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FUND INFORMATION

Period of Trust	: Subject to occurrence of any events as stated under Clause 11.37 of the Guidelines on Unit Trust Funds
Fund Category	: Feeder Fund
Fund Type	: Income Fund
Relevant Benchmark	: Citigroup Treasury/Agency Index (Total Return)
Distribution Policy	: Income (if any) will be distributed during the financial year

INVESTMENT OBJECTIVE, STRATEGY AND POLICY

Investment Objective

- To provide investors with income return primarily through investment in a portfolio of bonds and other fixed and floating rate securities issued by governments, government agencies, supra-national and corporate issuers in Asia excluding Japan.

Investment Strategy and Policy

- As stipulated in the prospectus, the Fund will invest principally in Schroder International Selection Fund Asian Bond Absolute Return ("SISF Asian Bond Absolute Return") / ("Target Fund") launched on 16 October 1998 (Class A distribution shares). The SISF Asian Bond Absolute Return is a collective investment scheme domiciled in Luxembourg investing in a portfolio of bonds and other fixed and floating rate securities issued by governments, government agencies, supra-national and corporate issuers in Asia excluding Japan.

- When the investment in the SISF Asian Bond Absolute Return does not meet the objectives of the Fund, the Manager may choose to replace it with other collective investment scheme with similar objectives, subject to the approval from Unitholders.

- For the financial period under review, the strategy adopted by the Fund is in line with the disclosure in the prospectus.

MANAGER'S OVERVIEW

We are pleased to present to you the Interim Report of RHB Asian Total Return Fund ("the Fund") incorporating the Unaudited Financial Statements for the Six-Month Financial Period Ended 30 June 2011.

Based on the unaudited financial statements, the Net Asset Value ("NAV") per unit of the Fund decreased 1.18% from RM0.4146 per unit as at 31 December 2010 to RM0.4097 as at 30 June 2011 mainly due to currency translation losses and lower valuation of the Target Fund. The number of units in circulation decreased from 63.52 million units as at 31 December 2010 to 42.37 million units as at 30 June 2011.

During the financial period under review, the Fund registered a loss of 1.18%* compared to a loss of 0.04%* in the Citigroup Treasury / Agency Index (Total Return). The total loss since inception was 7.18%* as opposed to the Citigroup Treasury / Agency Index (Total Return)'s gain of 11.79%*.

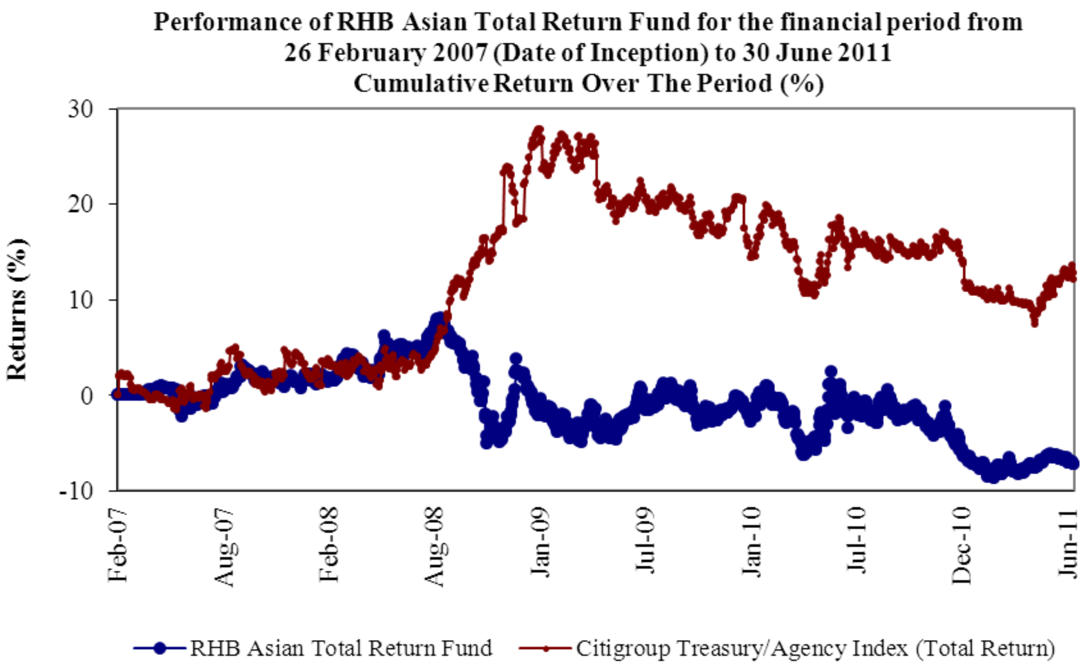
** Source: Lipper Hindsight, 9 August 2011*

MANAGER'S REPORT

Fund Performance Review

For the six months financial period ended 30 June 2011, the Fund registered a negative return of 1.18%* (in Malaysia Ringgit currency), underperforming its benchmark Citigroup Treasury/Agency Index's negative return of 0.04%*. The Fund's Target Fund, Schroder's International Selection Fund Asian Bond Absolute Return (class A distribution shares), recorded a return of 0.49%** (in US Dollar terms) or -0.9%** (in Ringgit Term). The Target Fund's liquid, high grade government interest rate exposures in Singapore and Korea contributed positively to performance but this was offset by US Dollar duration exposure, particularly US Treasuries in 1st Quarter 2011. The Target Fund's corporate bond exposure added value overall supported by higher carry although spreads widened in 2nd Quarter 2011, which detracted some value. The Target Fund added some Asian currency exposure during the period which added value overall, particularly the Korean Won and Singapore Dollar; however Malaysian Ringgit and Thai Baht exposures detracted.

Source: ** Lipper Hindsight, 9 August 2011*
*** Bloomberg L.P*



Source: Lipper Hindsight, 9 August 2011

The aforesaid information is for the period from 26 February 2007 (Date of Inception) to 30 June 2011 using NAV-NAV prices and assuming reinvestment of distributions (if any) for the Fund, gross investment based in RM.

Past earnings or the Fund's distribution record is not a guarantee or reflection of the Fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up.

Strategies and Policies

At least 95% of the Fund is invested in the Target Fund which is managed by Schroder Investment Management (Luxembourg) S.A.

For the financial period under review, the strategy undertaken by the Manager was of a passive mode, as it is a feeder fund. The investments in the Fund were rebalanced from time to time to meet sales and redemptions requirements and to enable the proper and efficient management of the Fund.

Asset Allocation

Asset Class	30 June 2011	31 Dec 2010
Collective investment scheme - foreign	97.39%	96.99%
Liquid assets and other net current assets	2.61%	3.01%
Total	100.00%	100.00%

Market Review

Emerging market inflation and monetary policy tightening were the key themes over the course of the 1st Quarter 2011, exacerbated by the oil price spike emanating from the Middle East tensions. In the 2nd Quarter 2011, the Greek debt bailout, the United States ("US") debt ceiling, end of second Quantitative Easing 2 ("QE2") and slower global growth momentum weighed on markets resulting in a sell-off in risk assets and bond markets benefited from flight to quality flows.

In Asia, headline inflation remained elevated during the first half prompting most central banks in the region to continue to tighten monetary policy. However, Asian local bond markets performed well (HSBC Asian Local Bond Index: +5.2%) supported by portfolio flows and continued appreciation of Asian currencies. In Singapore, the central bank maintained a tightening bias at its semi-annual policy meeting, which supported appreciation of the Singapore Dollar (4.38%), whilst the Korean Won and Indonesian Rupiah continued to benefit from portfolio flows. In contrast, the Thai Baht (-2.47%) underperformed amongst the Asian currencies as the potential for political instability continued to build in the lead-up to the July 2011 general election.

In Asian credit markets, risk aversion favoured the Sovereign and Quasi-Sovereign sectors over the corporate sector. However, High Yield Sovereigns outperformed their High Grade Sovereign counterparts given more scarcity value in the High Yield sector. Corporate issuance activity was strong in the early part of the year but slowed down towards the end of 2nd Quarter 2011 amidst weaker investor sentiment.

Market Outlook

Value in Asian high grade markets

In Asian local bond markets, some of the high-grade Asian local markets such as Korea and Malaysia offer good value as the domestic credit cycle remains muted with higher household leverage. These central banks are hence likely to be more benign in their tightening actions, preferring to lean towards foreign exchange appreciation to combat inflation.

In terms of the broader macro backdrop, we expect a cyclical bounce in industrial activity data due to a snapback from the Japan earthquake supply chain disruption and the pass-through of lower oil prices from 2nd Quarter 2011. However, structural issues in developed countries remain unresolved which may give rise to bouts of risk aversion and these periods should offer some valuation support to government bonds where yield curves are generally steep. Hence, we should see US Treasuries trading within wide ranges in the near-term.

The Target Fund is expected to maintain the overall bond duration in the range of 3 to 5 years in the near term.

Euro crisis to impact Asian currencies

Without the option of currency devaluation, unlike Asian countries during the Asian Financial Crisis, peripheral Europe will have to take huge income reductions in the near to medium term to improve their competitiveness and sovereign debt ratios. We expect that their respective electorates will provide Euro negative developments from time to time due to the austerity measures. Thus, Asian currencies should continue to benefit from inflows despite some higher volatility for currencies like Singapore Dollar and Malaysian Ringgit, which are linked to the G3 (i.e. US, Germany, Japan) via a trade-weighted basket.

In the near term, as global economic data bottoms out cyclically, global risk capital is likely to continue flowing into Asia in view of its better fundamentals and the increasing willingness of Asian policy makers to tolerate some currency strength vis-à-vis the G3 currencies. The Target Fund remains comfortable with the existing currency exposures and will look for further opportunities ahead on any near-term volatility to add to our preferred currencies.

Credit volatility to continue

Looking ahead to the second half of 2011, we expect volatility in Asian credit markets to persist, with the debt crisis in peripheral Europe and challenges to China's local government debt problems likely to remain key headline risks. On the positive side, as global growth momentum weakens and inflation pressures abate, the low interest rate environment is likely to continue for the foreseeable future, providing support to credit markets.

The correction in May 2011 and June 2011 has created some medium-term buying opportunities in both the high grade and high yield credit sectors. In the Asian high grade sector, where credit quality is generally stronger and credit spreads remain notably above their historical average levels, we see pockets of value after the recent correction, particularly in bank credits and China quasi-sovereign sectors.

In high yield, the Target Fund is avoiding some fundamentally weak issuers and expects to see meaningful divergence in bond performance amongst individual names hence a conservative approach will be an important discipline ahead. The Target Fund holds a diversified basket of credit exposures and the investment team will remain focused on adding value for the Target Fund via bottom-up credit research process with security selection remaining a key consideration.

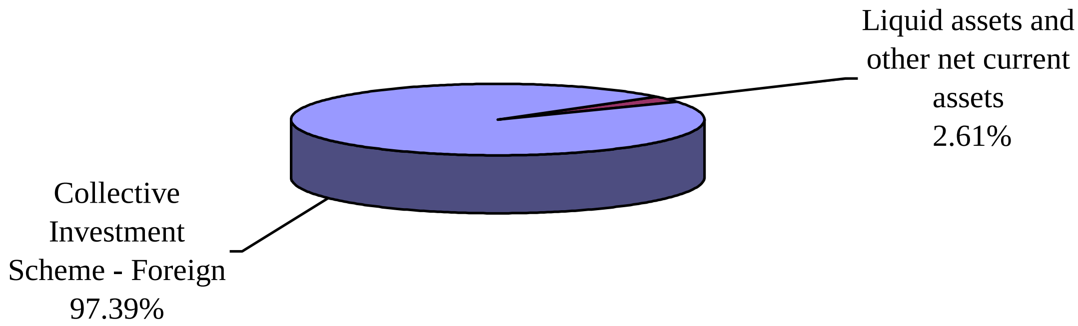
PORTFOLIO STRUCTURE

PORTFOLIO STRUCTURE AS AT 30 JUNE 2011

As at 30 June 2011, the Fund has invested 97.39% in Collective Investment Scheme – SISF Asian Bond Absolute Return and the balance of 2.61% in liquid assets and other net current assets.

In the portfolio structure as at 31 December 2010, the Fund invested 96.99% in Collective Investment Scheme – SISF Asian Bond Absolute Return and the balance of 3.01% in liquid assets and other net current assets.

The Fund's detailed holdings in the various sectors are shown below:-



PERFORMANCE OF FUND AND BENCHMARK

	Annual Total Return				
	Six-Month %	**2011 %**	**2010 %**	**2009 %**	**Since Inception (26 February 2007) %**
RHB Asian Total Return Fund	(1.18)	(6.10)	0.95	(6.43)	(7.18)
Citigroup Treasury/Agency Index (Total Return)	(0.04)	(4.62)	(1.86)	14.76	11.79

	Average Total Return	
	One-Year %	**Three-Year %**
RHB Asian Total Return Fund	(6.10)	(3.77)
Citigroup Treasury/Agency Index (Total Return)	(4.62)	2.47

Source: Lipper Hindsight, 9 August 2011

The above Annual Total Return and Average Total Return are indicative returns based on daily Net Asset Value of a unit (as per Lipper database) since inception.

The calculation of the above returns is based on computation methods of Lipper.

Average Total Return is derived by this formulae:-

$$\frac{\textit{Total Return}}{\textit{Number of Years Under Review}}$$

Notes: Unit prices and returns may fluctuate, past performance figures shown are not necessarily indicative of future performance.

Other Performance Data

Performance Data	31 December 2008	31 December 2009	31 December 2010
Portfolio Composition (%)			
Collective Investment Scheme – Foreign	98.60^	98.80	96.99
Others			
Liquid assets and other net current assets	1.40	1.20	3.01
Total Portfolio Holdings	100.00	100.00	100.00
Net Asset Value (RM)	68,524,082*	61,585,965	26,335,225
Units in Circulation	151,781,000*	140,652,000	63,518,000
Net Asset Value per unit (RM)	0.4515*	0.4379	0.4146
Net Asset Value per unit – Highest (RM)	0.4971*	0.4494	0.4520
Net Asset Value per unit – Lowest (RM)	0.4190*	0.4200	0.4133
Management Expense Ratio (%)	0.15	0.13	0.15♦
Portfolio Turnover (Times)	0.33	0.06	0.44#
Total Return (%)	0.21	(3.03)	(4.86)**
Return on Capital (%)	(6.90)	(3.03)	(4.86)**
Return on Income (%)	7.11	-	-**
Citigroup Treasury/Agency Index (Total Return)	18.21	(3.76)	(4.75)**
Distribution Per Unit (Sen)			
Gross/Net	1.5350/1.5350	-	-
Date of Distribution	25 April 2008	-	-
Gross/Net	2.0000/2.0000	-	-
Date of Distribution	25 August 2008	-	-

♦ *The Fund recorded a higher Management Expense Ratio as a result of a decrease in the average net asset value of the Fund during the financial year ended 31 December 2010.*

For financial year ended 31 December 2010, the increase in Portfolio Turnover Ratio was due to redemption of units by the Fund's unitholders. The Fund has to be highly invested in the Target Fund at all times, hence the Fund has to sell down the Target Fund to meet material amounts of redemption by unitholders.

* *Ex-distribution*

^ *Inclusive of Forward Foreign Currency Contract.*

** *Source: Lipper Hindsight, 19 January 2011.*

BREAKDOWN OF UNITHOLDINGS AS AT 30 JUNE 2011

Size of Holdings	Unitholders		Unitholdings	
	Number	%	('000) units	%
5,000 and below	56	7.25	224	0.53
5,001 to 10,000	48	6.22	341	0.80
10,001 to 50,000	496	64.25	12,592	29.72
50,001 to 500,000	168	21.76	23,115	54.55
500,001 and above	4	0.52	6,102	14.40
Total*	772	100.00	42,374	100.00

**Note: Including Manager's Stock.*

UNAUDITED FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	30.06.2011 RM	31.12.2010 RM
ASSETS			
Financial assets at fair value through profit or loss	4	16,908,175	25,543,467
Deposits with a licensed financial institution	5	-	279,063
Bank balance		62,417	2,312
Amount due from the Fund Manager of collective investment scheme		418,760	656,635
Amount due from Manager		-	415
Income distribution receivable		81,355	122,373
Forward foreign currency contract	6	62,067	-
Other receivable	7	17,977	28,678
TOTAL ASSETS		17,550,751	26,632,943
LIABILITIES			
Amount due to Manager		155,356	245,358
Accrued management fee		18,281	29,212
Amount due to Trustee		1,170	1,870
Other payables and accruals	8	14,811	21,278
TOTAL LIABILITIES		189,618	297,718
NET ASSET VALUE		17,361,133	26,335,225
UNITHOLDERS' FUNDS			
Unitholders' capital	9	24,814,702	33,461,976
Accumulated losses		(7,453,569)	(7,126,751)
		17,361,133	26,335,225
UNITS IN CIRCULATION	9	42,374,000	63,518,000
NET ASSET VALUE PER UNIT		0.4097	0.4146

The notes on pages 11 to 30 form an integral part of these financial statements.

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

	Note	01.01.2011 to 30.06.2011 RM	01.01.2010 to 30.06.2010 RM
INVESTMENT INCOME			
Income distribution from collective investment scheme		495,115	1,042,131
Interest income from deposits with licensed financial institutions		4,334	6,839
Net loss on financial assets at fair value through profit and loss ("FVTPL")	4	(875,807)	(1,518,680)
Net fair value gain on forward foreign currency contract at fair value through profit or loss	10	62,067	-
Other income		5,407	-
		(308,884)	(469,710)
EXPENSES			
Management fee	11	(2,883)	(5,143)
Trustee's fee	12	(8,302)	(20,591)
Audit fee		(3,000)	(3,000)
Tax agent's fee		(2,500)	(3,034)
Other expenses		(1,249)	(6,624)
		(17,934)	(38,392)
Net loss before taxation		(326,818)	(508,102)
Taxation	13	-	-
Net loss after taxation and total comprehensive loss for the financial period		(326,818)	(508,102)

Net loss after taxation is made up as follows:

Realised amount	(1,650,975)	(2,020,673)
Unrealised amount	1,324,157	1,512,571
	(326,818)	(508,102)

The notes on pages 11 to 30 form an integral part of these financial statements.

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2011

	Unitholders' capital (Note 9) RM	Accumulated losses RM	Total net asset value RM
At 1 January 2010	66,696,315	(5,110,350)	61,585,965
Movement in net asset value:			
Net loss after taxation	-	(508,102)	(508,102)
Amounts on creation of units arising from application	10,364	-	10,364
Amounts on release of units	(20,674,294)	-	(20,674,294)
Balance at 30 June 2010	46,032,385	(5,618,452)	40,413,933
At 1 January 2011	33,461,976	(7,126,751)	26,335,225
Movement in net asset value:			
Net loss after taxation	-	(326,818)	(326,818)
Amounts on creation of units arising from application	1,240	-	1,240
Amounts on release of units	(8,648,514)	-	(8,648,514)
Balance at 30 June 2011	24,814,702	(7,453,569)	17,361,133

The notes on pages 11 to 30 form an integral part of these financial statements.

UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2011

	01.01.2011 to 30.06.2011 RM	01.01.2010 to 30.06.2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investment	8,170,663	20,320,782
Purchase of investment	(136,499)	(315,797)
Income distribution received from collective investment scheme	536,133	1,327,045
Interest received from deposits with licensed financial institutions	4,397	6,864
Management fee paid	(3,113)	(27,209)
Trustee's fee paid	(9,002)	(22,003)
Payment for other fees and expenses	(7,809)	(8,896)
Net realised foreign currency exchange (loss)/gain	(35,069)	1,578
Net cash generated from operating activities	8,519,701	21,282,364
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	1,655	10,364
Payment for release of units	(8,738,516)	(20,453,234)
Net cash used in financing activities	(8,736,861)	(20,442,870)
Net (decrease)/increase in cash and cash equivalents	(217,160)	839,494
Foreign currency translation differences	(1,735)	-
Cash and cash equivalents at the beginning of the financial period	281,312	485,812
Cash and cash equivalents at the end of the financial period	62,417	1,325,306

Cash and cash equivalents comprise:

Bank balance	62,417	1,325,306

The notes on pages 11 to 30 form an integral part of these financial statements.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS – 30 JUNE 2011

1 THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Asian Total Return Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 29 January 2007 and a Supplemental Deed dated 25 January 2008 between RHB Investment Management Sdn Bhd ("the Manager"), OSK Trustees Berhad ("the Trustee") and the registered Unitholders of the Fund. The Fund is now governed by a Master Deed dated 12 June 2008 and subsequent Supplemental Master Deeds (collectively referred to as "the Deeds"), which shall hereafter supersede all existing deeds relating to the Fund.

The Fund was launched on 26 February 2007 and will continue its operations until terminated as provided under Clause 4 of the Master Deed.

The principal activity of the Fund is to invest in 'Permitted Investments' as defined under Item 15 of Schedule 7 of the Master Deed, which comprises units or shares in a collective investment scheme, liquid assets and any other form of investments as may be approved by the relevant authorities from time to time. The Fund is a feeder fund that invests in the Schroder International Selection Fund Asian Bond Absolute Return (formerly known as Schroder International Selection Fund Asian Bond), a "Target Fund" that is managed by Schroder Investment Management (Luxembourg) S.A. as defined under Item 18 of Schedule 7 of the Master Deed.

The Schroder International Selection Fund Asian Bond Absolute Return ("Target Fund") has changed its name effective 1 August 2010. When the investment in the Target Fund does not meet the objectives of the Fund, or when acting in the interest of the unitholders, the Manager may choose to replace it with other collective investment scheme with similar objectives, subject to the approval from the unitholders.

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

The main objective of the Fund is to provide investors with income return primarily through investment in a portfolio of bonds and other fixed and floating rate securities issued by governments, government agencies, supra-national and corporate issuers in Asia excluding Japan.

The Manager, a company incorporated in Malaysia, is a wholly-owned subsidiary of RHB Investment Bank Berhad, effective 6 January 2003. Its principal activities include rendering of investment management services to institutions, trust funds, pension and retirement funds, insurance funds, private clients, management of unit trust funds and provision of investment advisory services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies, and in accordance with the Financial Reporting Standards ("FRS") in Malaysia.

(a) The new accounting standards that are effective for the Fund's financial year beginning on or after 1 January 2010 are as follows:

- FRS 7 "Financial instruments: Disclosures" (effective 1 January 2010) provides information to users of financial statements about an entity's exposure to risks and how the entity manages those risks. The improvement to FRS 7 clarifies that entities must not present total interest income and expense as a net amount within finance costs on the face of the statement of comprehensive income. 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*)

2.1 Basis of preparation of the financial statements (*continued*)

(a) The new accounting standards that are effective for the Fund's financial year beginning on or after 1 January 2010 are as follows: (*continued*)

- FRS 8 "Operating Segments" (effective 1 July 2009) replaces FRS 114$_{2004}$ Segment Reporting. The new standard requires a 'management approach', under which segment information is reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The improvement to FRS 8 (effective 1 January 2010) clarifies that entities that do not provide information about segment assets to the chief operating decision-maker will no longer need to report this information. Prior year comparatives must be restated.

- The revised FRS 101 "Presentation of financial statements" (effective 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 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 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 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 any impact on the classification and valuation of the Fund's financial statements.

- The amendments to FRS 132 "Financial instruments: Presentation" and FRS 101(revised) "Presentation of financial statements" - "Puttable financial instruments and obligations arising on liquidation" (effective 1 January 2010) require entities to classify puttable financial instruments and instruments that impose on the entity an obligation to deliver to another party a prorata share of the net assets of the entity only on liquidation as equity, if they have particular features and meet specific conditions.

- FRS 139 "Financial Instruments: Recognition and Measurement" (effective 1 January 2010) establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted under strict circumstances. The amendments to FRS 139 provide further guidance on eligible hedged items. The amendment provides guidance for two situations. On the designation of a one-sided risk in a hedged item, the amendment concludes that a purchased option designated in its entirety as the hedging instrument of a one-sided risk will not be perfectly effective. The designation of inflation as a hedged risk or portion is not permitted unless in particular situations. The improvement to FRS 139 clarifies that the scope exemption in FRS 139 only applies to forward contracts but not options for business combinations that are firmly committed to being completed within a reasonable timeframe.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

2.1 Basis of preparation of the financial statements (*continued*)

(a) The new accounting standards that are effective for the Fund's financial year beginning on or after 1 January 2010 are as follows: (*continued*)

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.

(b) The new accounting standards that are effective for the Fund's financial year beginning on or after 1 January 2011 are as follows:

- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective 1 January 2011) requires 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.

2.2 Investments

Investments are classified and designated as financial assets at fair value through profit or loss ("FVTPL") upon initial recognition. Investments are initially recorded at fair value and subsequently revalued to their fair values at the date of the statement of financial position.

Collective investment schemes are valued based on the last published net asset value per unit or share of such collective investment schemes at the date of the statement of financial position.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period in which they arise.

Foreign exchange gains and losses on the derivative financial instrument are recognised in the statement of comprehensive income when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument.

2.3 Other assets

Trade receivables and other financial assets are carried at amortised cost.

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

2.4 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

The Fund's financial liabilities which include trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2.5 Derivative financial instruments

The Fund's derivative financial instruments comprise forward currency contracts. Derivative financial instruments that do not qualify for hedge accounting are accounted for at fair value through the statement of comprehensive income by using the forward rate contracted at the reporting date. Changes in the fair value of these derivative financial instruments that do not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

2.6 Proceeds and payments on creation and cancellation of units

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

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

The net asset value per unit is computed for each dealing day. The price at which units are created or cancelled is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day.

2.7 Distribution

Distributions are at the discretion of the Fund. A distribution to the Fund's Unitholders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the period in which it is approved.

2.8 Unitholders' capital

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments under the revised FRS 132.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

2.9 Income recognition

Interest income from short term deposits is recognised on an accrual basis using the effective interest method.

Income distribution from collective investment scheme is recognised when the Fund's right to receive payment is established.

Realised gain or loss on sale of the collective investment scheme is arrived at after accounting for cost of investments, determined on the weighted average cost method.

Realised gain or loss on forward currency contracts are measured by the difference between the net settlement amount and the nominal amount as per the forward currency contract.

Unrealised gain or loss on forward currency contracts are measured by the difference between the closing spot rate as at the date of the statement of financial position and the forward rate contracted.

2.10 Taxation

Current tax expense is determined according to Malaysian tax laws and includes all taxes based upon the taxable income. Tax on income distribution from foreign collective investment scheme is based on the tax regime of the respective country that the Fund invests in.

2.11 Cash and cash equivalents

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

2.12 Amount due from/to stockbrokers

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from 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, interest income is recognised using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

2.13 Presentation and functional currency

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

2.14 Foreign currency translation

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

The principal closing rates used in the translation of foreign currency amounts are as follows:

Foreign currency	**30.06.2011** **RM**	**30.12.2010** **RM**
1 US Dollar	3.0170	3.0790

2.15 Segmental information

For management purposes, the Fund is managed by one portfolio, namely collective investment scheme. The operating results are regularly reviewed by the Manager and the Investment Committee. The Investment Committee assumes the role of chief operating decision maker, for performance assessment purposes and to make decisions about resources allocated to the investment segment based on the recommendation by the Investment Strategic Sub-Committee.

2.16 Financial instruments

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

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

A range of methodologies and assumptions had been used in deriving the fair values of the Fund's financial instruments as at the date of the statement of financial position. The total fair value of each financial instrument is not materially different from the total carrying value.

The fair values are based on the following methodologies and assumptions:

(a) Deposits with licensed financial institutions

For deposits with licensed financial institutions with maturities of less than three months, the carrying value is a reasonable estimate of fair value. For deposits with maturities of three months and above, estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits would be made with financial institutions of similar credit risk and remaining period to maturity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

2.16 Financial instruments (*continued*)

(b) Collective investment scheme - foreign

The valuation of each unit or share in any collective investment scheme will be based on the last published net asset value per unit or share of such collective investment scheme.

(c) Derivative financial instruments

The Fund's derivative financial instruments comprise forward currency contracts. Derivative financial instruments that do not qualify for hedge accounting are accounted for at fair value through the statement of comprehensive income by using the forward rate contracted at the reporting date. Changes in the fair value of these derivative financial instruments that do not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

(d) Other short term financial instruments

Other short term financial instruments comprise other receivables, payables and accruals. The carrying value of these assets and liabilities are assumed to approximate their fair value due to short tenure of less than one year.

2.17 Critical accounting estimates and judgments in applying accounting policies

The preparation of financial statements in conformity with the FRS in Malaysia 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.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, liquidity risk, country and foreign investment risk, smaller capitalisation companies risk, credit risk, interest rate risk, stock and issuer risk, currency risk, emerging and less developed markets risk, credit rating risk, counter party risk, default risk, suspension of share dealings risk, issuer downgrade risk, non-compliance risk, regulatory risk and fund manager risk.

	Loans and receivables RM	Financial assets at fair value through profit or loss RM	Derivative financial instrument RM	Total RM
30.06.2011				
Financial assets at fair value through profit or loss	-	16,908,175	-	16,908,175
Cash and cash equivalents	62,417	-	-	62,417
Receivables	518,092	-	-	518,092
Forward foreign currency contract	-	-	62,067	62,067
Total	580,509	16,908,175	62,067	17,550,751

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

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

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

Market risk

The value of the securities in which the Target Fund invests, may go up or down in response to the prospects of individual companies and/or prevailing economic conditions. Movement of overseas markets may also have an impact on the local markets.

Liquidity risk

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of 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 following table summarises the maturity profile of the Fund's units in circulation (classified as equity instruments) and financial liabilities. Balances due within six months equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Fund's financial assets (undiscounted where appropriate) and equity in order to provide a complete view of the Fund's contractual commitments and liquidity.

30.06.2011	**Less than 1 month**	**Total**
	RM	**RM**
Financial assets:		
Financial assets held at FVTPL	16,908,175	16,908,175
Other assets	642,576	642,576
Total undiscounted financial assets	17,550,751	17,550,751
Financial liabilities:		
Other liabilities	189,618	189,618
Total undiscounted financial liabilities	189,618	189,618
Unitholders' Funds	17,361,133	17,361,133
Liquidity gap	-	-

Notes:

(a) Financial assets

Analysis of financial assets at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realised. Collective investment schemes have been included in the "Less than 1 month" category on the assumption that these are highly liquid investments which can be realised should all of the Fund's unitholders' capital are required to be redeemed. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

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

Liquidity risk (*continued*)

Notes: (*continued*)

(b) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

(c) Unitholders' Funds

As unitholders can request for redemption on their units at anytime from the Manager, they have been categorised as having a maturity of "Less than 1 month".

Country and foreign investment risk

The investments by the Target Fund in foreign markets may be subject to the changes in the country's economic fundamentals, social and political stability, currency movements and foreign investment policies. These factors may have an impact on the prices of the securities that the Target Fund invests in. There may also be the possibility of changes in government policies in some of these markets that may affect the ability to repatriate capital income and proceeds.

Smaller capitalisation companies risk

The investments by the Target Fund in securities of smaller companies may fluctuate and especially during periods when markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices.

Credit risk

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

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

Credit ratings of instruments invested into by the Target Fund represent the rating agencies' opinion regarding the instrument's credit quality and are not a guarantee of quality. Rating agencies' rating methodology relies on historical data, which may not be predictive of future trends.

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

As at 30.06.2011	**Bank balance RM**	**Other assets RM**	**Total RM**
Finance	62,417	-	62,417
Others	-	580,159	580,159
	62,417	580,159	642,576

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

Interest rate risk

To the extent the Fund invests in the Target Fund, it is exposed to the risk of interest rate fluctuations if the Target Fund holds securities with high correlation to the interest rates. If the markets' interest rates change, the price of these securities may be deeply affected.

The following table analyses the Fund's interest rate risk exposure. The Fund's assets and liabilities are included at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

As at 30.06.2011	**Non-interest bearing** RM	**Total** RM	**Effective interest rate*** %
Assets:			
Financial assets held at FVTPL	16,908,175	16,908,175	
Other assets	642,576	642,576	
	17,550,751	17,550,751	
Liabilities:			
Other liabilities	189,618	189,618	
	189,618	189,618	
Total interest sensitivity gap	17,361,133	17,361,133	

* Computed based on interest-bearing assets only

Stock and issuer risk

The investment in securities by the Target Fund is also dependent on the issuer-specific factors like the issuer's management, activities, business situation and performance. If the issuer-specific factors deteriorate, the price of the specific security may drop significantly and permanently, possibly even regardless of an otherwise generally positive stock market trend. Other risks to issuer include but are not limited to competitive operating environments and changing industry conditions.

The following table summarises the sensitivity of the Fund's investments to price movements as at 30 June 2011. The analysis is based on the assumptions that the net asset value of the Target Fund increased by 5% and decreased by 5% with all other variables held constant.

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

	Change in NAV %	**Impact on profit before tax** RM	**Impact on net asset value** RM
30.06.2011			
Collective investment scheme - foreign	5	845,409	845,409

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

Currency risk

While the Target Fund is denominated in US Dollar ("USD"), it may be invested in whole or in part in securities quoted in other currencies and thus subject to fluctuations in currency exchange rates and in certain cases, exchange control regulations. The performance of the Target Fund will therefore be affected by movements in the exchange rate between the currencies in which its assets are held and its base currency (if foreign currency positions have not been hedged). In addition, as the Fund is denominated in Ringgit Malaysia, whereas the Target Fund is denominated in USD, the performance of units in the Fund will be affected by movements in the exchange rate between Ringgit Malaysia and USD. Changes in rates of exchange between currencies may cause the value of the Fund's investment in the Target Fund to diminish or increase which in turn will affect the value of value of the unitholders' investments.

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

	Financial assets at fair value through profit or loss RM	Bank balance RM	Total RM
As at 30.06.2011			
Malaysia	-	62,417	62,417
United States	16,908,175	-	16,908,175
	16,908,175	62,417	16,970,592

The table below summarises the sensitivity of the Fund's investments' fair value to changes in foreign exchange movements as at 30 June 2011. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables remaining constant. Any increase/decrease in foreign exchange rate will result in a corresponding decrease/increase in the net assets attributable to unit holders by approximately 5%. Disclosures below are shown in absolute terms, changes and impact could be positive or negative.

	Change in foreign exchange rate %	Impact on profit before tax RM	Impact on net asset value RM
30.06.2011			
US Dollar	5	845,409	845,409

Emerging and less developed markets risk

The Target Fund may invest in emerging and less developed markets. The risks present in investing in emerging and less developed markets instruments may include the following:
- Political and economic instability;
- Accounting practices may not accord with international standards;
- Shareholders are not adequately protected;
- Lack of liquidity, efficiency and regulatory and supervisory controls in the securities market;
- Tax law and practice is not clearly established.

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

Credit rating risk

Credit ratings of instruments investment into by the Target Fund represent the rating agencies' opinion regarding the instrument's credit quality and are not guarantee of quality. Rating agencies' rating methodology relies on historical data, which may not be predictive of future trends.

Counter party risk

The risk that an issuer of a security, or bank or financial institution that has entered into a repurchase agreement, may default on its repayment obligations.

Default risk

The issue of fixed income securities held by the Target Fund may default on its obligation to pay interest and repay principal. If this occurs, there is a possibility that the unit price of the Fund may be adversely affected.

Suspension of share dealings risk

The Fund invests principally in the Target Fund which allows for circumstances to suspend the right to redeem or switch.

Issuer downgrade risk

The investments in securities by the Target Fund may be subject to the risk that the ratings agencies reduces its credit rating on an issuer, signalling its belief that the credit quality of an issuer has deteriorated because of a deterioration in its financial condition. Credit rating agencies announce reviews of issuer at times when the financial health of the issuer is changing, which may be an upgrade or downgrade. A negative rating will decrease the price of all securities by that issuer.

Non-compliance risk

The operations and administration of the Fund by the Manager or its delegate are governed by the Fund's Deeds, all applicable laws and regulations or internal policies and procedures. Risk may arise when compliance with the provisions of the Deeds or the applicable laws is not ensured. The magnitude of such risk and its impact on the Fund and/or unitholders are dependent on the nature and severity of the non-compliance.

Regulatory risk

Any changes in national policies and regulations may have an effect on the capital markets in which the Target Fund is investing. If this occurs there is a possibility that the unit price of the Fund may be adversely affected. Also to note that the Target Fund is domiciled in Luxembourg and all the regulatory protections provided by the local authorities may not apply to the Fund.

Fund manager risk

Since the Fund invests into the Target Fund managed by another fund house, the Manager has no control over the respective fund house's investment technique, knowledge or management expertise. In the event of mismanagement, the net asset value of the Fund which invests into the Target Fund would be affected negatively. Although the probability of such occurrences is minute, should the situation arise the Manager reserves the right to seek an alternative fund manager and/or other collective investment scheme that is consistent with the objective of the Fund.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.06.2011 RM	30.12.2010 RM
Financial assets designated as FVTPL:		
- collective investment scheme - foreign	16,908,175	25,543,467

Financial assets at FVTPL

	01.01.2011 to 30.06.2011 RM	01.01.2010 to 30.06.2010 RM
Net loss on financial assets at FVTPL comprised:		
- net realised loss on sale of financial assets at FVTPL	(402,245)	(3,056,757)
- net realised foreign currency exchange (loss)/gain:		
- sale of financial assets at FVTPL	(1,700,583)	23,928
- others	(35,069)	1,578
- unrealised gain on change in fair value	67,710	3,075,866
- unrealised gain/(loss) on change in foreign currency exchange	1,194,380	(1,563,295)
	(875,807)	(1,518,680)

Financial assets designated as FVTPL as at 30 June 2011 are as follows:

Quantity	Name of Counter	Cost RM	Fair value as at 30.06.2011 RM	Fair value as at 30.06.2011 expressed as a percentage of value of the Fund %
	COLLECTIVE INVESTMENT SCHEME - FOREIGN			
809,872	Schroder International Selection Fund Asian Bond Absolute Return (formerly known as Schroder International Selection Fund Asian Bond)	21,657,526	16,908,175	97.39
	EXCESS OF COST OVER FAIR VALUE:			
	- UNREALISED FAIR VALUE	(1,019,580)		
	- UNREALISED FOREIGN EXCHANGE LOSS	(3,729,771)		
	TOTAL FINANCIAL ASSETS AT FVTPL	16,908,175		

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

Financial assets designated as FVTPL as at 31 December 2010 are as follows:

Quantity	Name of Counter	Cost	Fair value as at 31.12.2010	Fair value as at 31.12.2010 expressed as a percentage of value of the Fund
		RM	RM	%
	COLLECTIVE INVESTMENT SCHEME - FOREIGN			
1,178,411	Schroder International Selection Fund Asian Bond Absolute Return (formerly known as Schroder International Selection Fund Asian Bond)*	31,556,643	25,543,467	96.99
	EXCESS OF COST OVER FAIR VALUE:			
	- UNREALISED FAIR VALUE	(1,087,290)		
	- UNREALISED FOREIGN EXCHANGE LOSS	(4,925,886)		
	TOTAL FINANCIAL ASSETS AT FVTPL	25,543,467		

Schroder International Selection Fund Asian Bond Absolute Return (formerly known as Schroder International Selection Fund Asian Bond), domiciled in Luxembourg, is managed by Schroder Investment Management (Luxembourg) S.A. The Target Fund was launched on 16 October 1998 and is regulated under the laws of the Grand Duchy of Luxembourg and by the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority).

The Target Fund's investment objective is to provide an absolute return of capital growth and income primarily through investment in a portfolio of bonds and other fixed and floating rate securities issued by governments, government agencies, supra-national and corporate issuers in Asia excluding Japan.

* Change of name with effect from 1 August 2010

5 DEPOSITS WITH A LICENSED FINANCIAL INSTITUTION

	30.06.2011	31.12.2010
	RM	RM
This is short-term placement with:		
- commercial bank	-	279,063

Deposits with a licensed financial institution for financial year ended 31 December 2010 include interest receivable of RM63.

	30.06.2011	31.12.2010
	%	%
Weighted average effective interest rate	-	2.75

	30.06.2011	31.12.2010
Average maturity	-	3 days

6 FORWARD FOREIGN CURRENCY CONTRACT

As at the date of the statement of financial position, there is only one forward foreign currency contract outstanding.

The notional principal amount of the outstanding forward foreign currency contract amounted to RM10,184,103 (31.12.2010: Nil).

The forward foreign currency contract entered into was for hedging against the currency exposure arising from the investment in the collective investment scheme denominated in USD.

As the Fund has not adopted hedge accounting, the change in the fair value of the forward foreign currency contract is recognised immediately in the statement of comprehensive income.

7 OTHER RECEIVABLE

Other receivable of RM17,977 (31.12.2010: RM28,678) is the refund on management fee from collective investment scheme in which the Fund invests.

8 OTHER PAYABLES AND ACCRUALS

	30.06.2011	31.12.2010
	RM	RM
Audit fee payable	3,000	6,000
Tax agent's fee payable	10,350	8,400
Sundry payables and accruals	1,461	6,878
	14,811	21,278

9 NUMBER OF UNITS IN CIRCULATION AND UNITHOLDERS' CAPITAL

	30.06.2011		31.12.2010	
	Units	RM	Units	RM
At the beginning of the financial period/year	63,518,000	33,461,976	140,652,000	66,696,315
Creation arising from application	3,000	1,240	28,000	12,094
Release of units	(21,147,000)	(8,648,514)	(77,162,000)	(33,246,433)
At the end of the financial period/year	42,374,000	24,814,702	63,518,000	33,461,976
Approved size of the Fund	300,000,000		300,000,000	

The maximum number of units that can be issued out for circulation is 300,000,000. As at 30 June 2011, the number of units yet to be issued is 257,626,000 (31.12.2010: 236,482,000).

10 NET FAIR VALUE GAIN ON FORWARD FOREIGN CURRENCY CONTRACT AT FAIR VALUE THROUGH PROFIT OR LOSS

	01.01.2011 to 30.06.2011	01.01.2010 to 30.06.2010
	RM	RM
Net unrealised gain on forward currency contract	62,067	-

11 MANAGEMENT FEE

Item 10 of Schedule 7 of the Master Deed provides that the Manager shall be entitled to a fee at a rate agreed between the Manager and the Trustee which the rate shall not exceed 2.0% per annum of the net asset value of the Fund, calculated on a daily basis.

The management fee provided in the financial statements is 1.25% (2010: 1.25%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period. As the Fund invests in the Target Fund, the management fee charged by the Target Fund is fully refunded in units. In accordance with the SC Guidelines on Unit Trust Funds, there is no double charging of management fee to the Fund.

12 TRUSTEE'S FEE

Item 11 of Schedule 7 of the Master Deed provides that the Trustee shall be entitled to a fee at a rate agreed between the Manager and the Trustee which the rate shall not exceed 0.1% per annum of the net asset value of the Fund; subject to a minimum fee of RM18,000 per annum.

The Trustee's fee provided in the financial statements is 0.08% (2010: 0.08%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

13 TAXATION

(a) Tax charge for the financial period

	01.01.2011 to 30.06.2011 RM	**01.01.2010 to 30.06.2010 RM**
Current taxation	-	-

(b) Numerical reconciliation of income tax expense

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

	01.01.2011 to 30.06.2011 RM	**01.01.2010 to 30.06.2010 RM**
Net loss before taxation	(326,818)	(508,102)
Tax calculated at a tax rate of 25%	(81,705)	(127,026)
Tax effects of:		
- Loss not subject to tax	77,221	117,428
- Expenses not deductible for tax purposes	3,013	6,193
- Restriction on tax deductible expenses for unit trust funds	1,471	3,405
Tax expense	-	-

14 MANAGEMENT EXPENSE RATIO ("MER")

	01.01.2011 to 30.06.2011	01.01.2010 to 30.06.2010
	%	%
MER	0.09	0.07

Management expense ratio includes management fee, Trustee's fee, audit fee, tax agent's fee and other administrative expenses which is calculated as follows:

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

A = Management fee
B = Trustee's fee
C = Audit fee
D = Tax agent's fee
E = Other expenses
F = Average net asset value of the Fund for the financial period, calculated on a daily basis

The average net asset value of the Fund for the financial period, calculated on a daily basis is RM20,926,280 (30.06.2010: RM51,903,313).

15 PORTFOLIO TURNOVER

	01.01.2011 to 30.06.2011	01.01.2010 to 30.06.2010
The portfolio turnover for the financial period (times)	0.24	0.23

The portfolio turnover is derived from the following calculation:

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

where:

total acquisition for the financial period	=	RM136,499	(30.06.2010: RM315,797)
total disposal for the financial period	=	RM10,035,617	(30.06.2010: RM23,353,611)

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

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

Related parties	Relationship
RHB Investment Management Sdn Bhd	The Manager
RHB Investment Bank Bhd	Holding company of the Manager
RHB Capital Bhd	Ultimate holding company of the Manager

The number of units held by the Manager is as follows:

	30.06.2011		31.12.2010	
	No. of units	**RM**	**No. of units**	**RM**
The Manager	4,771	1,955	4,981	2,065

The units are held beneficially by the Manager for booking purposes.

Other than above, there were no units held by Directors or parties related to the Manager.

17 TRANSACTIONS BY THE FUND

Details of transactions with financial institutions by the Fund for the financial period ended 30 June 2011 are as follows:

Fund Manager/Financial institution	**Value of trades**	**Percentage of total trades**	**Brokerage fees**	**Percentage of total brokerage fees**
	RM	**%**	**RM**	**%**
Schroder Investment Management (Singapore) Limited	8,069,288	56.02	-	-
Affin Bank Bhd	6,335,702	43.98	-	-
	14,404,990	100.00	-	-

Details of transactions with financial institutions by the Fund for the financial year ended 31 December 2010 are as follows:

Fund Manager/Financial institution	**Value of trades**	**Percentage of total trades**	**Brokerage fees**	**Percentage of total brokerage fees**
	RM	**%**	**RM**	**%**
Schroder Investment Management (Singapore) Limited	32,419,846	54.95	-	-
Affin Bank Bhd	26,583,705	45.05	-	-
	59,003,551	100.00	-	-

18 SEGMENT INFORMATION

The Investment Strategic Sub-Committee of the Manager recommends strategic resource allocations of the Fund to the Investment Committee of the Manager (collectively referred to as "Committee"). The Investment Committee of the Manager will then endorse the strategic decision recommended by the Investment Strategic Sub-Committee for adoption on behalf of the Fund. The operating segments are determined based on the recommendation by the Investment Strategic Sub-Committee and reviewed by the Investment Committee.

The Committee considers the business from both a geographic and investment perspective. Geographically, the Committee considers the performance of investment in collective investment scheme in Luxembourg.

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

The reportable operating segments derive their income by seeking investments to achieve targeted returns commensurate with an acceptable level of risk within each portfolio. These returns consist of interest and gains on the appreciation in the value of investments.

There were no changes in the reportable segments during the financial period.

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

For the financial period ended 30 June 2011:

	Collective investment scheme - foreign RM
Income distribution from collective investment scheme	495,115
Net loss on financial assets at FVTPL	(875,807)
Net fair value gain on forward foreign currency contract at fair value through profit or loss	62,067
Total segment loss	(318,625)
Financial assets at FVTPL	16,908,175
Total segment assets	16,908,175

For the financial year ended 31 December 2010:

Income distribution from collective investment scheme	2,015,138
Net loss on financial assets at FVTPL	(3,984,694)
Total segment loss	(1,969,556)
Financial assets at FVTPL	25,543,467
Total segment assets	25,543,467

18 SEGMENT INFORMATION (*CONTINUED*)

A reconciliation of total net segmental loss to operating loss is provided as follows:

	30.06.2011 RM	31.12.2010 RM
Total net segment loss	(318,625)	(1,969,556)
Interest income from deposits with licensed financial institutions	4,334	16,348
Other income	5,407	-
Other fees and expenses	(17,934)	(63,193)
Net loss before taxation	(326,818)	(2,016,401)
Taxation	-	-
Net loss after taxation for the financial period/year	(326,818)	(2,016,401)

Reportable segments' assets and liabilities are reconciled to total assets and total liabilities as follows:

	30.06.2011 RM	31.12.2010 RM
Total segment assets	16,908,175	25,543,467
Deposits with a licensed financial institution	-	279,063
Bank balance	62,417	2,312
Other receivable	580,159	808,101
Total assets	17,550,751	26,632,943
Total segment liabilities	-	-
Other payables and accrued expenses	189,618	297,718
Total liabilities	189,618	297,718

REBATES AND SOFT COMMISSION

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

The Fund Manager may only receive soft commission in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments.

During the financial period under review, the soft commission received from the brokers had been retained by the Manager as the goods and services provided are of demonstrable benefit to the unitholders of the scheme as per the requirements of Clause 11.34 of the Securities Commission's Guidelines on Unit Trust Funds.

STATEMENT BY MANAGER

We, Patrick Chin Yoke Chung and Sharifatul Hanizah Said Ali, two of the Directors of RHB Investment Management Sdn Bhd, do hereby state that in the opinion of the Directors of the Manager, the accompanying unaudited financial statements set out on pages 7 to 30 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2011 and of its results, changes in net asset value and cash flows of the Fund for the financial period ended on that date in accordance with the Financial Reporting Standards in Malaysia.

On behalf of the Manager

PATRICK CHIN YOKE CHUNG
DIRECTOR

Kuala Lumpur
19 August 2011

SHARIFATUL HANIZAH SAID ALI
DIRECTOR

Kuala Lumpur
19 August 2011

TRUSTEE'S REPORT

We have acted as Trustee of RHB Asian Total Return Fund ("the Fund") for the financial period ended 30 June 2011. In our opinion and to the best of our knowledge, RHB Investment Management Sdn Bhd, the Manager, has operated and managed the Fund in accordance with the following:-

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

(b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and

(c) creation and cancellation of units are carried out in accordance with the Deeds and relevant regulatory requirements.

OSK TRUSTEES BERHAD
(Company No: 573019-U)

WOO LAI MEI
DIRECTOR

Kuala Lumpur
19 August 2011

CORPORATE INFORMATION
(*WITH EFFECT FROM 4 MAY 2011*)

MANAGER
RHB Investment Management Sdn Bhd

REGISTERED OFFICE
Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

BUSINESS OFFICE AND OFFICE OF THE REGISTRAR
Level 7, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

BOARD OF DIRECTORS
Patrick Chin Yoke Chung (*Chairman*)
Haji Khairuddin bin Ahmad (*Senior Independent Non-Executive Director*)
Dato' Mohamed Khadar Merican (*Independent Non-Executive Director*)
Dato' Othman Jusoh (*Independent Non-Executive Director*)
Renzo Christopher Viegas (*Non-Independent Non-Executive Director*)
Sharifatul Hanizah Said Ali (*Managing Director*)

INVESTMENT COMMITTEE MEMBERS
Haji Khairuddin bin Ahmad (*Independent Chairman*)
Dato' Othman Jusoh (*Independent Member*)
Lim Chee Sing (*Non-Independent Member*)
Sharifatul Hanizah Said Ali (*Non-Independent Member*)

MANAGING DIRECTOR
Sharifatul Hanizah Said Ali

SECRETARY
Azman Shah Md Yaman (LS No. 0006901)

BRANCHES
- **Northern Regional Office**
  Level 3A, 44 Lebuh Pantai
  Georgetown, 10300 Penang
- **Sabah Regional Office**
  Lot No. C-02-04, 2nd Floor, Block C,
  Warisan Square, Jalan Tun Fuad Stephens
  88000 Kota Kinabalu, Sabah
- **Sarawak Regional Office**
  Lot 7418, 1st Floor, Jalan Simpang Tiga
  93300 Kuching, Sarawak

TRUSTEE
OSK Trustees Berhad
6th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur

AUDITOR & REPORTING ACCOUNTANT
PricewaterhouseCoopers
10th Floor, 1 Sentral, Jalan Travers, KL Sentral
50706 Kuala Lumpur

TAX ADVISER
PricewaterhouseCoopers
Taxation Services Sdn Bhd
15th Floor, 1 Sentral, Jalan Travers, KL Sentral
50706 Kuala Lumpur

BANKERS
RHB Bank Berhad
KL Main Office, RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur

Malayan Banking Berhad
KL Main Office, Menara Maybank,
100, Jalan Tun Perak, 50050 Kuala Lumpur

SOLICITOR
Soon Gan Dion & Partners
1st Floor, No. 73, Jalan SS21/1A
Damansara Utama, 47400 Petaling Jaya
Selangor Darul Ehsan

INSTITUTIONAL UNIT TRUST ADVISERS
RHB Bank Berhad
OCBC Bank (Malaysia) Berhad
Standard Chartered Bank (Malaysia) Berhad