprovision in prior financial years	(436)	19,653
	120,817	519,517
	120,817	519,517

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

	<b>2011 RM</b>	<b>2010 RM</b>
(Loss)/profit before taxation	(737,049)	9,913,578
Taxation at Malaysian statutory rate of 25% (2010: 25%)	(184,262)	2,478,395
Tax effects of:		
Investment income not subject to tax	(680,094)	(2,965,775)
Expenses not deductible for tax purposes	333,492	66,391
Restriction on tax deductible expenses for unit trust funds	556,948	437,821
Effect of foreign tax on foreign taxable income	95,169	483,032
(Over)/underprovision in prior financial years	(436)	19,653
Taxation	120,817	519,517

**11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS**

	<b>2011 RM</b>
Designated at fair value through profit or loss at inception	
- Shariah-compliant quoted investment- Local	32,263,167
- Shariah-compliant quoted investment-Foreign	34,629,760
- Unquoted sukuk	57,951,053
	124,843,980
Net loss on financial assets at fair value through profit or loss	
- Realised gain on disposals	9,072,138
- Change in unrealised fair value loss	(11,758,866)
	(2,686,728)

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>SHARIAH-COMPLIANT SECURITIES – LOCAL</b>				
<b>Construction</b>				
Gamuda Berhad	121,000	352,050	348,480	0.23
Hock Seng Lee Berhad	468,800	807,523	614,128	0.40
	<u>589,800</u>	<u>1,159,573</u>	<u>962,608</u>	<u>0.63</u>
<b>Consumer</b>				
MSM Malaysia Holdings Berhad	49,300	262,400	229,738	0.15
	<u>49,300</u>	<u>262,400</u>	<u>229,738</u>	<u>0.15</u>
<b>Finance</b>				
Bank Islam Malaysia Berhad	241,100	346,697	424,336	0.28
	<u>241,100</u>	<u>346,697</u>	<u>424,336</u>	<u>0.28</u>
<b>Industrial</b>				
Kossan Rubber Industries	249,700	884,428	679,184	0.44
Lion Industries Corporation	52,400	94,086	70,740	0.05
Parkson Holdings Berhad	87,000	538,713	494,160	0.32
Petronas Chemicals Group Berhad	86,800	480,880	482,608	0.32
Petronas Gas Berhad	107,100	1,216,151	1,390,158	0.91
Supermax Corp Berhad	83,300	365,067	213,248	0.14
YTL Cement Berhad	188,800	960,161	821,280	0.54
	<u>855,100</u>	<u>4,539,486</u>	<u>4,151,378</u>	<u>2.72</u>
<b>Infrastructure project companies</b>				
Digi.com Berhad	106,900	2,979,319	3,251,898	2.13
Maxis Berhad	286,000	1,552,737	1,521,520	0.99
Time Dotcom Berhad	1,442,000	898,189	656,110	0.43
	<u>1,834,900</u>	<u>5,430,245</u>	<u>5,429,528</u>	<u>3.55</u>
<b>Plantation</b>				
Genting Plantations Berhad	127,000	1,013,313	889,000	0.58
Kuala Lumpur Kepong Berhad	80,500	1,310,816	1,698,550	1.11
Tradewinds Plantation Berhad	127,500	515,228	393,975	0.26
	<u>335,000</u>	<u>2,839,357</u>	<u>2,981,525</u>	<u>1.95</u>
<b>Properties</b>				
Eastern and Oriental Berhad	329,000	530,421	480,340	0.31
UEM Land Berhad	223,966	492,426	391,941	0.26
	<u>552,966</u>	<u>1,022,847</u>	<u>872,281</u>	<u>0.57</u>

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>SHARIAH-COMPLIANT SECURITIES – LOCAL (CONTINUED)</b>				
<b>Trading &amp; Services</b>				
Airasia Berhad	385,700	1,074,808	1,168,671	0.76
Axiata Group Berhad	763,700	2,582,143	3,513,020	2.30
Bumi Armada Berhad	150,900	563,314	507,024	0.33
Dialog Group Berhad	251,314	332,435	565,457	0.37
Kencana Petroleum Berhad	201,050	329,723	498,604	0.33
KPJ Healthcare Berhad	112,000	472,656	448,000	0.29
Malaysia Marine And Heavy Engineering Berhad	84,100	531,183	462,550	0.30
Petronas Dagangan Berhad	106,700	1,575,697	1,702,932	1.11
Pos Malaysia Berhad	365,400	1,195,813	931,770	0.61
QSR Brands Berhad	39,900	239,226	219,450	0.14
Sapura Crest Petroleum Berhad	134,000	288,367	493,120	0.32
Sime Darby Berhad	513,947	4,144,378	4,337,713	2.84
Telekom Malaysia Berhad	503,300	2,002,803	2,058,497	1.35
	<u>3,612,011</u>	<u>15,332,546</u>	<u>16,906,808</u>	<u>11.05</u>
<b>Warrants</b>				
SP Setia Berhad -Warrant 21/01/2013	338,850	441,914	304,965	0.20
<b>TOTAL SHARIAH-COMPLIANT SECURITIES – LOCAL</b>	<u><b>8,409,027</b></u>	<u><b>31,375,065</b></u>	<u><b>32,263,167</b></u>	<u><b>21.10</b></u>

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>SHARIAH-COMPLIANT SECURITIES</b>				
<b>– FOREIGN</b>				
<b>Australia</b>				
<b>Basic Materials</b>				
Alumina Limited	95,082	715,108	435,884	0.28
BHP Billiton Limited	18,337	2,147,454	1,989,096	1.30
Incitec Pivot Limited	13,623	145,720	137,985	0.09
Newcrest Mining Limited	2,641	322,057	278,791	0.18
Orica Limited	3,064	227,521	222,843	0.15
OZ Minerals Limited	17,492	745,463	510,389	0.33
	<u>150,239</u>	<u>4,303,323</u>	<u>3,574,988</u>	<u>2.33</u>
<b>Health Care</b>				
Cochlear Limited	681	154,079	97,855	0.06
CSL Limited	3,876	344,239	356,335	0.23
	<u>4,557</u>	<u>498,318</u>	<u>454,190</u>	<u>0.29</u>
<b>Industrials</b>				
Brambles Limited	12,730	271,331	255,120	0.17
James Hardie Industries S.E.	4,400	75,610	78,367	0.05
Seek Limited	6,601	124,316	108,776	0.07
Toll Holdings Limited	8,270	113,668	112,968	0.07
	<u>32,001</u>	<u>584,925</u>	<u>555,231</u>	<u>0.36</u>
<b>Oil &amp; Gas</b>				
Caltex Australia Limited	5,666	184,168	190,071	0.12
Linc Energy Limited	36,159	348,660	215,045	0.14
Santos Limited	12,448	568,894	438,401	0.29
Woodside Petroleum Limited	1,907	220,452	191,857	0.13
WorleyParsons Limited	1,855	143,952	151,116	0.10
	<u>58,035</u>	<u>1,466,126</u>	<u>1,186,490</u>	<u>0.78</u>
<b>Telecommunications</b>				
Telstra Corporation Limited	58,779	527,461	564,411	0.37
<b>Utilities</b>				
AGL Energy Limited	6,475	286,616	286,805	0.19
Origin Energy Limited	11,012	484,333	457,070	0.30
	<u>17,487</u>	<u>770,949</u>	<u>743,875</u>	<u>0.49</u>
<b>TOTAL AUSTRALIA SHARIAH-COMPLIANT SECURITIES</b>	<b><u>321,098</u></b>	<b><u>8,151,102</u></b>	<b><u>7,079,185</u></b>	<b><u>4.62</u></b>

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>SHARIAH-COMPLIANT SECURITIES</b>				
<b>– FOREIGN (CONTINUED)</b>				
<b>Hong Kong</b>				
<b>Basic Materials</b>				
China Coal Energy Company Limited	266,000	1,008,800	769,738	0.50
Yanzhou Coal Mining Company Limited	66,000	601,613	462,475	0.30
Zijin Mining Group Company Limited	412,000	564,493	386,165	0.25
	<u>744,000</u>	<u>2,174,906</u>	<u>1,618,378</u>	<u>1.05</u>
<b>Consumer Goods</b>				
Xinyi Glass Holdings Company Limited	160,000	501,776	215,456	0.14
GOME Electrical Appliances Holdings Limited	323,000	443,716	241,933	0.16
Lifestyle International Holdings Limited	90,000	829,957	733,793	0.48
Sa Sa International Holdings Limited	286,000	459,160	549,010	0.36
Trinity Limited	132,000	401,592	336,052	0.22
	<u>991,000</u>	<u>2,636,201</u>	<u>2,076,244</u>	<u>1.36</u>
<b>Industrials</b>				
Anhui Conch Cement Company Limited	15,500	139,355	137,034	0.09
China Merchants Holdings Company Limited	52,000	473,935	451,212	0.29
COSCO Pacific Limited	122,000	461,791	436,428	0.29
	<u>189,500</u>	<u>1,075,081</u>	<u>1,024,674</u>	<u>0.67</u>
<b>Oil &amp; Gas</b>				
CNOOC Limited	75,000	436,831	399,068	0.26
Kunlun Energy Company Limited	133,300	705,195	593,609	0.39
PetroChina Company Limited	88,000	347,376	348,298	0.23
	<u>296,300</u>	<u>1,489,402</u>	<u>1,340,975</u>	<u>0.88</u>
<b>Technology</b>				
Alibaba.com Limited	236,500	758,034	704,700	0.46
Lenovo Group Limited	136,000	245,964	294,467	0.19
	<u>372,500</u>	<u>1,003,998</u>	<u>999,167</u>	<u>0.65</u>

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>SHARIAH-COMPLIANT SECURITIES – FOREIGN (CONTINUED)</b>				
<b>Hong Kong (continued)</b>				
<b>Telecommunications</b>				
China Mobile Limited	60,000	1,745,446	1,893,422	1.24
<b>Utilities</b>				
Hong Kong and China Gas Company Limited	20,500	137,159	147,843	0.10
Power Assets Holdings Limited	16,500	369,323	404,194	0.26
	37,000	506,482	552,037	0.36
<b>TOTAL HONG KONG SHARIAH- COMPLIANT SECURITIES</b>	<b>2,690,300</b>	<b>10,631,516</b>	<b>9,504,897</b>	<b>6.21</b>
<b>India</b>				
<b>Basic Materials</b>				
Sesa Goa Limited	12,092	181,138	157,386	0.10
Sterlite Industries India Limited	59,753	507,042	440,925	0.29
	71,845	688,180	598,311	0.39
<b>Consumer Goods</b>				
Bajaj Auto Limited	1,302	126,621	129,787	0.08
<b>Industrials</b>				
Bharat Heavy Electricals Limited	2,956	340,232	314,558	0.21
Larsen & Toubro Limited	1,913	196,636	168,551	0.11
	4,869	536,868	483,109	0.32
<b>Oil &amp; Gas</b>				
Gail India Limited	8,937	256,155	238,124	0.16
Oil & Natural Gas Corporation Limited	16,632	303,314	287,233	0.19
Reliance Industries Limited	19,295	1,425,091	1,012,253	0.66
	44,864	1,984,560	1,537,610	1.01
<b>Technology</b>				
Infosys Limited	879	135,057	144,503	0.09
Tata Consultancy Services Limited	3,447	218,584	232,055	0.15
	4,326	353,641	376,558	0.24

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>SHARIAH-COMPLIANT SECURITIES – FOREIGN (CONTINUED)</b>				
<b>TOTAL INDIA SHARIAH- COMPLIANT SECURITIES</b>	<b>127,206</b>	<b>3,689,870</b>	<b>3,125,375</b>	<b>2.04</b>
<b>Indonesia</b>				
<b>Basic Materials</b>				
Pt Adaro Energy Tbk	579,000	529,566	360,210	0.24
Pt Tambang Batubara Bukit Asam Tbk	41,000	292,632	249,139	0.16
	<u>620,000</u>	<u>822,198</u>	<u>609,349</u>	<u>0.40</u>
<b>TOTAL INDONESIA SHARIAH- COMPLIANT SECURITIES</b>	<b>620,000</b>	<b>822,198</b>	<b>609,349</b>	<b>0.40</b>
<b>Philippines</b>				
<b>Telecommunications</b>				
Philippine Long Distance Telephone Company	995	162,028	158,996	0.10
<b>TOTAL PHILIPPINES SHARIAH- COMPLIANT SECURITIES</b>	<b>995</b>	<b>162,028</b>	<b>158,996</b>	<b>0.10</b>
<b>Singapore</b>				
<b>Basic Materials</b>				
Sakari Resources Limited	61,000	391,868	298,266	0.19
<b>Consumer Goods</b>				
Golden Agri-Resources Limited	250,000	384,660	375,888	0.25
<b>Industrials</b>				
Keppel Corporation Limited	38,500	843,639	729,467	0.48
Sembcorp Industries Limited	105,000	1,269,900	877,928	0.57
Sembcorp Marine Limited	35,000	306,267	278,096	0.18
	<u>178,500</u>	<u>2,419,806</u>	<u>1,885,491</u>	<u>1.23</u>
<b>Telecommunications</b>				
M1 Limited	81,000	492,828	487,151	0.32

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>SHARIAH-COMPLIANT SECURITIES – FOREIGN (CONTINUED)</b>				
<b>TOTAL SINGAPORE SHARIAH- COMPLIANT SECURITIES</b>	<b>570,500</b>	<b>3,689,162</b>	<b>3,046,796</b>	<b>1.99</b>
<b>South Korea</b>				
<b>Basic Materials</b>				
LG Chem Limited	969	1,010,052	841,139	0.55
OCI Company Limited	263	268,439	147,575	0.10
POSCO	177	198,271	177,577	0.12
	<u>1,409</u>	<u>1,476,762</u>	<u>1,166,291</u>	<u>0.77</u>
<b>Consumer Goods</b>				
Hyundai Mobis Company Limited	<u>1,661</u>	<u>1,323,942</u>	<u>1,533,907</u>	<u>1.00</u>
<b>Industrials</b>				
Hyundai Engineering and Construction Company Limited	<u>2,508</u>	<u>477,697</u>	<u>414,388</u>	<u>0.27</u>
<b>Technology</b>				
Samsung Electronics Company Limited	<u>578</u>	<u>1,181,507</u>	<u>1,312,943</u>	<u>0.86</u>
<b>TOTAL SOUTH KOREA SHARIAH- COMPLIANT SECURITIES</b>	<b>6,156</b>	<b>4,459,908</b>	<b>4,427,529</b>	<b>2.90</b>
<b>Taiwan</b>				
<b>Basic Materials</b>				
Formosa Chemicals & Fibre Corporation	46,000	379,389	382,637	0.25
Formosa Plastics Corporation	99,000	865,566	845,227	0.55
	<u>145,000</u>	<u>1,244,955</u>	<u>1,227,864</u>	<u>0.80</u>
<b>Consumer Goods</b>				
Giant Manufacturing Company Limited	<u>15,000</u>	<u>165,217</u>	<u>177,911</u>	<u>0.12</u>

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>SHARIAH-COMPLIANT SECURITIES – FOREIGN (CONTINUED)</b>				
<b>Taiwan (continued)</b>				
<b>Industrials</b>				
Hon Hai Precision Industry Company Limited	4,100	38,145	29,649	0.02
Largan Precision Company Limited	2,000	171,377	149,853	0.10
	<u>6,100</u>	<u>209,522</u>	<u>179,502</u>	<u>0.12</u>
<b>Oil &amp; Gas</b>				
Formosa Petrochemical Corporation	8,000	65,490	70,140	0.05
<b>Technology</b>				
High Tech Computer Corporation	7,920	593,511	566,933	0.37
MediaTek Incorporation	11,000	324,831	387,956	0.25
Taiwan Semiconductor Manufacturing Company Limited	195,700	1,226,224	1,431,546	0.94
United Microelectronics Corporation	91,000	102,751	108,408	0.07
	<u>305,620</u>	<u>2,247,317</u>	<u>2,494,843</u>	<u>1.63</u>
<b>Telecommunications</b>				
Chunghwa Telecom Company Limited	65,600	563,403	695,803	0.45
Taiwan Mobile Company Limited	26,100	224,622	204,286	0.13
	<u>91,700</u>	<u>788,025</u>	<u>900,089</u>	<u>0.58</u>
<b>TOTAL TAIWAN SHARIAH- COMPLIANT SECURITIES</b>	<b><u>571,420</u></b>	<b><u>4,720,526</u></b>	<b><u>5,050,349</u></b>	<b><u>3.30</u></b>
<b>Thailand</b>				
<b>Basic Materials</b>				
PTT Chemical Public Company Limited-NVDR	25,600	368,599	258,762	0.17
<b>Financials</b>				
L.P.N. Development Public Company Limited-NVDR	445,800	486,797	505,230	0.33

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>SHARIAH-COMPLIANT SECURITIES – FOREIGN (CONTINUED)</b>				
<b>Thailand (continued)</b>				
<b>Oil &amp; Gas</b>				
PTT Exploration and Production Public Company Limited-NVDR	22,900	373,771	326,164	0.21
<b>Telecommunications</b>				
Advanced Info Service Public Company Limited-NVDR	41,100	467,398	537,128	0.35
<b>TOTAL THAILAND SHARIAH- COMPLIANT SECURITIES</b>	<b>535,400</b>	<b>1,696,565</b>	<b>1,627,284</b>	<b>1.06</b>
<b>TOTAL SHARIAH-COMPLIANT SECURITIES – FOREIGN</b>	<b>5,443,075</b>	<b>38,022,875</b>	<b>34,629,760</b>	<b>22.62</b>
<b>UNQUOTED SUKUK</b>				
Amlslamic Bank Berhad 4.30% 20/09/2017 (AA3)	2,000,000	2,020,311	2,027,792	1.33
Bank Muamalat Malaysia Berhad 5.15% 15/06/2021 (A3)	3,000,000	3,045,590	3,100,490	2.03
Diversified Venue Sendirian Berhad 6.10% 30/12/2013 (AA)	1,000,000	1,040,113	1,053,067	0.69
Encorp Systembilt Sendirian Berhad 0% 03/01/2017 (AA2)	2,000,000	1,578,782	1,606,400	1.05
Gamuda Berhad 5.25% 01/04/2015 (AA3)	2,000,000	2,107,705	2,131,900	1.39
Jimah Energy Ventures Sendirian Berhad 8.30% 11/11/2016 (AA3)	4,000,000	4,601,518	4,879,131	3.19
Jimah Energy Ventures Sendirian Berhad 8.40% 12/05/2017 (AA3)	5,000,000	5,704,839	6,191,323	4.05
Jimah Energy Ventures Sendirian Berhad 8.55% 12/05/2017 (AA3)	2,000,000	2,245,636	2,492,474	1.63
Jimah Energy Ventures Sendirian Berhad 8.75% 11/05/2018 (AA3)	3,000,000	3,709,381	3,851,891	2.52

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>UNQUOTED SUKUK (CONTINUED)</b>				
Jimah Energy Ventures Sendirian Berhad 9.30% 12/05/2020 (AA3)	1,500,000	2,025,473	2,050,179	1.34
Kesas Sendirian Berhad 7.70% 11/10/2012 (AA3)	6,000,000	6,425,523	6,441,577	4.21
Kesas Sendirian Berhad 7.95% 11/10/2013 (AA3)	3,000,000	3,246,540	3,332,934	2.18
Konsortium Lebuhraya Utara-Timur Sendirian Berhad 6.97% 28/10/2025 (AA-)	3,000,000	3,393,860	3,684,569	2.41
Konsortium Lebuhraya Butterworth-Kulim Sendirian Berhad 4.00% 15/01/2018 (AA3)	2,000,000	1,849,213	1,986,496	1.30
Lebuhraya Kajang-Seremban Sendirian Berhad 2.00% 12/06/2019 (BBB1)	3,000,000	1,538,701	1,569,082	1.03
Lebuhraya Kajang-Seremban Sendirian Berhad 5.35% 10/06/2016 (BBB1)	1,500,000	1,434,000	1,229,819	0.80
Malakoff Corporation Berhad 6.182% 28/04/2017 (AA3)	1,000,000	1,034,541	1,112,183	0.73
Malakoff Corporation Berhad 6.682% 29/04/2022 (AA3)	1,000,000	1,061,311	1,175,776	0.77
Ranhill Powertron Sendirian Berhad 5.15% 16/06/2023 (AAA)	1,000,000	1,038,345	1,072,514	0.70
Ranhill Powertron Sendirian Berhad 6.60% 27/06/2013 (AA1)	1,250,000	1,330,067	1,336,324	0.87
Ranhill Powertron Sendirian Berhad 7.30% 27/06/2016 (AA1)	1,000,000	1,161,740	1,167,100	0.76
Teknologi Tenaga Perlis Consortium Sendirian Berhad 9.00% 11/09/2015 (AA1)	2,000,000	2,352,169	2,369,901	1.55
Trinity Corporation Berhad 0% 28/06/2019 (B+)	2,655,437	691,206	1,080,763	0.71
Westports Malaysia Sendirian Berhad 4.35% 07/03/2012 (AA+)	1,000,000	1,006,528	1,007,368	0.66
<b>TOTAL UNQUOTED SUKUK</b>	<b>54,905,437</b>	<b>55,643,092</b>	<b>57,951,053</b>	<b>37.90</b>

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of net asset Value %
<b>As at 30 September 2011</b>				
<b>TOTAL SYARIAH COMPLIANT INVESTMENTS</b>	<b>68,757,539</b>	<b>125,041,032</b>	<b>124,843,980</b>	<b>81.62</b>
<b>FAIR VALUE RESERVE</b>				
-LOCAL QUOTED SECURITIES		888,102		
-FOREIGN SECURITIES		(3,969,685)		
-UNQUOTED SUKUK		2,307,961		
UNREALISED FOREIGN EXCHANGE LOSS		576,570		
<b>TOTAL MARKET VALUE OF SHARIAH-COMPLIANT INVESTMENTS</b>		<b>124,843,980</b>		

The unquoted sukuk has an effective weighted average profit rate of 4.79% per annum as at 30 September 2011.

12. QUOTED INVESTMENTS

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
<b>SHARIAH-COMPLIANT SECURITIES – LOCAL</b>				
<b>Construction</b>				
Gamuda Berhad	270,000	662,753	1,047,600	0.80
IJM Corporation Berhad	185,000	661,325	960,150	0.74
Malaysian Resources Corporation Berhad	565,000	828,682	1,186,500	0.91
WCT Berhad	179,500	470,880	547,475	0.42
YTL Corporation Berhad	49,100	382,887	368,250	0.28
	<u>1,248,600</u>	<u>3,006,527</u>	<u>4,109,975</u>	<u>3.15</u>
<b>Consumer Products</b>				
PPB Group Berhad	49,300	637,853	847,960	0.65
Tan Chong Motor Holdings Berhad	96,500	491,325	575,140	0.44
UMW Holdings Berhad	84,600	575,140	572,742	0.44
	<u>230,400</u>	<u>1,704,318</u>	<u>1,995,842</u>	<u>1.53</u>
<b>Finance</b>				
BIMB Holdings Berhad	111,100	145,778	136,653	0.10

## 12. QUOTED INVESTMENTS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
<b>SHARIAH-COMPLIANT SECURITIES – LOCAL (CONTINUED)</b>				
<b>Industrial Products</b>				
Kossan Rubber Industries Berhad	185,000	689,785	549,450	0.42
Lafarge Malayan Cement Berhad	42,200	263,320	332,958	0.25
Lion Industries Corporation Berhad	80,000	106,861	142,400	0.11
Perisai Petroleum Teknologi Berhad	1,575,000	958,716	795,375	0.61
Scomi Group Berhad	1,182,100	574,235	484,661	0.37
Supermax Corporation Berhad	102,500	257,551	388,475	0.30
	<u>3,166,800</u>	<u>2,850,468</u>	<u>2,693,319</u>	<u>2.06</u>
<b>Infrastructure Project Companies</b>				
Digi.com Berhad	27,500	681,678	668,250	0.51
Time Dotcom Berhad	899,200	502,443	553,008	0.43
	<u>926,700</u>	<u>1,184,121</u>	<u>1,221,258</u>	<u>0.94</u>
<b>Plantation</b>				
Genting Plantations Berhad	77,100	395,198	595,212	0.46
IOI Corporation Berhad	492,553	2,075,408	2,694,265	2.06
Kuala Lumpur Kepong Berhad	101,500	1,031,380	1,725,500	1.32
	<u>671,153</u>	<u>3,501,986</u>	<u>5,014,977</u>	<u>3.84</u>
<b>Properties</b>				
Eastern and Oriental Berhad	420,200	433,948	495,836	0.38
IJM Land Berhad	220,000	339,607	528,000	0.40
Mah Sing Group Berhad	157,600	290,209	288,408	0.22
UEM Land Holdings Berhad	317,600	445,222	743,184	0.57
	<u>1,115,400</u>	<u>1,508,986</u>	<u>2,055,428</u>	<u>1.57</u>
<b>Technology</b>				
JCY International Berhad	458,300	771,143	456,009	0.35

## 12. QUOTED INVESTMENTS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
<b>SHARIAH-COMPLIANT SECURITIES – LOCAL (CONTINUED)</b>				
<b>Trading &amp; Services</b>				
Airasia Berhad	177,500	241,107	399,375	0.31
Alam Maritim Resources Berhad	410,000	318,256	438,700	0.34
Axiata Group Berhad	924,300	2,469,127	4,048,434	3.10
Dialog Group Berhad	517,514	532,284	579,616	0.44
Faber Group Berhad	123,900	301,641	398,958	0.31
Kencana Petroleum Berhad	655,050	813,153	1,087,383	0.83
KPJ Healthcare Berhad	160,400	465,664	558,192	0.43
Maxis Berhad	105,000	549,998	561,750	0.43
Media Chinese International Limited	526,100	448,736	457,707	0.35
MMC Corporation Berhad	142,500	271,687	427,500	0.33
Parkson Holdings Berhad	95,075	385,837	553,336	0.42
PLUS Expressways Berhad	194,400	771,897	810,648	0.62
QSR Brands Berhad	217,700	1,057,839	1,075,438	0.82
SapuraCrest Petroleum Berhad	495,000	794,274	1,183,050	0.91
Sime Darby Berhad	457,747	3,505,925	3,890,850	2.98
Telekom Malaysia Berhad	65,000	226,325	222,300	0.17
Tenaga Nasional Berhad	389,200	2,959,323	3,432,744	2.63
	<u>5,656,386</u>	<u>16,113,073</u>	<u>20,125,981</u>	<u>15.42</u>
<b>TOTAL QUOTED INVESTMENTS - LOCAL</b>	<b><u>13,584,839</u></b>	<b><u>30,786,400</u></b>	<b><u>37,809,442</u></b>	<b><u>28.96</u></b>

## 12. QUOTED INVESTMENTS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
<b>SHARIAH-COMPLIANT SECURITIES - FOREIGN</b>				
<b>AUSTRALIA</b>				
<b>Basic Materials</b>				
BHP Billiton Limited	23,620	2,418,637	2,747,237	2.10
Incitec Pivot Limited	34,200	332,188	367,008	0.28
Newcrest Mining Limited	3,600	348,370	426,894	0.33
	<u>61,420</u>	<u>3,099,195</u>	<u>3,541,139</u>	<u>2.71</u>
<b>Health Care</b>				
CSL Limited	5,600	511,860	553,241	0.42
<b>Industrials</b>				
Leighton Holdings Limited	3,700	367,447	365,645	0.28
Seek Limited	34,000	769,386	760,213	0.58
	<u>37,700</u>	<u>1,136,833</u>	<u>1,125,858</u>	<u>0.86</u>
<b>Oil &amp; Gas</b>				
Caltex Australia Limited	13,230	393,167	474,170	0.37
Woodside Petroleum Limited	5,710	721,425	748,958	0.57
	<u>18,940</u>	<u>1,114,592</u>	<u>1,223,128</u>	<u>0.94</u>
<b>Telecommunications</b>				
Telstra Corporation Limited	82,000	728,590	642,200	0.49
<b>Utilities</b>				
AGL Energy Limited	8,700	341,944	420,518	0.32
<b>TOTAL AUSTRALIA SHARIAH-COMPLIANT SECURITIES</b>	<u><b>214,360</b></u>	<u><b>6,933,014</b></u>	<u><b>7,506,084</b></u>	<u><b>5.74</b></u>

## 12. QUOTED INVESTMENTS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
<b>SHARIAH-COMPLIANT SECURITIES – FOREIGN (CONTINUED)</b>				
<b>HONG KONG</b>				
<b>Basic Materials</b>				
China Coal Energy Company Limited	95,000	445,263	484,992	0.37
<b>Consumer Products</b>				
Anta Sports Products Limited	53,000	336,876	378,889	0.29
Belle International Holdings Limited	62,000	333,729	384,066	0.29
Li & Fung Limited	22,000	354,287	381,815	0.29
Yue Yuen Industrial Holdings Limited	34,000	393,919	388,654	0.30
	171,000	1,418,811	1,533,424	1.17
<b>Consumer Services</b>				
Golden Eagle Retail Group Limited	49,000	349,003	428,613	0.33
MTR Corporation Limited	29,000	327,162	338,417	0.26
	78,000	676,165	767,030	0.59
<b>Industrials</b>				
COSCO Pacific Limited	77,000	375,733	357,586	0.27
<b>Oil &amp; Gas</b>				
CNOOC Limited	103,000	544,773	615,930	0.47
<b>Telecommunications</b>				
China Mobile Limited	46,000	1,663,788	1,453,109	1.11
<b>Utilities</b>				
China WindPower Group Limited	1,120,000	350,925	391,875	0.30
<b>TOTAL HONG KONG SHARIAH-COMPLIANT SECURITIES</b>	<b>1,690,000</b>	<b>5,475,458</b>	<b>5,603,946</b>	<b>4.29</b>

## 12. QUOTED INVESTMENTS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
<b>SHARIAH-COMPLIANT SECURITIES – FOREIGN (CONTINUED)</b>				
<b>INDIA</b>				
<b>Consumer Products</b>				
Bajaj Auto Limited	3,780	375,974	381,712	0.29
Maruti Suzuki India Limited	7,000	663,262	692,929	0.53
	<u>10,780</u>	<u>1,039,236</u>	<u>1,074,641</u>	<u>0.82</u>
<b>Health Care</b>				
Dr Reddy's Laboratories Limited	4,110	334,904	407,074	0.31
<b>Industrials</b>				
Crompton Greaves Limited	50,200	902,714	1,078,421	0.83
Larsen & Toubro Limited	7,029	858,157	991,450	0.76
	<u>57,229</u>	<u>1,760,871</u>	<u>2,069,871</u>	<u>1.59</u>
<b>Oil &amp; Gas</b>				
Reliance Industries Limited	14,190	1,102,975	962,424	0.74
<b>Technology</b>				
Infosys Technologies Limited	5,530	619,414	1,158,919	0.89
<b>Telecommunications</b>				
Bharti Airtel Limited	17,000	332,703	427,802	0.33
<b>TOTAL INDIA SHARIAH-COMPLIANT SECURITIES</b>	<u><b>108,839</b></u>	<u><b>5,190,103</b></u>	<u><b>6,100,731</b></u>	<u><b>4.68</b></u>

## 12. QUOTED INVESTMENTS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
<b>SHARIAH-COMPLIANT SECURITIES – FOREIGN (CONTINUED)</b>				
<b>INDONESIA</b>				
<b>Basic Materials</b>				
Timah Tbk Pt	752,000	721,570	820,552	0.63
<b>Industrials</b>				
Semen Gresik Persero Tbk Pt	108,000	336,127	370,371	0.28
<b>TOTAL INDONESIA SHARIAH-COMPLIANT SECURITIES</b>	<b>860,000</b>	<b>1,057,697</b>	<b>1,190,923</b>	<b>0.91</b>
<b>SINGAPORE</b>				
<b>Consumer Products</b>				
Golden Agri-Resources Limited	730,000	869,046	976,212	0.75
<b>Consumer Services</b>				
SMRT Corporation Limited	142,000	706,830	682,950	0.52
<b>Industrials</b>				
Keppel Corporation Limited	17,000	347,272	358,156	0.27
<b>TOTAL SINGAPORE SHARIAH-COMPLIANT SECURITIES</b>	<b>889,000</b>	<b>1,923,148</b>	<b>2,017,318</b>	<b>1.54</b>
<b>SOUTH KOREA</b>				
<b>Basic Materials</b>				
POSCO	265	338,668	370,087	0.28
<b>Consumer Products</b>				
Amorepacific Corporation	287	713,335	890,173	0.68
Hyundai Mobis	1,640	774,626	1,140,736	0.88
	1,927	1,487,961	2,030,909	1.56
<b>Industrials</b>				
Hyundai Engineering & Construction Company Limited	1,940	382,710	380,669	0.29
Samsung Electro-Mechanics Company Limited	890	298,947	299,894	0.23
Samsung SDI Company Limited	1,542	684,895	651,054	0.50
	4,372	1,366,552	1,331,617	1.02

## 12. QUOTED INVESTMENTS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
<b>SHARIAH-COMPLIANT SECURITIES – FOREIGN (CONTINUED)</b>				
<b>SOUTH KOREA (CONTINUED)</b>				
<b>Technology</b>				
LG. Display Company Limited	2,810	288,951	299,647	0.23
Samsung Electronics Company Limited	1,086	1,903,434	2,283,804	1.75
	<u>3,896</u>	<u>2,192,385</u>	<u>2,583,451</u>	<u>1.98</u>
<b>TOTAL SOUTH KOREA SHARIAH-COMPLIANT SECURITIES</b>	<b>10,460</b>	<b>5,385,566</b>	<b>6,316,064</b>	<b>4.84</b>
<b>TAIWAN</b>				
<b>Basic Materials</b>				
Formosa Plastics Corporation	48,000	339,321	363,742	0.28
Nan Ya Plastics Corporation	55,000	337,577	371,686	0.28
Taiwan Fertilizer Company Limited	69,000	571,239	665,359	0.51
	<u>172,000</u>	<u>1,248,137</u>	<u>1,400,787</u>	<u>1.07</u>
<b>Industrials</b>				
Hon Hai Precision Industry Company Limited	57,960	637,997	672,858	0.52
<b>Technology</b>				
HTC Corporation	12,400	655,921	868,610	0.67
MediaTek Incorporation	8,777	372,839	380,687	0.29
Taiwan Semiconductor Manufacturing Company Limited	146,700	839,440	898,626	0.69
	<u>167,877</u>	<u>1,868,200</u>	<u>2,147,923</u>	<u>1.65</u>
<b>Telecommunications</b>				
Chunghwa Telecom Company Limited	57,000	365,203	394,212	0.30
<b>TOTAL TAIWAN SHARIAH- COMPLIANT SECURITIES</b>	<b>454,837</b>	<b>4,119,537</b>	<b>4,615,780</b>	<b>3.54</b>

## 12. QUOTED INVESTMENTS (CONTINUED)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
<b>SHARIAH-COMPLIANT SECURITIES – FOREIGN (CONTINUED)</b>				
<b>THAILAND</b>				
<b>Telecommunications</b>				
Advanced Info Service PCL	56,300	516,320	544,477	0.41
<b>Oil &amp; Gas</b>				
PTT Exploration & Production PCL	24,600	359,839	385,659	0.30
<b>TOTAL THAILAND SHARIAH-COMPLIANT SECURITIES</b>	<b>80,900</b>	<b>876,159</b>	<b>930,136</b>	<b>0.71</b>
<b>TOTAL QUOTED INVESTMENTS - FOREIGN</b>	<b>4,308,396</b>	<b>30,960,682</b>	<b>34,280,982</b>	<b>26.25</b>
<b>TOTAL QUOTED INVESTMENTS</b>	<b>17,893,235</b>	<b>61,747,082</b>	<b>72,090,424</b>	<b>55.21</b>
<b>FAIR VALUE RESERVE:</b>				
- LOCAL QUOTED INVESTMENTS		7,023,042		
- FOREIGN QUOTED INVESTMENTS		3,912,865		
<b>ADD: UNREALISED FOREIGN EXCHANGE LOSS</b>		<b>(592,565)</b>		
<b>TOTAL MARKET VALUE OF LOCAL AND FOREIGN QUOTED INVESTMENTS</b>		<b>72,090,424</b>		

## 13. UNQUOTED SUKUK

Name of issuer	Nominal value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
Bank Muamalat Malaysia Berhad 6.25% 05/09/2016 (A3)	1,000,000	1,001,730	1,015,000	0.78
Chemical Company of Malaysia Berhad 5.95% 28/11/2011 (AA3)	1,500,000	1,514,925	1,530,150	1.17
Diversified Venue Sendirian Berhad 6.10% 30/12/2013 (AA)	1,000,000	1,056,531	1,058,000	0.81
Encorp Systembilt Sendirian Berhad 0.00% 03/07/2011 (AA2)	1,000,000	969,874	973,800	0.75
Gamuda Berhad 4.59% 24/01/2013 (AA3)	4,000,000	3,979,027	4,043,600	3.10

## 13. UNQUOTED SUKUK (CONTINUED)

Name of issuer	Nominal value RM	Carrying cost RM	Fair value RM	Percentage of net asset value %
<b>As at 30 September 2010</b>				
Jimah Energy Ventures Sendirian Berhad 8.75% 11/05/2018 (AA3)	3,000,000	3,674,700	3,687,600	2.82
Jimah Energy Ventures Sendirian Berhad 8.30% 11/11/2016 (AA3)	4,000,000	4,538,018	4,719,600	3.61
Jimah Energy Ventures Sendirian Berhad 8.40% 12/05/2017 (AA3)	5,000,000	5,623,425	5,965,500	4.57
Jimah Energy Ventures Sendirian Berhad 8.55% 12/05/2017 (AA3)	2,000,000	2,206,057	2,403,000	1.84
Kesas Sendirian Berhad 7.70% 11/10/2012 (AA3)	1,000,000	1,056,370	1,060,300	0.81
Kesas Sendirian Berhad 7.95% 11/10/2013 (AA3)	3,000,000	3,194,545	3,266,700	2.50
Konsortium Lebuhraya Butterworth -Kulim Sendirian Berhad 4.00% 15/01/2018 (AA3)	2,000,000	1,810,414	1,861,600	1.43
Lebuhraya Kajang-Seremban Sendirian Berhad 5.35% 12/06/2016 (AA3)	1,000,000	1,011,709	964,300	0.74
Malakoff Corporation Berhad 6.182% 28/04/2017 (AA3)	1,000,000	1,009,647	1,051,200	0.81
Malakoff Corporation Berhad 6.682% 29/04/2022 (AA3)	1,000,000	1,035,095	1,037,700	0.79
Penang Bridge Sendirian Berhad 8.35% 30/08/2012 (AA2)	3,000,000	3,238,956	3,256,200	2.49
Ranhill Powertron Sendirian Berhad 7.10% 26/06/15 (AA1)	2,000,000	2,170,638	2,198,800	1.68
Syarikat Bekalan Air Selangor Sendirian Berhad 5.00% 30/09/2013 (A+)	2,000,000	1,995,898	1,946,400	1.49
Syarikat Pengeluar Air Sungai Selangor Sendirian Berhad 5.65% 28/11/2014 (A)	1,000,000	1,039,324	898,900	0.69
Talam Corporation Berhad 0.00% 28/06/2019 (B+)	3,318,142	689,756	1,095,650	0.84
Teknologi Tenaga Perlis Consortium Sendirian Berhad 9.00% 11/09/2015 (AA1)	2,000,000	2,421,489	2,422,600	1.86
<b>TOTAL UNQUOTED SUKUK</b>	<b>44,818,142</b>	<b>45,238,128</b>	<b>46,456,600</b>	<b>35.58</b>
<b>FAIR VALUE RESERVE</b>		<b>1,218,472</b>		
		<b>46,456,600</b>		

The unquoted sukuk has an effective weighted average profit rate of 6.44% per annum as at 30 September 2010.

**14. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)**

	<b>2011 RM</b>	<b>2010 RM</b>
Deposits with licensed financial institutions	18,927,315	7,705,000
Bank balances	9,018,132	3,810,047
	<u>27,945,447</u>	<u>11,515,047</u>

Weighted average effective profit rates per annum are as follows:

	<b>2011 %</b>	<b>2010 %</b>
Deposits with licensed financial institutions	<u>2.95</u>	<u>2.65</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 5 days (2010: 2 days).

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

	<b>No. of units</b>	<b>2011 RM</b>	<b>No. of units</b>	<b>2010 RM</b>
At the beginning of the financial year	286,294,135	130,572,100	275,241,673	127,847,635
Add: Creation arising from applications	222,739,337	100,111,269	64,296,848	29,166,335
Add: Creation arising from distribution	18,380,219	7,988,043	21,974,912	9,559,087
Less: Cancellation of units	(169,817,706)	(76,250,450)	(75,219,298)	(33,420,755)
Total comprehensive (loss)/ income for the financial year	-	(857,866)	-	9,394,061
Distribution	-	(8,531,933)	-	(9,779,549)
Net change in fair value reserve	-	-	-	(2,194,714)
At the end of the financial year	<u>357,595,985</u>	<u>153,031,163</u>	<u>286,294,135</u>	<u>130,572,100</u>
Approved size of Fund	<u>1,000,000,000</u>		<u>1,000,000,000</u>	

As at 30 September 2011, the number of units not yet issued by the Fund is 642,404,015 (2010: 713,705,865)

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

	2011	2010
MER	2.37	1.81

MER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee and custodian fees
C	=	Transaction cost
D	=	Audit fee
E	=	Tax agent's fee
F	=	Other expenses
G	=	Average net asset value of the Fund calculation on a daily basis

The average net asset value of the Fund for the financial year calculated on daily basis is RM160,893,082 (2010: RM122,259,130)

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

	2011	2010
PTR (times)	1.05	0.97

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

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

where:

total acquisition for the financial year	=	RM178,760,385 (2010: RM124,878,476)
total disposal for the financial year	=	RM159,739,690 (2010: RM113,039,504)

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

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

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

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

Units held by the Manager and parties related to the Manager

	No. of units	2011 RM	No. of units	2010 RM
<b>Manager</b>				
CIMB-Principal Asset Management Berhad	87,791	37,566	71,046	32,404

The above units are legally held and 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 Directors or parties related to the Manager.

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

	2011 RM	2010 RM
<u>Significant related party transactions</u>		
Profit and Hibah from Shariah-compliant deposits:		
- CIMB Islamic Bank Berhad	78,736	33,963
<u>Significant related party balances</u>		
Shariah-compliant deposits:		
- CIMB Islamic Bank Berhad	5,001,212	3,830,000

19. **TRANSACTIONS WITH BROKERS/DEALERS**

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

<b>Brokers/Dealers</b>	<b>Values of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
RHB Islamic Bank Berhad	400,993,000	25.52	-	-
CIMB Islamic Bank Berhad #	300,485,000	19.12	-	-
Hong Leong Islamic Bank Berhad	193,166,000	12.29	-	-
AmIslamic Bank Berhad	69,108,000	4.40	-	-
Bank Muamalat Berhad	61,326,087	3.90	-	-
EONCAP Islamic Bank Berhad	61,218,000	3.90	-	-
CIMB Investment Bank Berhad #	58,052,000	3.69	-	-
Maybank Securities	48,345,000	3.08	-	-
Citigroup Global Markets Limited	42,311,024	2.69	130,374	12.70
OSK Investment Bank Berhad	39,294,673	2.50	73,557	7.16
Others #	297,083,560	18.91	822,745	80.14
	<u>1,571,382,344</u>	<u>100.00</u>	<u>1,026,676</u>	<u>100.00</u>

19. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

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

<b>Brokers/Dealers</b>	<b>Values of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
CIMB Investment Bank Berhad #	22,777,745	9.25	59,300	11.38
CLSA Hong Kong Limited	17,898,273	7.27	52,991	10.17
Macquarie Securities Hong Kong Limited	15,052,880	6.12	45,106	8.66
OSK Investment Bank Berhad	13,962,143	5.67	11,507	2.21
JPMorgan Securities Hong Kong	13,830,404	5.62	37,669	7.23
Austock Securities Limited	13,304,461	5.41	38,516	7.39
CIMB Bank Berhad #	12,636,325	5.13	-	-
Maybank Securities	11,525,131	4.68	26,333	5.05
Samsung Securities Korea Company Limited	10,055,102	4.09	23,099	4.43
Citigroup Global Markets Singapore Private Limited	8,565,107	3.48	18,409	3.53
Others #	106,525,880	43.28	208,207	39.95
	<u>246,133,451</u>	<u>100</u>	<u>521,137</u>	<u>100</u>

# Included in transactions by the Fund are trades conducted on normal terms with CIMB Bank, CIMB Investment Bank Berhad and CIMB Islamic Bank, fellow subsidiaries to the Manager amounting to RM 4,085,800, RM 58,052,000 and RM 300,485,000 respectively (2010: RM 12,636,325, RM 22,777,745 and RM Nil).

20. SEGMENT INFORMATION

The internal reporting provided to the CEO for the fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of FRS. The CEO is responsible for the performance of the fund and considers the business to have a single operating segment.

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 and dividend income earned from investments and gains on the appreciation in the value of investments

**21. CHANGES IN ACCOUNTING POLICIES**

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

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

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

The effects as a result of adoption of the amendment on the statement of financial position and statement of comprehensive income for the prior years are set out below.

	<b>As previously stated RM</b>	<b>Adjustment RM</b>	<b>As restated RM</b>
<b><u>1 October 2009</u></b>			
<b>Statement of Financial Position</b>			
Financial liability	127,847,635	(127,847,635)	-
Unitholders' capital	-	86,507,781	86,507,781
Retained earnings	-	26,990,761	26,990,761
Fair value reserve	-	14,349,093	14,349,093
	-	127,847,635	127,847,635
<b>Statement of Comprehensive Income</b>			
Finance cost	9,711,345	(9,711,345)	-
Total comprehensive loss for the financial year	(8,783,050)	9,711,345	928,295

21. CHANGES IN ACCOUNTING POLICIES

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

	As previously stated RM	Adjustment RM	As restated RM
<b><u>30 September 2010</u></b>			
<b>Statement of Financial Position</b>			
Financial liability	130,572,100	(130,572,100)	-
Unitholders' capital	-	91,812,448	91,812,448
Retained earnings	-	26,605,273	26,605,273
Fair value reserve	-	12,154,379	12,154,379
	-	130,572,100	130,572,100
<b>Statement of Comprehensive Income</b>			
Finance cost	9,779,549	(9,779,549)	-
Total comprehensive income for the financial year	(385,488)	9,779,549	9,394,061

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

	As previously stated RM	Adjustment RM	As restated RM
<b><u>30 September 2011</u></b>			
<b>Statement of Financial Position</b>			
Financial liability	153,031,163	(153,031,163)	-
Unitholders' capital	-	123,661,310	123,661,310
Retained earnings	-	30,420,255	30,420,255
Fair value reserve	-	(1,050,402)	(1,050,402)
	-	153,031,163	153,031,163
<b>Statement of Comprehensive Income</b>			
Finance cost	8,531,933	(8,531,933)	-
Total comprehensive income for the financial year	2,652,422	8,531,933	11,184,355

## 21. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

	<b>As restated after adoption of amendments to FRS 132 (Note 21(a)) RM</b>	<b>Adjustment RM</b>	<b>As restated RM</b>
<b><u>1 October 2010</u></b>			
<b>Statement of Financial Position</b>			
Unitholders' capital	91,812,448	-	91,812,448
Retained earnings	26,605,273	12,154,379	38,759,652
Fair value reserve	12,154,379	(12,154,379)	-
	<u>130,572,100</u>	-	<u>130,572,100</u>

## 21. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

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

	<b>As restated after adoption of amendments to FRS 132 (Note 21(a)) RM</b>	<b>Adjustment RM</b>	<b>As restated RM</b>
<b><u>30 September 2011</u></b>			
<b>Statement of Financial Position</b>			
Financial assets at fair value through profit or loss	-	124,843,980	124,843,980
Shariah-compliant quoted investment	66,892,927	(66,892,927)	-
Unquoted sukuk	56,740,938	(56,740,938)	-
Deposits with licensed financial institutions	18,924,000	3,315	18,927,315
Profit receivable	1,213,430	(1,213,430)	-
Fair value reserve	(1,050,402)	1,050,402	-

	<b>As restated after adoption of amendments to FRS 132 (Note 21(a)) RM</b>	<b>Adjustment RM</b>	<b>As restated RM</b>
<b>Statement of Comprehensive Income</b>			
Profit income	3,714,192	(490,822)	3,223,370
Net amortisation of premium	(490,822)	490,822	-
Net loss on financial assets at fair value through profit or loss	-	(2,686,728)	(2,686,728)
Net realised gain on sale of Investments	8,328,811	(8,328,811)	-
Net foreign currency exchange loss	(150,362)	54,238	(96,124)
Transaction costs	-	(1,026,676)	(1,026,676)
Total comprehensive income for the year	12,346,916	(13,204,782)	(857,866)

**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](http://www.cimb-principal.com.my)

**E-mail address**

[cimb-p.custsupport@cimb.com](mailto:cimb-p.custsupport@cimb.com)

**General investment enquiries**

(03) 7718 3100

**Trustee for the CIMB Islamic Balanced Fund**

Universal Trustee (Malaysia) Berhad (Company No:- 17540-D)  
No 1, Jalan Ampang (3<sup>rd</sup> Floor),  
50450 Kuala Lumpur MALAYSIA.

**Shariah Advisor of the CIMB Islamic Money Market 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 (253344-U)  
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 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

<b>ADDRESS</b>	<b>TELEPHONE</b>
<b>SALES OFFICES</b>	
• 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 <sup>nd</sup> 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