

ANNUAL REPORT 2010

- ✧ AVENUE BONDEXTRA FUND
- ✧ AVENUE MONEYEXTRA FUND
- ✧ AVENUE VERSATILEEXTRA FUND
- ✧ AVENUE TACTICALEXTRA FUND

CONTENTS

FUND & SERVICE DIRECTORY

MANAGER'S REPORT

Market Review & Outlook	1
Avenue BondEXTRA Fund: Profile, History & Review	4
Avenue MoneyEXTRA Fund: Profile, History & Review	10
Avenue VersatileEXTRA Fund: Profile, History & Review	17
Avenue TacticalEXTRA Fund: Profile, History & Review	23

ADDITIONAL INFORMATION 29

TRUSTEE'S REPORT 31

AUDITED FINANCIAL STATEMENTS FOR AVENUE BONDEXTRA FUND 32

Statement By Manager & Auditor's Report For Avenue BondEXTRA Fund 52

AUDITED FINANCIAL STATEMENTS FOR AVENUE MONEYEXTRA FUND 54

Statement By Manager & Auditor's Report For Avenue MoneyEXTRA Fund 74

AUDITED FINANCIAL STATEMENTS FOR AVENUE VERSATILEEXTRA FUND 76

Statement By Manager & Auditor's Report For Avenue VersatileEXTRA Fund 98

AUDITED FINANCIAL STATEMENTS FOR AVENUE TACTICALEXTRA FUND 100

Statement By Manager & Auditor's Report For Avenue TacticalEXTRA Fund 122

FUND DIRECTORY

MANAGER

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(A member of the ECM Libra Group)
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Bangunan ECM Libra
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Damansara Heights
50490 Kuala Lumpur
General Line : 03-2089 1888
Investor Care: 03-2089 2800
Fax: 03-2096 1020 & 03-2096 1028
website: www.oneinvest.com.my
e-mail: invest@ecmlibra.com

TRUSTEE

Mayban Trustees Berhad (5004-P)
34th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2078 8363; Fax: 03-2070 9387

AUDITOR

Ernst & Young (AF 0039)
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000; Fax: 03-2095 5332

TAX ADVISER

PricewaterhouseCoopers Taxation
Services Sdn Bhd (464731-M)
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50706 Kuala Lumpur
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SERVICE DIRECTORY

HEAD OFFICE

2nd Floor, West Wing
Bangunan ECM Libra
8 Jalan Damansara Endah,
Damansara Heights
50490 Kuala Lumpur
General Line : 03-2089 1888 Fax: 03-2096 1020 & 03-2096 1028

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No 111, Macalister Road
10400 Penang
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PERAK – IPOH

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30450 Ipoh, Perak
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KELANTAN – KOTA BAHRU

Lot 2 – 7, Tingkat 2
Bangunan MARA, Jalan Dato Pati
15000 Kota Bahru, Kelantan
Tel: 09-744 4991; Fax: 09-744 5991

SELANGOR – KLANG

No 35, 1st Floor, Jalan Tiara 3
Bandar Baru Klang
41150 Klang, Selangor
Tel: 03-3345 3882; Fax: 03-3345 3881

MELAKA

No 89, Jalan Melaka Raya 24
Taman Melaka Raya 1
75000 Melaka
Tel: 06-286 8289; Fax: 06-286 8200

NEGERI SEMBILAN – SEREMBAN

43 (Bawah)
Jalan Tunku Hassan
70000 Seremban, Negeri Sembilan
Tel: 06-767 7277; Fax: 06-763 3368

JOHOR – JOHOR BAHRU

No 105, Jalan Meranti Merah
Taman Melodies
80250 Johor Bahru, Johor
Tel: 07-332 2148; Fax: 07-335 0426

SARAWAK – KUCHING

Ground Floor, No. 293,
Lot 2654, Central Park Commercial Centre,
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93250 Kuching, Sarawak
Tel: 082-235035; Fax: 082-238035

SABAH – KOTA KINABALU

Level 8, Wisma Great Eastern
No 68, Jalan Gaya
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1
ANNUAL REPORT 2010
Manager's Report

MARKET REVIEW: EQUITIES

A year ago, we wrote that year 2010 would be a year of recovery, and Asian equities should still be in a 'sweet spot' relative to the fragile state of the US economy and with no immediate threat of inflation. Indeed, it did pan out that way, but the strong rebound of US markets in the second-half turned out to be much better than what most would have expected. Although US economic growth is still lackluster and unemployment remains high, US equities rallied in the last five months of the year, bringing the Dow Jones and S&P500 indices past levels which were last seen prior to Lehman Brothers' collapse. US markets have now fully recovered from the subprime crisis – thanks to various stimulus measures by the government and Federal Reserve, a leveling out in the declining housing market and a strong rebound in corporate results. For the year, US equity markets posted gains of over 11%.

Against this backdrop, Asia with its stronger economic growth and appreciating currencies saw significant capital inflows which bode well for its equity markets, especially Indonesia (+46.1%), Thailand (+40.6%) and Philippines (+37.6%). Our Malaysian market lagged regional peers but still posted a respectable gain of 19.3% for the year. China markets were the biggest disappointment with the Shanghai Composite Index falling over 14% for the year, due to concerns that the central bank would embark on the start of its tightening cycle. Overall, the MSCI Asia ex-Japan Index gained 17% for the year.

Malaysia also saw net inflows of foreign funds consecutively for the last seven months of the year. The Malaysian Ringgit climbed 11.85% for the year against the USD, to close at its year-high at RM3.0635/USD. We also saw a pick-up in corporate restructuring and merger and acquisition (M&A) activity, notably privatizations of Measat and Tanjong, joint offer by Khazanah Nasional and EPF for PLUS Expressways, mergers of UEM Land-Sunrise and Sunway Holdings-Sunway City, which helped reinforce the positive news flow and sentiment in the market.

MARKET REVIEW: FIXED INCOME

2010 witnessed local and global economic recovery from the aftermath of the 2008/2009 financial crisis, albeit on a bumpy path. With the December 2009 Consumer Price Index (CPI) turning positive after 6 consecutive months of contraction, Bank Negara painted a rosy growth outlook for 2010 and signaled a likelihood of interest rate hikes in the coming months. Although it kept the overnight policy rate (OPR) at 2.0% at the first monetary policy committee (MPC) meeting in Jan 2010, the central bank stated the need to normalize interest rates to prevent the buildup of financial imbalances. Net selling activities were apparent in the MGS market as market players reacted in response to the central bank's hawkish statement, causing the 3-year benchmark yield to soar 20bps at end-January.

Malaysia's strong 4Q09 GDP figures of +4.4% y-o-y (3Q09: -1.2%, 2Q09: -3.9%, 1Q09: -6.2%) vindicated Bank Negara's hawkish statement. In the March MPC meeting, the central bank moved ahead of the curve and raised the OPR by 25bps to 2.25%. Meanwhile, inflation inched higher to reach 1.3% in Jan 2010 (Dec 09: 1.1%). The higher OPR resulted in an influx of offshore capital as foreign investors engaged in carry trade activities and capitalized on the interest rate differential.

2

ANNUAL REPORT 2010
Manager's Report

In 2Q10, foreign investors continued to divert their offshore investments to emerging markets in view of the Eurozone's escalating debt crisis. Investors speculated on stronger Asian currencies and further interest rate normalization, causing regional sovereign bond prices to rally. The 3-year MGS note was the top gainer in April with yields declining 27 bps to 2.99%. Although the MGS market trimmed some gains following another 25bps OPR hike in May to 2.50%, players were generally undeterred as the hike had been priced in by the market. As anticipated, inflation continued to trend upwards, climbing to 1.7% in June.

The third OPR rate hike in July (+25bps to 2.75%) induced more foreign buying in MGS, causing demand to spill over into the medium-term notes. In August, buying momentum was supported by 2Q10's GDP growth, which slowed down to 8.9% y-o-y (1Q10: 10.1%). Trading activities centered heavily on the medium to longer-term notes, causing the MGS yield curve to flatten.

After months of bullish trend, MGS prices finally succumbed to downward correction in October. It was initially driven by concerns over a spike in government borrowings following the Budget 2011 presentation. Further correction ensued as the market reacted to China's unexpected monetary policy tightening, the first time since 2007. The benchmark 10-year MGS yield rose 39bps q-o-q to settle at 4.00% at end-December. The Bank Negara MGS/GII auction calendar was unveiled on December 13th. Total gross issuance is expected to surge to RM85-90bn (2010: RM58.1bn), of which RM45bn is to finance MGS/GII maturities in 2011. The balance will be utilized to finance development expenditure under the government's 10th Malaysia Plan (10MP) and the Economic Transformation Programme (ETP).

MARKET OUTLOOK: EQUITIES

The outlook for Asia remains positive with its growth story still intact and liquidity flows likely to favour emerging markets. Hence, we would continue to ride on the strong liquidity and position for a positive first half of the year. For better potential upside, we will look for laggard stocks that are undervalued and have yet to perform. The sectors we continue to like are oil and gas services (Petronas contracts imminent), commodities (inflation hedge and beneficiary of economic growth), and property (asset reflation).

On the other hand, the inflow of funds into Asia brings along with it inflationary pressures, and the risks of a sudden downturn should the hot money be withdrawn. Asia Pacific markets may see some volatility in the early part of 2011 due to portfolio rebalancing by foreign funds to minimize the impact of inflation/interest rate risk and a possibility of slower GDP growth in the region if tighter monetary policy in China takes its toll. Nonetheless, for Malaysia, expectations of an early general election, continued reforms under the government's economic transformation plan and more M&A activity will likely help provide support for the market.

3
ANNUAL REPORT 2010
Manager's Report

MARKET OUTLOOK: FIXED INCOME

Going into 2011, we expect growth sustainability to continue to be a pertinent issue for advanced economies, especially the US and the Eurozone. Meanwhile, the recovery momentum for developing nations is projected to moderate given the weaker global demand. The Malaysian economy is expected to mirror this moderating growth pattern. Real GDP is expected to slow down to 5.0-6.0% in 2011, against the estimated 6.0-7.0% for 2010.

On the MGS market, we note that the MGS/GII offerings for 2011 have been front-loaded with longer-tenure papers, reinforcing the belief that Bank Negara will only resume interest rate normalization in 2H11. On the supply side, as the total projected gross MGS/GII issuance size is expected to more than double in 2011, there is a strong case for the steepening of the MGS yield curve even ahead of any OPR hike.

Furthermore, adding up to the supply dynamics is the expected RM60-70bn of PDS offerings (2010: RM50bn) to finance projects under the ETP and 10MP. The soft demand for government bonds could boost interest in the local corporate bond (PDS) segment. Hence, the robust supply of PDS is expected to be matched with strong demand from investors on the back of improved credit conditions and healthier risk appetites.

Given strong domestic demand coupled with inflows of foreign capital into most Asian economies, inflationary pressure across the region is expected to mount. In Malaysia, inflation for 2011 is targeted to remain moderate around 2.5-3.0%. However, in the event inflation accelerates and regional economies continue to aggressively normalize their interest rates, Bank Negara may be prompted to normalize earlier in order to stay ahead of the curve. Given the current soft market sentiment, we will tread with caution and remain flexible in managing portfolio duration. We seek to balance a quick response to changes in the market environment against enhancing portfolio yields and managing risk exposure.

AVERAGE YIELD	
Malaysian Government Securities	
<u>Tenure</u>	<u>Rate</u>
3 Years	3.12%
5 Years	3.39%
10 Years	4.04%
5-Year Private Debt Securities	
<u>Ratings</u>	<u>Rate</u>
AAA	4.07%
AA	4.75%
A	7.53%
Interbank Money Market (Overnight)	
<u>Period</u>	<u>Rate</u>
31 December 2010	2.72%

Source: Bank Negara Malaysia (end-December 2010)

AVENUE BONDEXTRA FUND

FUND PROFILE

Inception Date	8 October 2002 (<i>The Fund has no predetermined fixed period or termination date</i>)
Initial Offer Price	RM0.5000 per unit during the Initial Offer Period (IOP) of 1 day ended 8 October 2002.
Pricing Policy	Investment and Liquidation at Net Asset Value per unit
Fund Category/ Type	Bond/Growth (<i>Classification according to the requirements of the Guidelines on Unit Trust Funds which provides for broad classification of funds</i>) Open-ended unit trust fund for the medium to long term investment horizon which invests primarily in high yielding fixed income securities.
Benchmark	Maybank's 12 months fixed deposit rate
Investment Objective	BondEXTRA aims to provide investors with aggressive long-term capital growth through investment in high yielding fixed income securities with a relatively higher level of market and financial risks.
Investment Policy	Invest primarily in high yielding, medium to long term bonds and fixed income instruments. Its key performance objective is entirely in search of consistent absolute returns over the long-term investment horizon. The Fund expects to maintain a weighted average portfolio maturity appropriate to its stated investment objective. Under normal circumstances, the weighted average term to maturity of the investment is expected to be approximately 4 to 8 years.
Investment Strategy	Focus on consistent, above-average returns from investments in assets after comprehensive credit research is conducted. Returns are complemented with trading opportunities. Assets are invested with a longer term outlook. Emphasis is placed on credit-worthiness, investment-grade issuers of debt. A disciplined application of the 'top-down' investment process is therefore applied, with due consideration given to the credit standing of individual issuers. The Fund will diversify across sectors and individual securities to minimise the risk profile of the portfolio.
Distribution Policy	It is the intention of the Management Company to declare distribution of income half yearly for BondEXTRA, provided there is a sufficient realized gain. The amount of income to be distributed will vary from period to period, depending on the interest rates, market conditions, the performances and objectives of the Fund. Income distributions may be made out of realized capital gains, and other net income received by the Fund. It is also the Management Company's policy to automatically reinvest declared income distribution into additional units in the Fund at the end of the distribution day (at ex-distribution price) with no entry fee. Unitholders wanting to realize capital gains on units held may, of course, liquidate all or part of their units on any Business Day.

ANNUAL REPORT 2010

Manager's Report

AVENUE BONDEXTRA FUND**FUND PROFILE****Soft
Commissions &
Rebates
Received From
Brokers**

Soft commissions received from brokers are retained by the Management Company, only if, the goods and services provided are of demonstrable benefit to the unitholders of the Fund. Rebates (if any) will be credited to the account of the Fund. During the period under review, the Management Company received data and quotation services, and investment related publications which are incidental to the investment management of the Fund.

Unitholdings

* Excluding units
held by
Management
Company

As at 31 December 2010

Size of Holding (Units)	Unitholder		Unit Holding (million)	
	No	%	Million	%
5,000 and below	3	1.00	0.01	0.01
5,001 to 10,000	14	4.65	0.11	0.08
10,001 to 50,000	99	32.89	2.44	1.96
50,001 to 500,000	131	43.52	25.79	20.67
500,001 and above	54	17.94	96.44	77.28
*Total (Decimal Rounding)	301	100.00	124.79	100.00

ANNUAL REPORT 2010
Manager's Report

AVENUE BONDEXTRA FUND

FUND PERFORMANCE

	2010	2009	2008
NAV & PRICING for the year ended 31 Dec Please refer to Note 1 for further information.			
Total Net Asset Value (RM million)	61.76	168.60*	119.79*
Units in circulation (million units)	124.79	337.08*	248.79*
NAV per unit (RM)	0.4949	0.5003*	0.4815*

HIGHEST & LOWEST NAV for the year ended 31 Dec Please refer to Note 1 for further information.			
Highest NAV per unit (RM)	0.5184	0.5145*	0.5102*
Lowest NAV per unit (RM)	0.4645	0.4815*	0.4482*

PORTFOLIO COMPOSITION % of NAV for the year ended 31 Dec			
Quoted Securities			
Loan stocks	1.3	0.6	0.6
Unquoted Fixed Income Securities			
Unquoted bonds	90.3	89.5	83.9
Commercial papers	-	1.2	-
Cash & others	8.4	8.7	15.5

The Fund's exposure to unquoted bonds was maintained in line with the Fund's objective to provide long term capital growth.

EXPENSE/ TURNOVER for the year ended 31 Dec			
Management expense ratio (MER) (%)	1.05	1.23	1.09
Portfolio turnover ratio (PTR) (times)	0.64	0.47	0.36
Please refer to page 47 for further explanation on the difference in MER and PTR			

RETURN (%) for the year ended 31 Dec Please refer to Note 2 for further information.			
	2010	2009	2008
• TOTAL RETURN			
Total Return	-1.08	9.38	-3.20
Capital Return	-1.08	3.90	-3.78
Income Return	-	5.48	0.58

	1-yr	3-yrs	5-yrs
• AVERAGE TOTAL RETURN			
Avenue BondEXTRA Fund (Inception date: 8 Oct 2002)	-1.08	4.73	15.70

* Ex-distribution

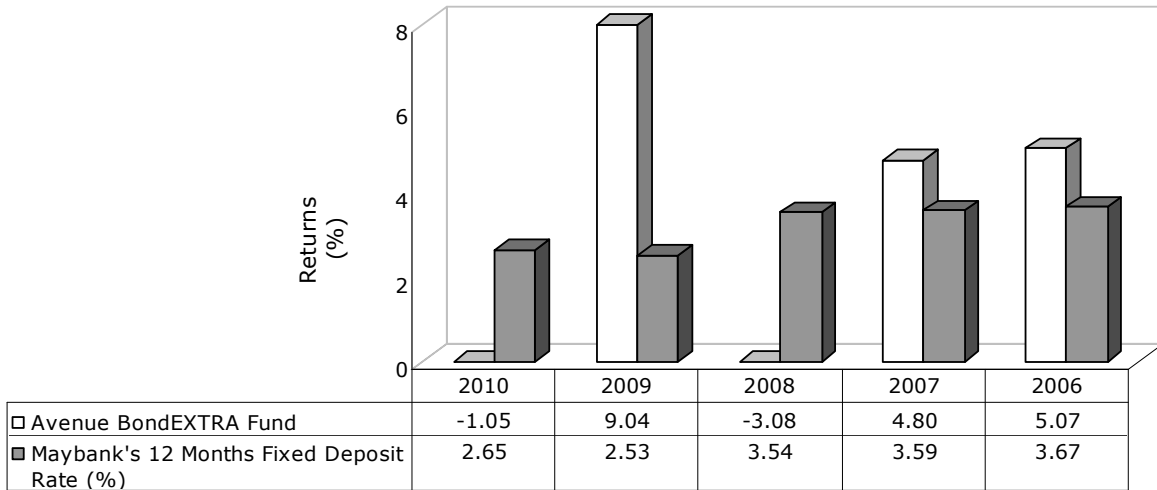
Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

7
ANNUAL REPORT 2010
 Manager's Report

AVENUE BONDEXTRA FUND

FUND PERFORMANCE

**Annual Total Return of Avenue BondExtra Fund vs. its Benchmark
 for the 12-Month Period Ended 31st December**



□ Avenue BondEXTRA Fund ■ Maybank's 12 Months Fixed Deposit Rate (%)

INCOME DISTRIBUTION AND UNIT SPLIT

For the year ended 31 Dec

*Please refer to **Note 3** for further information.*

	2010	2009	2008
Distribution date	-	15 Jul & 28 Dec	27 June
Gross distribution (sen per unit)	-	1.44 (15 Jul) 1.16 (28 Dec)	0.30
Net distribution (sen per unit)	-	1.44 (15 Jul) 1.16 (28 Dec)	0.30
NAV before distribution (sen per unit)	-	51.45 (14 Jul) 51.14 (24 Dec)	50.50 (26 Jun)
NAV after distribution (sen per unit)	-	50.00 (15 Jul) 50.00 (28 Dec)	50.20 (27 Jun)
Unit Split	-	-	-

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

ANNUAL REPORT 2010
Manager's Report

AVENUE BONDEXTRA FUND

FUND REVIEW

During the year under review, the Fund underperformed its benchmark as a result of a default in one of its bondholdings, CapOne Bhd. For the first eight months of the year, the Fund produced a positive return of 3.46%. However, the default of CapOne Bhd on 20 September 2010 resulted in a decline in the Fund's net asset value. The Fund had made some provisions for CapOne Bhd but the extent of the default was much higher than anticipated. Since then, the fund has recovered off its lows but for the full year, the Fund's net asset value dropped -1.08%. Notwithstanding the setback in 2010, over a longer time horizon, the Fund has achieved its investment objective of long-term capital growth.

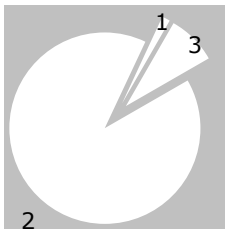
Note: CapOne Bhd is a Collateralised Loan Obligations (CLO) programme comprising of 25 corporate borrowers (obligors). At its maturity date of 20 September 2010, CapOne Bhd failed to pay the bond in full due to the inability of some of the borrowers to make payments. Since then, the Fund had managed to recover some of the amounts due. Further recovery process is ongoing which involved the restructuring of the debts. Concurrently, legal action is being pursued on defaulted borrowers who failed to meet their financial obligations.

Moving forward, the Fund will emphasize stronger credit quality of its bond and money market investments. The Fund invested in higher yielding fixed income securities in order to provide aggressive long term capital growth. Due consideration is given to the duration of the portfolio to minimize sensitivity to interest rate movements. The Fund is expected to benefit from capital appreciation of its bond portfolio, interest income from the coupon attached to the debt instruments, and the positively sloped yield curve that commensurate with its duration and risk profile.

NAV PER UNIT

NAV per unit as at 31 Dec 2009	RM0.5003
NAV per unit as at 31 Dec 2010	RM0.4949

ASSET ALLOCATION *as at 31 Dec 2010*



1	Quoted securities	1.3%
2	Unquoted fixed income securities	90.3%
3	Cash & others	8.4%

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

ANNUAL REPORT 2010
Manager's Report

AVENUE BONDEXTRA FUND

NOTES

Note 1: *Selling of units by the Management Company (i.e. when you purchase units and invest in the Fund) and redemption of units by the Management Company (i.e. when you redeem your units and liquidate your investments) will be carried out at NAV per unit (the actual value of a unit). The entry/exit fee (if any) would be computed separately based on your net investment/liquidation amount.*

Note 2: *Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. The performance figures for the benchmark Maybank's 12 months fixed deposit rate is calculated assuming placement for the 12 month period. For calculation of periods greater than 12 months, it is assumed that the principal and interests earned for the first 12 month period will be placed for a further 12 month period. Calculations for periods less than 12 months, the interests earned over the period are accrued accordingly.*

- *Data source for Total Returns, Average Total Returns and Annual Total Returns against its Benchmark: Lipper*
- *Data source for 12 months fixed deposit rate: Maybank*

Note 3: *There were no income distribution or unit split exercise for the 12 month period ended 31 Dec 2010.*

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

AVENUE MONEYEXTRA FUND

FUND PROFILE

Inception Date	8 October 2002 (<i>The Fund has no predetermined fixed period or termination date</i>)
Initial Offer Price	RM0.5000 per unit during the Initial Offer Period (IOP) of 1 day ended 8 October 2002
Pricing Policy	Investment and Liquidation at Net Asset Value per unit
Fund Category/ Type	<p>Bond/Income (<i>Classification according to the requirements of the Guidelines on Unit Trust Funds, which provides for broad classification of funds.</i>)</p> <p>Open-ended unit trust fund for the short term investment horizon which invests primarily in money market instruments and partially in fixed income securities.</p>
Benchmark	<p>Average repurchase agreement (Repo) rate on the short term money market instruments/deposits offered to the fund.</p> <p><i>Unitholders may contact the Management Company or visit the Management Company's website at www.oneinvest.com.my to obtain the most up-to-date information on the benchmark Repo rate for MoneyEXTRA.</i></p>
Investment Objective	MoneyEXTRA aims to maintain a high degree of liquidity while providing current income through a direct investment portfolio investing primarily in short term, high quality Ringgit-denominated money market instruments.
Investment Policy	Invest primarily in very short term, highly liquid, near cash and money market instruments.
Investment Strategy	Focus on consistent, above-average returns from stable investments in assets after comprehensive credit research is conducted rather than frequent trading. Emphasis is placed on credit-worthiness, investment-grade issuers of debt. A disciplined application of the 'top-down' investment process is therefore applied, with due consideration given to the credit standing of individual issuers. The Fund will diversify across sectors and individual securities to minimise the risk profile of the portfolio.
Distribution Policy	It is the intention of the Management Company to declare distribution of income quarterly for MoneyEXTRA, provided there is a sufficient realized gain. The amount of income to be distributed will vary from period to period, depending on the interest rates, market conditions, the performances and objectives of the Fund. Income distributions may be made out of realized capital gains, and other net income received by the Fund. It is also the Management Company's policy to automatically reinvest declared income distribution into additional units in the Fund at the end of the distribution day (at ex-distribution price) with no entry fee. Unitholders wanting to realize capital gains on units held may, of course, liquidate all or part of their units on any Business Day.

1 1
ANNUAL REPORT 2010
 Manager's Report

AVENUE MONEYEXTRA FUND

FUND PROFILE

**Soft
 Commissions &
 Rebates
 Received From
 Brokers**

Soft commissions received from brokers are retained by the Management Company, only if, the goods and services provided are of demonstrable benefit to the unitholders of the Fund. Rebates (if any) will be credited to the account of the Fund. During the period under review, the Management Company received data and quotation services, and investment related publications which are incidental to the investment management of the Fund.

Unitholdings

**Excluding units
 held by
 Management
 Company*

Size of Holding (Units)	Unitholder		Unit Holding	
	No	%	Million	%
5,000 and below	1	0.74	0.00	0.00
5,001 to 10,000	2	1.48	0.02	0.00
10,001 to 50,000	9	6.67	0.25	0.03
50,001 to 500,000	39	28.89	9.46	1.24
500,001 and above	84	62.22	751.84	98.73
*Total (Decimal Rounding)	135	100.00	761.57	100.00

12
ANNUAL REPORT 2010
 Manager's Report

AVENUE MONEYEXTRA FUND

FUND PERFORMANCE

2010 2009 2008

NAV & PRICING for the year ended 31 Dec
 Please refer to **Note 1** for further information.

Total Net Asset Value (RM million)	407.96*	152.85*	101.49*
Units in circulation (million units)	761.57*	286.15*	191.17*
NAV per unit (RM)	0.5357*	0.5342*	0.5309*

HIGHEST & LOWEST NAV for the year ended 31 Dec
 Please refer to **Note 1** for further information.

Highest NAV per unit (RM)	0.5392*	0.5377*	0.5341*
Lowest NAV per unit (RM)	0.5342*	0.5309*	0.5268*

PORTFOLIO COMPOSITION % of NAV for the year ended 31 Dec

Unquoted Fixed Income Securities

Unquoted bonds	15.3	15.3	7.5
Commercial papers	53.9	48.9	72.4
Cash & others	30.8	35.8	20.1

Exposure to unquoted bonds was maintained for yield enhancements during the period. The Fund's exposure in short-term commercial papers was raised in line with the aggressive growth in fund size. Ample cash balance was maintained in line with the Fund's objective of achieving a high degree of liquidity while providing current income for investors.

EXPENSE/ TURNOVER for the year ended 31 Dec

Management expense ratio (MER) (%)	0.58	0.58	0.60
Portfolio turnover ratio (PTR) (times)	1.45	1.41	1.75

Please refer to page 69 for further explanation on the difference MER and PTR

RETURN (%) for the year ended 31 Dec
 Please refer to **Note 2** for further information.

• TOTAL RETURN	2010	2009	2008
Total return	3.01	3.37	3.55
Capital Return	0.28	0.62	0.78
Income Return	2.73	2.75	2.77

• AVERAGE TOTAL RETURN	1-yr	3-yrs	5-yrs
Avenue MoneyEXTRA Fund (Inception date: 8 Oct 2002)	3.01	10.26	18.17

* Ex-distribution

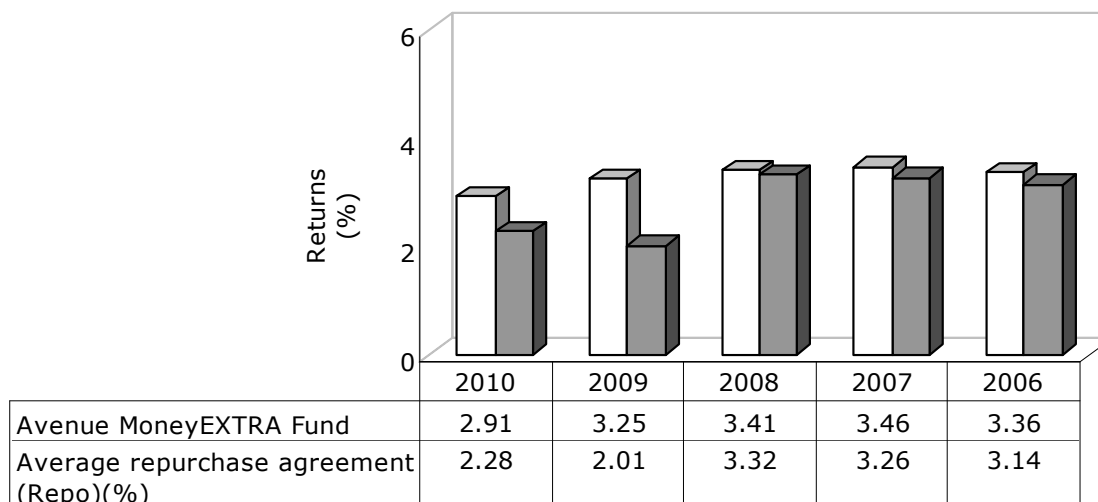
Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

ANNUAL REPORT 2010
Manager's Report

AVENUE MONEYEXTRA FUND

FUND PERFORMANCE

**Annual Total Return of Avenue MoneyExtra Fund vs. its Benchmark
for the 12-Month Period Ended 31st December**



□ Avenue MoneyEXTRA Fund ■ Average repurchase agreement (Repo)(%)

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

14
ANNUAL REPORT 2010
 Manager's Report

AVENUE MONEYEXTRA FUND

INCOME DISTRIBUTION AND UNIT SPLIT

For the year ended 31 Dec 2010

*Please refer to **Note 3** for further information.*

	2010	2009	2008
Distribution date	26 Mar 25 Jun 28 Sept 29 Dec	25 Mar 24 Jun 28 Sept 29 Dec	31 Mar 27 Jun 25 Sept 24 Dec
Gross distribution (sen per unit)	0.36 (every quarter)	0.36 (every quarter)	0.36 (every quarter)
Net distribution (sen per unit)	0.36 (every quarter)	0.36 (every quarter)	0.36 (every quarter)
NAV before distribution (sen per unit)	53.79 (25 Mar) 53.85 (24 Jun) 53.88 (27 Sept) 53.92 (28 Dec)	53.55 (24 Mar) 53.59 (23 Jun) 53.65 (27 Sept) 53.77 (28 Dec)	53.18 (28 Mar) 53.18 (26 Jun) 53.29 (24 Sept) 53.42 (23 Dec)
NAV after distribution (sen per unit)	53.44 (26 Mar) 53.50 (25 Jun) 53.52 (28 Sept) 53.57 (29 Dec)	53.19 (25 Mar) 53.24 (24 Jun) 53.31 (28 Sept) 53.41 (29 Dec)	52.82 (31 Mar) 52.83 (27 Jun) 52.93 (25 Sept) 53.06 (24 Dec)
Unit Split	-	-	-

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

AVENUE MONEYEXTRA FUND

FUND REVIEW

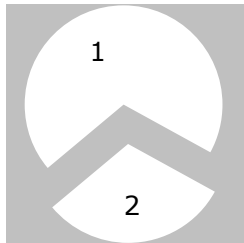
The Fund's return was derived from its holdings in short-term commercial papers and fixed income assets as well as short term deposit placements. The Fund outperformed its benchmark with returns of 3.01% against the benchmark Repo return of 2.35%. Strong emphasis is given to the liquidity of the Fund while benefiting from the positively sloped yield curve. In line with the Fund's objective, the Fund has provided consistent current income. It will continue its philosophy of providing conservative returns while maintaining fluidity of funds for its investors to meet short term needs.

The Fund achieved its investment objective of maintaining a high degree of liquidity while providing current income to its investors.

NAV PER UNIT

NAV per unit as at 31 Dec 2009	RM0.5342
NAV per unit as at 25 Mar 2010 (before distribution)	RM0.5379
NAV per unit as at 26 Mar 2010 (after distribution)	RM0.5344
NAV per unit as at 24 Jun 2010 (before distribution)	RM0.5385
NAV per unit as at 25 Jun 2010 (after distribution)	RM0.5350
NAV per unit as at 27 Sept 2010 (before distribution)	RM0.5388
NAV per unit as at 28 Sept 2010 (after distribution)	RM0.5352
NAV per unit as at 28 Dec 2010 (before distribution)	RM0.5392
NAV per unit as at 29 Dec 2010 (after distribution)	RM0.5357
NAV per unit as at 31 Dec 2010	RM0.5357

ASSET ALLOCATION *as at 31 Dec 2010*



1	Unquoted fixed income securities	69.2%
2	Cash & others	30.8%

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

AVENUE MONEYEXTRA FUND

NOTES

Note 1: *Selling of units by the Management Company (i.e. when you purchase units and invest in the Fund) and redemption of units by the Management Company (i.e. when you redeem your units and liquidate your investments) will be carried out at NAV per unit (the actual value of a unit). The entry/exit fee (if any) would be computed separately based on your net investment/ liquidation amount.*

Note 2: *Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. The performance figures for the benchmark Maybank's 12 months fixed deposit rate is calculated assuming placement for the 12 month period. For calculation of periods greater than 12 months, it is assumed that the principal and interests earned for the first 12 month period will be placed for a further 12 month period. Calculations for periods less than 12 months, the interests earned over the period are accrued accordingly.*

- *Data source for Total Returns, Average Total Returns and Annual Total Returns against its Benchmark: Lipper*
- *Data source for Avenue Repurchase Agreement (Repo) Rate: Avenue Invest Bhd*

Note 3: *Distribution of 0.36 sen per unit was declared on 26 March 2010, 25 June 2010, 28 September 2010 and 29 December 2010 were automatically reinvested into additional units on the same day at NAV after distribution with no entry fee.*

- *There were no unit split exercise for the 12 month period ended 31 December 2010.*

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

AVENUE VERSATILEEXTRA FUND

FUND PROFILE

Inception Date	28 October 2002 (<i>The Fund has no predetermined fixed period or termination date</i>)
Initial Offer Price	RM0.5000 per unit during the Initial Offer Period (IOP) of 21 days ended 17 November 2002
Pricing Policy	Investment and Liquidation at Net Asset Value per unit
Fund Category/ Type	Balanced/Growth and to a lesser extent Income (<i>Classification according to the requirements of the Guidelines on Unit Trust Funds, which provides for broad classification of funds.</i>) Open-ended unit trust Fund for the medium to long term investment horizon with a bias for absolute (i.e. positive) returns* through flexible allocation between equities and fixed income securities. <i>*Absolute returns – is the static measure of actual return an asset achieves over a period of time.</i>
Benchmark	50% of FTSE Bursa Malaysia 100 + 50% of Maybank's 12 months fixed deposit rate.
Investment Objective	VersatileEXTRA aims to provide investors with medium to long-term capital appreciation through its investments in specific asset classes by adopting a relatively balanced approach towards equities and fixed income exposure. VersatileEXTRA aims to achieve capital growth with lower short term volatility than is normally associated with a pure equity fund.
Investment Policy	Invest in a blend of quoted equities listed in Malaysia and other regional exchanges approved by the Securities Commission, as well as in bonds, money market instruments and financial derivatives. Its key performance objective is entirely in search of consistent absolute returns over the medium to long-term investment horizon.
Investment Strategy: Equities	For investment in equities, following a 'top-down' process, the strategy is to identify key sectors or groups of stocks that are expected to perform well under an anticipated set of economic conditions. Individual stock selection will then focus on well-managed, financially sound companies with attractive relative valuations and potential for high earnings growth over the medium to long term time frame.

AVENUE VERSATILEEXTRA FUND

FUND PROFILE

Investment Strategy: Fixed Income

With respect to fixed income investments, the strategy is to focus on consistent, above-average returns from fundamental research rather than from frequent trading. Emphasis is placed on credit-worthiness, investment-grade issuers of debt. A disciplined application of the 'top-down' investment process is therefore applied, with due consideration given to the credit standing of individual issuers. The Fund will diversify across sectors and individual securities to minimize the risk profile of the portfolio.

Distribution Policy

It is the intention of the Management Company to declare distribution of income annually for VersatileEXTRA, provided there is a sufficient realized gain. The amount of income to be distributed will vary from period to period, depending on the interest rates, market conditions, the performances and objectives of the Fund. Income distributions may be made out of realized capital gains, net dividend income and other net income received by the Fund. It is also the Management Company's policy to automatically reinvest declared income distribution into additional units in the Fund at the end of the distribution day (at ex-distribution price) with no entry fee. Unitholders wanting to realize capital gains on units held may, of course, liquidate all or part of their units on any Business Day.

Soft Commissions & Rebates Received From Brokers

Soft commissions received from brokers are retained by the Management Company, only if, the goods and services provided are of demonstrable benefit to the unitholders of the Fund. Rebates (if any) will be credited to the account of the Fund. During the period under review, the Management Company received data and quotation services, and investment related publications which are incidental to the investment management of the Fund.

Unitholdings

**Excluding units held by Management Company*

Size of Holding (Units)	As at 31 December 2010			
	Unitholder		Unit Holding	
	No	%	Million	%
5,000 and below	0	0.00	0.00	0.00
5,001 to 10,000	12	11.11	0.09	0.42
10,001 to 50,000	54	50.00	1.46	7.29
50,001 to 500,000	34	31.48	5.92	29.47
500,001 and above	8	7.41	12.61	62.82
*Total (Decimal Rounding)	108	100.00	20.08	100.00

19
ANNUAL REPORT 2010
 Manager's Report

AVENUE VERSATILE EXTRA FUND

FUND PERFORMANCE

	2010	2009	2008
NAV & PRICING for the year ended 31 Dec Please refer to Note 1 for further information.			
Total Net Asset Value (RM million)	10.62	13.04	11.08
Units in circulation (million units)	20.08	26.28	29.19
NAV per unit (RM)	0.5289	0.4962	0.3795

HIGHEST & LOWEST NAV for the year ended 31 Dec Please refer to Note 1 for further information.			
Highest NAV per unit (RM)	0.5399	0.4969	0.5671
Lowest NAV per unit (RM)	0.4726	0.3687	0.3587

PORTFOLIO COMPOSITION % of NAV for the year ended 31 Dec			
Quoted equities & equity-related securities			
Main Board			
Construction	6.7	3.1	4.5
Finance	8.1	8.7	4.6
Industrial Product	3.1	-	-
Infrastructure Project Co	-	-	6.6
Plantation	2.7	3.7	3.9
Property	2.4	2.0	-
Trading & Services	14.3	26.4	10.0
Loan Stock/Loan	2.5	4.3	3.3
Second Board			
Shares quoted in Hong Kong	10.8	8.1	9.8
Shares quoted in Singapore	10.5	8.9	3.6
Shares quoted in Thailand	-	-	1.6
Unquoted fixed income securities			
Bonds	7.2	6.5	24.5
Cash & others	31.7	28.3	26.8

Since the end of the previous year, the Fund has remained about 55-60% invested in equities, given better equity market condition and improvement in economic outlook. The Fund took profit in the Trading/Services sector, and increased exposure to Construction and Industrial Products sectors instead. The Fund also increased its exposure to Hong Kong and Singapore given their more attractive valuations.

EXPENSE/ TURNOVER for the year ended 31 Dec			
Management expense ratio (MER) (%)	2.56	2.00	1.87
Portfolio turnover ratio (PTR) (times)	0.57	1.81	1.22
Please refer to page 91 for further explanation on the difference of MER and PTR			

* Ex-distribution

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

20
ANNUAL REPORT 2010
 Manager's Report

AVENUE VERSATILEEXTRA FUND

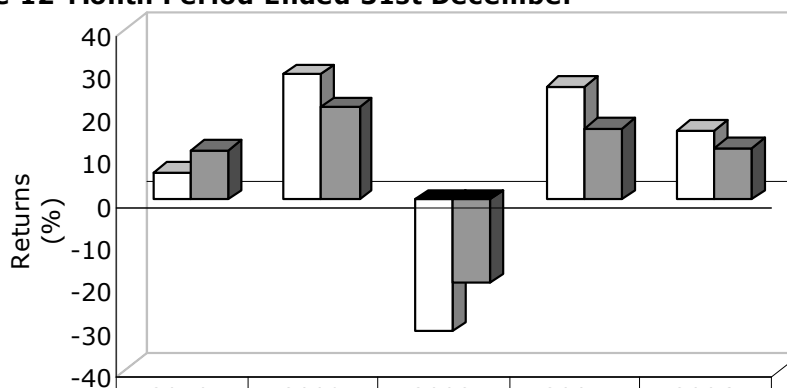
FUND PERFORMANCE

RETURN (%) for the year ended 31 Dec
 Please refer to **Note 2** for further information.

• TOTAL RETURN	2010	2009	2008
Total Return	6.61	30.77	-31.88
Capital Return	6.61	30.77	-31.88
Income Return	-	-	-

• AVERAGE TOTAL RETURN	1-yr	3-yrs	5-yrs
Avenue VersatileEXTRA Fund (Inception Date: 28 Oct 2002)	6.61	-5.03	41.73

**Annual Total Return of Avenue VersatileExtra Fund vs. its Benchmark
 for the 12-Month Period Ended 31st December**



	2010	2009	2008	2007	2006
Avenue VersatileEXTRA Fund	6.40	29.56	-30.87	26.57	16.36
50% of FTSE Bursa Malaysia 100 + 50% of Maybank's 12 months fixed deposit rate	11.59	21.67	-19.52	16.68	12.14

□ Avenue VersatileEXTRA Fund

■ 50% of FTSE Bursa Malaysia 100 + 50% of Maybank's 12 months fixed deposit rate

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

AVENUE VERSATILE EXTRA FUND

INCOME DISTRIBUTION AND UNIT SPLIT

For the year ended 31 Dec

*Please refer to **Note 3** for further information.*

	2010	2009	2008
Distribution date	-	-	-
Gross distribution (sen per unit)	-	-	-
Net distribution (sen per unit)	-	-	-
NAV before distribution (sen per unit)	-	-	-
NAV after distribution (sen per unit)	-	-	-
Unit Split	-	-	-

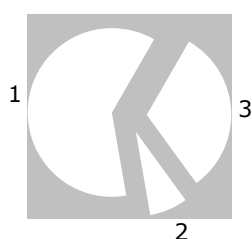
FUND REVIEW

For the year 2010, the Fund posted a gain of 6.61%, underperforming its benchmark, which was up by 11.98%. One contributor to its lagging performance was its foreign investments, especially in Hong Kong which underperformed the Malaysian market coupled with foreign currency losses as the Ringgit strengthened significantly during the year. On the other hand, the fund's investment in Zijin Mining (Hong Kong) did well, as did its investment in M1 (Singapore), CIMB, Gamuda, Genting and MRCB. Overall, the Fund met its investment objective of providing investors capital appreciation by adopting a relatively balanced approach towards equities and fixed income exposure. Going into 2011, the Fund will continue to stick to its strategy of maintaining its core in domestic blue-chips while taking some trading positions when the opportunity arises, both domestically as well as overseas.

NAV PER UNIT

NAV per unit as at 31 Dec 2009	RM0.4960
NAV per unit as at 31 Dec 2010	RM0.5288

ASSET ALLOCATION *as at 31 Dec 2010*



1	Quoted equities & equity related securities	61.1%
2	Unquoted fixed income securities	7.2%
3	Cash & others	31.7%

AVENUE VERSATILE EXTRA FUND

NOTES

Note 1: *Selling of units by the Management Company (i.e. when you purchase units and invest in the Fund) and redemption of units by the Management Company (i.e. when you redeem your units and liquidate your investments) will be carried out at NAV per unit (the actual value of a unit). The entry/ exit fee (if any) would be computed separately based on your net investment/liquidation amount.*

Note 2: *Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. The performance figures for the composite benchmark are calculated assuming that 50% is invested in the FTSE Bursa Malaysia 100 and 50% is placed in Maybank's 12 months fixed deposit rate. For calculations of periods greater than 12 months, it is assumed that the principal and interests earned in fixed deposit for the first 12 month period will be placed for a further 12 month period. Calculations for periods less than 12 months, the interests earned over the period are accrued accordingly.*

- *Data source for Total Returns, Average Total Returns and Annual Total Returns against its Benchmark: Lipper*
- *Data source – Benchmark: Bursa Malaysia and Maybank.*

Note 3: *There were no income distribution or unit split exercise for the 12 month period ended 31 Dec 2010.*

AVENUE TACTICALEXTRA FUND

FUND PROFILE

Inception Date	18 March 2005 (<i>The Fund has no predetermined fixed period or termination date</i>)
Initial Offer Price	RM0.5000 per unit during the Initial Offer Period (IOP) of 21 days ended 7 April 2005
Pricing Policy	Investment and Liquidation at Net Asset Value per unit
Fund Category/ Type	Equity/Growth (<i>Classification according to the requirements of the Guidelines on Unit Trust Funds, which provides for broad classification of funds.</i>) Open-ended unit trust Fund for the medium to long term investment horizon, which invests primarily in liquid equities with large market capitalisation and fixed income securities. Returns by large are attributed to asset allocation.
Benchmark	Core: 50% of FTSE Bursa Malaysia 100 + 50% of Maybank's 12 months fixed deposit rate. Other Benchmarks* ❖ If the Fund invests more than 95% in equities – 100% FTSE Bursa Malaysia 100 ❖ If the Fund invests more than 95% in fixed income – 100% in Maybank's 12 months fixed deposit rate <i>* Investors can apply these benchmarks to assess the performance of the Fund according to such asset allocation.</i>
Investment Objective	TacticalEXTRA aims to provide investors with medium to long term capital appreciation by investing principally in liquid equities with large market capitalisation (big caps), and fixed income instruments with flexible asset allocation.
Investment Policy	Invest primarily in Malaysian equities and equity related securities, Malaysian Government Securities, Treasury Bills, Bank Negara Bills, Bankers Acceptance, Negotiable Certificates of Deposit, Private Debt Securities and others.
Investment Strategy	TacticalEXTRA invests primarily in a portfolio of Top-20 quoted equities of large cap companies in search of returns against the backdrop of a bullish market as well as thematic plays. During market uncertainty, TacticalEXTRA shall adopt a relative defensive approach towards fixed income exposure to provide capital preservation as well as in thematic plays. Its key performance is entirely in search of absolute returns over the medium to long term investment horizon.

AVENUE TACTICALEXTRA FUND

FUND PROFILE

Distribution Policy

It is the intention of the Management Company to declare distribution of income annually for TacticalEXTRA, provided there is a sufficient realized gain. The amount of income to be distributed will vary from period to period, depending on the interest rates, market conditions, the performances and the objectives of the Fund. Income distributions may be made out of realized capital gains, net dividend income and other net income received by the Fund. It is also the Management Company's policy to automatically reinvest declared income distribution into additional units in the Fund and the end of the distribution day (at ex-distribution price) with no entry fee. Unitholders wanting to realize capital gains on units held may, of course, liquidate all or part of their units on any Business Day.

Soft Commissions & Rebates Received From Brokers

Soft commissions received from brokers are retained by the Management Company, only if, the goods and services provided are of demonstrable benefit to the unitholders of the Fund. Rebates (if any) will be credited to the account of the Fund. During the period under review, the Management Company received data and quotation services, and investment related publications which are incidental to the investment management of the Fund.

Unitholdings

**Excluding units held by Management Company*

Size of Holding (Units)	<i>As at 31 December 2010</i>			
	Unitholder		Unit Holding	
	No	%	Million	%
5,000 and below	11	2.10	0.03	0.03
5,001 to 10,000	40	7.60	0.32	0.37
10,001 to 50,000	241	45.82	6.00	6.96
50,001 to 500,000	204	38.78	33.43	38.74
500,001 and above	30	5.70	46.50	53.90
*Total (Decimal Rounding)	526	100.00	86.28	100.00

25
ANNUAL REPORT 2010
 Manager's Report

AVENUE TACTICALEXTRA FUND

FUND PERFORMANCE

2010 2009 2008

NAV & PRICING for the year ended 31 Dec
 Please refer to **Note 1** for further information.

Total Net Asset Value (RM million)	60.14	65.03*	47.95
Units in circulation (million units)	86.28	108.21*	90.71
NAV per unit (RM)	0.6970	0.6010*	0.5287

HIGHEST & LOWEST NAV for the year ended 31 Dec
 Please refer to **Note 1** for further information.

Highest NAV per unit (RM)	0.7002	0.6175*	0.7330
Lowest NAV per unit (RM)	0.5923	0.5180*	0.4905

PORTFOLIO COMPOSITION % of NAV for the year ended 31 Dec

Quoted equities & equity-related securities

Main Board

Construction	6.0	3.2	4.8
Consumer Product	5.4	7.7	7.7
Finance	9.3	10.3	12.7
Industrial Product	8.2	6.0	2.4
Infrastructure Project Co	7.3	8.6	4.1
Plantation	7.3	7.6	-
Property	2.9	4.5	2.8
REITS	-	-	1.2
Technology	2.7	2.8	0.9
Trading & Services	37.6	28.4	16.7
Loan Stock/Loan	-	0.6	-

Unquoted fixed income securities

Bonds	8.0	8.9	37.0
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Cash & others

	5.3	11.4	9.7
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The fund had a higher weighting in equities at the end of 2010 compared to the previous year as the fund manager expects an extended equity rally into early 2011 at least.

EXPENSE/ TURNOVER for the year ended 31 Dec

Management expense ratio (MER) (%)	2.68	1.62	1.61
Portfolio turnover ratio (PTR) (times)	3.40	2.78	1.51

Please refer to page 115-116 for further explanation on the difference in MER and PTR

* Ex-distribution

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

26
ANNUAL REPORT 2010
 Manager's Report

AVENUE TACTICALEXTRA FUND

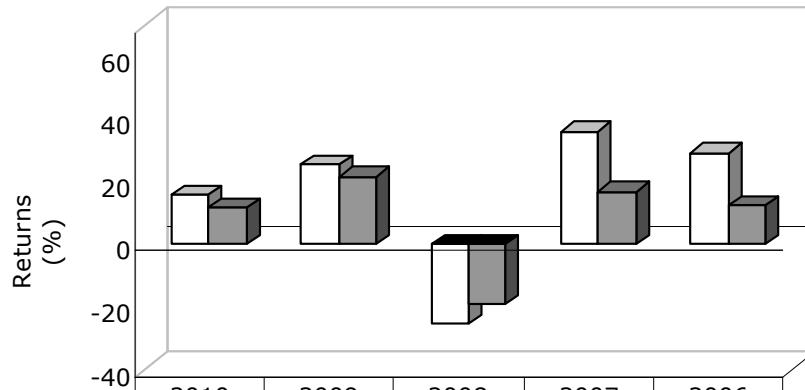
FUND PERFORMANCE

RETURN (%) for the year ended 31 Dec
 Please refer to **Note 2** for further information.

• TOTAL RETURN	2010	2009	2008
Total Return	16.06	26.47	-26.48
Capital Return	16.06	13.60	-26.48
Income Return	-	12.87	-

• AVERAGE TOTAL RETURN	1-yr	3-yrs	5-yrs
Avenue TacticalEXTRA (Inception date: 18 March 2005)	16.06	7.90	92.89

**Annual Total Return of Avenue TacticalExtra Fund vs. its Benchmark
 for the 12-Month Period Ended 31st December**



	2010	2009	2008	2007	2006
Avenue TacticalEXTRA Fund	15.53	25.45	-25.62	35.97	28.99
50% of FTSE Bursa Malaysia 100 + 50% of Maybank's 12 months fixed deposit rate	11.59	21.67	-19.52	16.68	12.14

- Avenue TacticalEXTRA Fund
- 50% of FTSE Bursa Malaysia 100 + 50% of Maybank's 12 months fixed deposit rate

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

27
ANNUAL REPORT 2010
 Manager's Report

AVENUE TACTICALEXTRA FUND

INCOME DISTRIBUTION AND UNIT SPLIT

For the year ended 31 Dec

*Please refer to **Note 3** for further information.*

	2010	2009	2008
Distribution date	-	15 Jul	-
Gross distribution (sen per unit)	-	6.23	-
Net distribution (sen per unit)	-	6.23	-
NAV before distribution (sen per unit)	-	60.54 (14 Jul)	-
NAV after distribution (sen per unit)	-	55.00 (15 Jul)	-
Unit Split	-	-	-

FUND REVIEW

The Fund enjoyed another good year of returns and beat its benchmark comfortably, thereby, continuing to achieve its investment objective of providing investors with medium to long-term capital appreciation. The Fund was moderately aggressive during the year and added exposure into appropriate sectors when certain 'themes' became popular at different times of the year. Among the sectors which contributed to the Fund's performance were finance, consumer discretionary and plantations. Towards the year-end, the Fund added more high-dividend yield stocks to protect gains but will look to gradually rebuild the portfolio with higher beta stocks again when market momentum picks up.

NAV PER UNIT

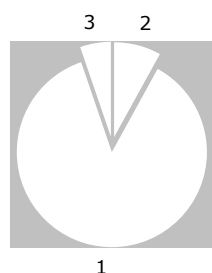
NAV per unit as at 31 Dec 2009

RM0.6004

NAV per unit as at 31 Dec 2010

RM0.6968

ASSET ALLOCATION *as at 31 Dec 2010*



1	Quoted equities & equity related securities	86.7%
2	Unquoted fixed income securities	8.0%
3	Cash & others	5.3%

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

AVENUE TACTICALEXTRA FUND

NOTES

Note 1: *Selling of units by the Management Company (i.e. when you purchase units and invest in the Fund) and redemption of units by the Management Company (i.e. when you redeem your units and liquidate your investments) will be carried out at NAV per unit (the actual value of a unit). The entry/exit fee (if any) would be computed separately based on your net investment/liquidation amount.*

Note 2: *Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. The performance figures for the composite benchmark are calculated assuming that 50% is invested in the FTSE Bursa Malaysia 100 and 50% is placed in the Maybank's 12 months fixed deposit rate. If the Fund invests more than 95% in equities, the benchmark for this Fund will be 100% FTSE Bursa Malaysia 100. If the Fund invests more than 95% in fixed income, the benchmark for this Fund will be 100% Maybank's 12 months fixed deposit rate.*

- *Data source for Total Returns, Average Total Returns and Annual Total Returns against its Benchmark: Lipper*
- *Data source Benchmark: Bursa Malaysia and Maybank.*

Note 3: *There were no income distribution or unit split exercise for the 12 month period ended 31 Dec 2010.*

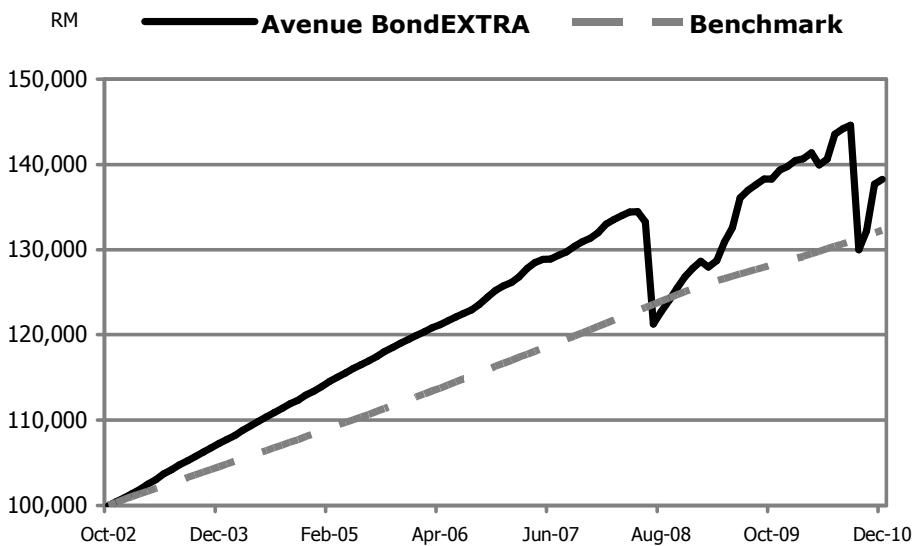
ANNUAL REPORT 2010
ADDITIONAL INFORMATION/DISCLOSURE

**RETURNS ON AN INITIAL INVESTMENT OF RM100,000
 IN AVENUE BONDEXTRA FUND AND
 AVENUE MONEYEXTRA FUND**

As ease of reference, the Fund's total return for the period ended 31 December 2010 is in Ringgit terms.

The following charts illustrate comparative growth figures for an initial investment of RM100,000 in Avenue BondEXTRA Fund and Avenue MoneyEXTRA Fund, with their respective benchmark, for the period specified below.

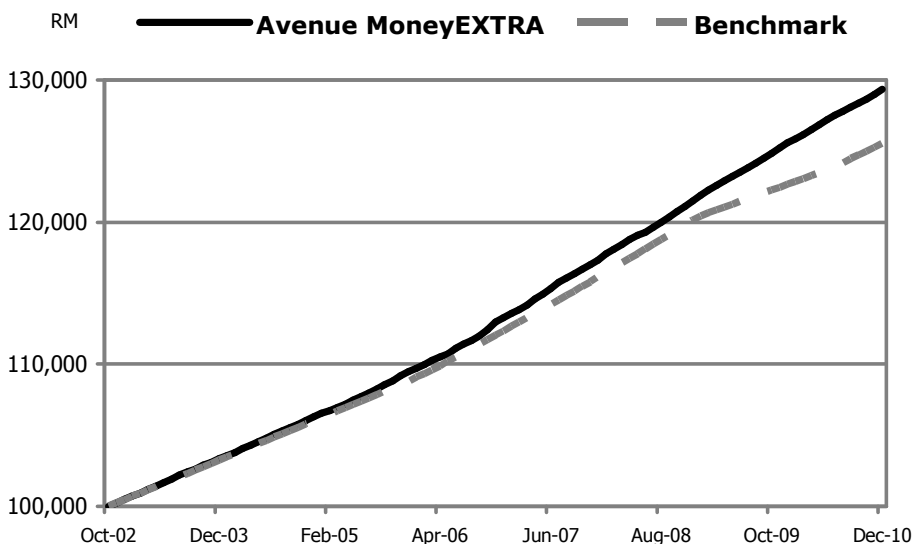
From 31 October 2002 to 31 December 2010



Source: Lipper Hindsight

A RM100,000 investment in Avenue BondEXTRA and its benchmark (*Maybank's 12 months fixed deposit rate*) from 31 October 2002 to 31 December 2010 (before tax) would be worth **RM138,263.90** and **RM132,235.40** respectively.

From 31 October 2002 to 31 December 2010



Source: Lipper Hindsight

A RM100,000 investment in Avenue MoneyEXTRA and its benchmark (*repo rates offered to the Fund*) from 31 October 2002 to 31 December 2010 (before tax) would be worth **RM129,348.90** and **RM125,543.20** respectively.

Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. There are fees, charges and risks (interest rate, credit/default, liquidity, inflation, market and others) involved and investors are advised to consider the fees, charges and risks. Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

Please refer to page 9 and page 16 respectively for further clarification on data source and assumptions used in calculating return figures for the Fund and its benchmark.

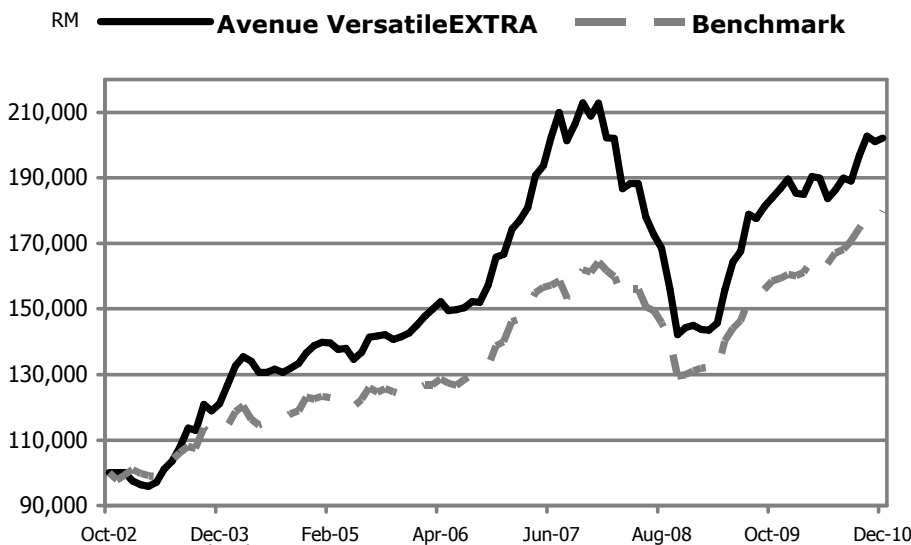
ANNUAL REPORT 2010
ADDITIONAL INFORMATION/DISCLOSURE

**RETURNS ON AN INITIAL INVESTMENT OF RM100,000
 IN AVENUE VERSATILEEXTRA FUND AND
 AVENUE TACTICALEXTRA FUND**

As ease of reference, the Fund's total return for the period ended 31 December 2010 is in Ringgit terms.

The following charts illustrate comparative growth figures for an initial investment of RM100,000 in Avenue VersatileEXTRA Fund and Avenue TacticalEXTRA Fund, with their respective benchmark, for the period specified below.

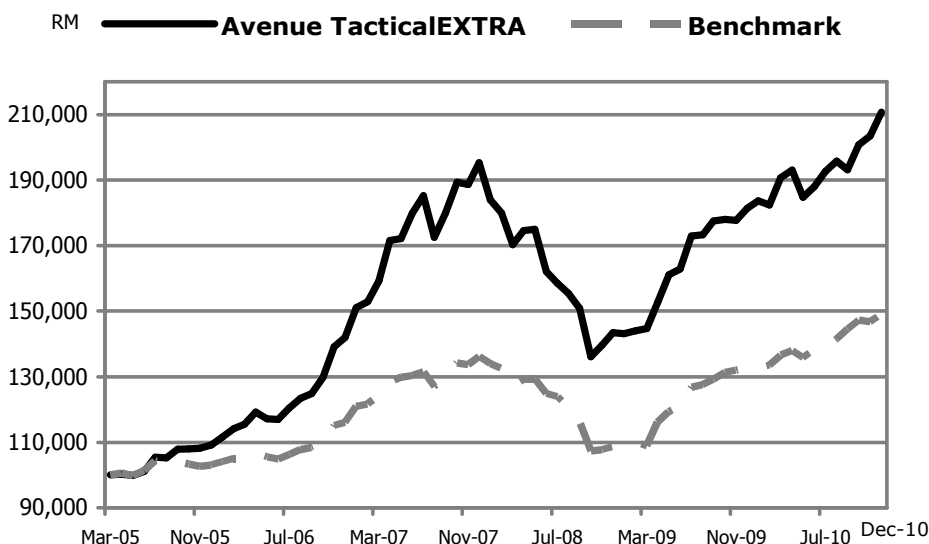
From 31 October 2002 to 31 December 2010



Source: Lipper Hindsight

A RM100,000 investment in Avenue VersatileEXTRA and its benchmark (50% FTSE Bursa Malaysia 100 + 50% Maybank's 12 months fixed deposit rate) from 31 October 2002 to 31 December 2010 (before tax) would be worth **RM202,059.50** and **RM179,754.50** respectively.

From 31 March 2005 to 31 December 2010



Source: Lipper Hindsight

A RM100,000 investment in Avenue TacticalEXTRA and its benchmark (50% FTSE Bursa Malaysia 100 + 50% Maybank's 12 months fixed deposit rate) from 31 March 2005 to 31 December 2010 (before tax) would be worth **RM210,602.70** and **RM149,005.00** respectively.

Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. There are fees, charges and risks (interest rate, credit/default, liquidity, inflation, market and others) involved and investors are advised to consider the fees, charges and risks. Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

Please refer to page 22 and page 28 respectively for further clarification on data source and assumptions used in calculating return figures for the Fund and its benchmark.

TRUSTEE'S REPORT

**To the Unitholders of
Avenue BondEXTRA Fund
Avenue MoneyEXTRA Fund
Avenue VersatileEXTRA Fund
Avenue TacticalEXTRA Fund
(collectively, "the Avenue Funds")**

We have acted as Trustee of Avenue Funds for the financial year ended 31 December 2010. In our opinion, Avenue Invest Berhad ("the manager") has managed the Avenue Funds in the year under review in accordance with the following:

1. The limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Supplemental Deed, the Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
2. The valuation or pricing of the Funds are carried out in accordance with the Deed, the Supplemental Deed and any regulatory requirement; and
3. The creation and cancellation of units of the Funds are carried out in accordance with the Deed, the Supplemental Deed and any regulatory requirement.

Four income distributions of 0.36 sen per unit each were declared on 26 March 2010, 25 June 2010, 28 September 2010 and 29 December 2010 respectively for the financial year ended 31 December 2010 to the unitholders of Avenue MoneyEXTRA Fund.

We are of the view that the distributions are consistent with the objective of the Fund.

For Mayban Trustees Berhad
Jeffrey Ching
Head, Unit Trust

Kuala Lumpur, Malaysia
22 February 2011

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Note	2010 RM	2009 RM	1 January 2009 RM
ASSETS				
Investments	3	56,543,954	153,784,448	101,191,679
Deposits with financial institutions	6	7,360,996	12,380,000	17,060,000
Other receivables	7	593,171	2,630,452	1,899,028
Cash at bank		13,441	3,288	7,597
TOTAL ASSETS		<u>64,511,562</u>	<u>168,798,188</u>	<u>120,158,304</u>
LIABILITIES				
Other payables and accruals	8	<u>2,753,500</u>	<u>191,043</u>	<u>365,218</u>
TOTAL LIABILITIES		<u>2,753,500</u>	<u>191,043</u>	<u>365,218</u>
EQUITY				
Unitholders' capital		52,795,094	159,995,869	115,237,532
Retained earnings		8,962,968	8,611,276	4,555,554
TOTAL EQUITY	9	<u>61,758,062</u>	<u>168,607,145</u>	<u>119,793,086</u>
TOTAL EQUITY AND LIABILITIES				
		<u>64,511,562</u>	<u>168,798,188</u>	<u>120,158,304</u>
UNITS IN CIRCULATION				
Net Asset Value ("NAV") Per Unit	9(a) 10	<u>124,790,578</u> <u>0.4949</u>	<u>337,076,569</u> <u>0.5003</u>	<u>248,793,786</u> <u>0.4815</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Note	2010 RM	2009 RM
INVESTMENT INCOME			
Interest income		6,295,415	7,389,762
Net (loss)/gain from investments:			
- financial assets at fair value through profit or loss ("FVTPL")	4	(4,600,579)	-
- net realised gain on sale of investments		-	5,222,207
- net unrealised gain on changes in value of investments held		-	1,742,010
Other income		-	30,000
		<u>1,694,836</u>	<u>14,383,979</u>
EXPENSES			
Manager's fee	11	1,180,174	1,646,278
Trustee's fee	12	85,321	101,588
Auditors' remuneration		4,000	9,500
Tax agent's fee		1,800	1,800
Allowance for doubtful debts		59,589	150,000
Other expenses		12,260	23,768
		<u>1,343,144</u>	<u>1,932,934</u>
Net income before tax		351,692	12,451,045
Income tax expenses	13	-	-
Net income after tax		<u>351,692</u>	<u>12,451,045</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>351,692</u>	<u>12,451,045</u>
Net income after tax is made up of the following:			
Net realised income		324,783	10,709,035
Net unrealised gain		26,909	1,742,010
		<u>351,692</u>	<u>12,451,045</u>
Distribution for the year:			
Net distribution amount	14	-	8,395,323
Net distribution per unit (sen)		-	2.60
Gross distribution per unit (sen)		-	2.60

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Unitholders' capital Note 9(a)	Retained earnings Notes 9(b) and (c)	Total equity
	RM	RM	RM
As at 1 January 2009	115,237,532	4,555,554	119,793,086
Total comprehensive income for the year	-	12,451,045	12,451,045
Creation of units	75,063,015	-	75,063,015
Cancellation of units	(30,304,678)	-	(30,304,678)
Distribution (Note 14)	-	(8,395,323)	(8,395,323)
Balance at 31 December 2009	<u>159,995,869</u>	<u>8,611,276</u>	<u>168,607,145</u>
Total comprehensive income for the year	-	351,692	351,692
Creation of units	30,852,099	-	30,852,099
Cancellation of units	(138,052,874)	-	(138,052,874)
As at 31 December 2010	<u>52,795,094</u>	<u>8,962,968</u>	<u>61,758,062</u>

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	2010 RM	2009 RM
Cash flows from operating and investing activities		
Proceeds from sale/maturity of investments	154,789,075	53,390,235
Interest received	7,991,328	6,667,893
Other income	6,699,686	30,000
Purchase of investments	(66,081,890)	(98,907,959)
Manager's fee paid	(1,326,730)	(1,774,008)
Trustee's fee paid	(90,488)	(112,532)
Payment for other fees and expenses	(59,439)	(70,569)
Net cash generated from/(used in) operating and investing activities	<u>101,921,542</u>	<u>(40,776,940)</u>
Cash flows from financing activities		
Cash received from units created	31,122,481	74,792,632
Cash paid on units cancelled	(138,052,874)	(30,304,678)
Distribution paid	-	(8,395,323)
Net cash (used in)/generated from financing activities	<u>(106,930,393)</u>	<u>36,092,631</u>
Net decrease in cash and cash equivalents	(5,008,851)	(4,684,309)
Cash and cash equivalents at the beginning of the year	<u>12,383,288</u>	<u>17,067,597</u>
Cash and cash equivalents at the end of the year	<u>7,374,437</u>	<u>12,383,288</u>
Cash and cash equivalents comprise:		
Cash at bank	13,441	3,288
Deposits with financial institutions	7,360,996	12,380,000
	<u>7,374,437</u>	<u>12,383,288</u>

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

Avenue BondEXTRA Fund

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

1. GENERAL INFORMATION

Avenue BondEXTRA Fund (“BondEXTRA” or “the Fund”) was established pursuant to the Deed dated 25 August 1999 (“Master Deed”) as supplemented by the Second Supplemental Deed dated 23 September 2002 (“Second Supplemental Deed”) between Avenue Invest Berhad (“AvIB”) as the Manager, Mayban Trustees Berhad as the Trustee and the registered unitholders of the Fund. On 4 March 2009, a Supplemental Master Deed was entered into between AvIB and the Independent Trustee to merge the aforesaid Deeds for the following purposes:

- to provide for certain modifications to bring them in line with recent changes to the relevant laws; and
- to merge them into a single document for ease of reference.

The principal activity of the Fund is to invest in investments as defined under Part 1 of the Supplemental Master Deed, which includes quoted and unquoted fixed income securities and deposits with financial institutions. BondEXTRA commenced operations on 8 October 2002 and will continue its operations until terminated in accordance with Part 12 of the Supplemental Master Deed. The objective of BondEXTRA is to provide investors with aggressive capital growth over a long-term period by investing in high-yielding fixed income securities.

The Manager of the Fund is Avenue Invest Berhad, a company incorporated in Malaysia. Its holding company is ECM Libra Financial Group Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Manager are managing private and public funds; and distributing a range of unit trust funds to institutional and retail investors.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 22 February 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Fund have been prepared in accordance with Financial Reporting Standards (“FRS”) and the Securities Commission’s Guidelines on Wholesale Funds in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia (“RM”).

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and revised FRS and IC Interpretations which are effective for financial year beginning on or after 1 January 2010. Except as discussed below, these new and revised FRS and IC Interpretations do not give rise to any significant effects on the financial statements of the Fund.

FRS 7: Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Fund has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the financial statements for the year ended 31 December 2010.

FRS 8: Operating Segments

FRS 8, which replaces FRS 114: Segment Reporting, requires disclosure of information about the Fund's operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance, and replaces the requirement of the Fund to determine primary (business) and secondary (geographical) reporting segments. As this is a disclosure standard, there is no financial impact on the financial position or results of the Fund.

FRS101: Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Fund has elected to present this statement as one single statement.

In addition, as statement of financial position is required at the beginning of the earlier comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements. The revised FRS 101 was adopted retrospectively by the Fund.

Amendments to FRS 132: Financial Instruments: Presentation and FRS 101: Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation

Amendments to FRS 132 and FRS 101 became effective for annual periods beginning on or after 1 January 2010. The amendment to FRS 132 requires entities to classify puttable financial instruments as equity if the instruments have certain particular features and meet specific conditions. The amendments to FRS 101 require disclosure of certain information relating to puttable instruments classified as equity.

The unitholders' equity has the features and meets the conditions for classification as equity instruments. Consequently, upon adoption of the Amendments to FRS 132, unitholders' equity amounting to RM61,758,062 (31 December 2009: RM168,607,145) is reclassified from financial liabilities to equity. Distributions made by the Fund are recognised as dividends in equity in the period in which they are declared.

FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Fund has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provision. Comparatives are not restated. The details of the changes in accounting policies and the effect arising from the adoption of FRS 139 are discussed below:

- Fixed income securities

Prior to 1 January 2010, the Fund's investments in quoted equity instruments and fixed income securities were carried at the last done market price as at the reporting date, while its investments in collective investments schemes were valued based on their NAV per unit at the close of the reporting date. The fair value adjustments on the investments were recognised in profit or loss.

Upon adoption of FRS 139, these investments are classified on 1 January 2010, as either financial instruments at FVTPL or available-for-sale ("AFS") financial instruments and are stated at their respective fair values. The determination of these investments as financial instruments at FVTPL did not materially affect the financial statements of the Fund.

2.3 Standards Issued But Not Yet Effective

The Fund has not adopted the following standards and interpretations which have been issued but no yet effective:

	Effective for financial periods beginning on or after
FRS, Amendments to FRS and Interpretations	
Amendments to FRS 132 Financial Instruments: Presentation	* 1 March 2010
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combinations	1 July 2010
FRS 127 : Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 2: Share - based Payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
IC Interpretation 12: Service Concession Arrangements	1 July 2010
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17: Distributions of Non-cash Assets to Owners	1 July 2010
Amendments IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010
Limited Exemption from Comparative FRS 7 Disclosures for First Time Adopters (Amendments to FRS 1)	1 January 2011
Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2011
Additional Exemptions for First-time Adopters (Amendments to FRS 1)	1 January 2011
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	1 January 2011
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124: Related Party Disclosures	1 January 2012
IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012
Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012

*The amendments in paragraphs 11, 16 and 97E of the Standard, relating to Classification of Rights Issues shall apply to financial statements of annual periods beginning on or after 1 March 2010.

The adoptions of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Fund.

2.4 Summary of Significant Accounting Policies

(a) Financial assets

Financial assets 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.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Fund determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and loans and receivables.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading include equity securities, fixed income securities and collective investment schemes acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss'. Interest earned and dividend revenue elements of such instruments are recorded separately in 'Interest income' and 'Gross dividend income', respectively. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Fund includes short term receivables in this classification.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(b) Impairment of financial assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset classified as loans and receivables is impaired.

To determine whether is objective evidence that an impairment loss on financial assets has been incurred, the Fund considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default of significant delay in payments.

If 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.

(b) Impairment of financial assets (Contd.)

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 year, the amount of the impaired 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 balance at the reversal date. The amount of reversal is recognised in profit or loss.

(c) 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.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and deposits with financial institutions which have an insignificant risk of changes in value.

(e) Revenue Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be relatively measured. Income is measured at the fair value of the consideration received or receivable. Interest income from deposits and fixed income securities is recognised on an accrual basis using effective interest or effective yield method.

Realised gain and loss on disposal of financial instruments classified as part of "at FVTPL" are calculated using the weighted average method. They represent the difference between an instrument's carrying amount based on the weighted average method and disposal amount of the investment.

(f) Income Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

No deferred tax is recognised as there are no material temporary differences.

(g) Unitholder capital

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments under the revised FRS 132. Comparative figures have been restated. Distributions to unitholders are recorded in equity when declared.

(h) Cash Flow Statement

The Fund adopts the direct method in the preparation of cash flow statement. Cash and cash equivalents include cash and bank balances and highly liquid investments (exclude equity investments) with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

(i) Functional and Presentation Currency

The financial statements of BondEXTRA are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also its functional currency.

(j) Significant Accounting Estimates and Judgements

The preparation of financial statements in accordance with FRS requires the use of certain accounting estimates and exercise of judgements. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

When the fair value of financial assets recorded in the Statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumption about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

3. INVESTMENTS

	2010	2009	1 January
	Financial		2009
	Assets at		
	FVTPL	Total	Total
	(Note 4)	(Note 5)	
	RM	RM	RM
Investments	56,543,954	153,784,448	101,191,679

Prior to the adoption of FRS 139 on 1 January 2010, the investments of the Fund, although carried at fair values, need not be classified as “financial assets at FVTPL”.

4. FINANCIAL ASSETS AT FVTPL

	2010
	RM
Financial assets held for trading:	
Quoted equities	802,500
Unquoted fixed income securities	55,741,454
	56,543,954
Net gain/(loss) on financial assets at FVTPL comprised:	
Realised loss on disposals	(4,627,488)
Unrealised changes in fair values	26,909
	(4,600,579)

Financial assets held for trading as at 31 December 2010 are as detailed below:

QUOTED EQUITIES

Name of Counter	Quantity Units	Market Price RM	Cost RM	Fair Value RM	% of NAV %
<u>Main Market</u>					
Loan Stocks					
Puncak Niaga Holdings Bhd	1,500,000	0.535	486,971	802,500	1.30
TOTAL QUOTED EQUITIES			486,971	802,500	1.30

UNQUOTED FIXED INCOME SECURITIES

Issuer (rating) maturity/coupon (%)	Nominal Value RM	Market Price RM	Cost RM	Fair Value RM	% of NAV %
Bonds					
Ample Zone Bhd (B+) 2012/9.30	8,000,000	99.25	8,240,800	7,940,224	12.86
CapOne Bhd (D) 2010/5.40*	500,000	-	500,000	-	-
CapOne Bhd (D) 2010/5.80*	5,987,920	-	5,987,920	-	-
Dura Palm Sdn Bhd (AA) 2014/6.20	9,086,424	98.97	9,078,090	8,992,388	14.56
EON Bank Bhd (A2) 2015/4.75	7,500,000	99.56	7,467,075	7,467,075	12.09
Malaysia Airports Capital Bhd (AAA) 2022/4.68	5,000,000	99.73	5,000,000	4,986,305	8.07
Malaysia Government Securities (NR) 2014/5.09	3,000,000	105.91	3,180,600	3,177,300	5.14

Issuer (rating) maturity/coupon (%)	Nominal Value	Market Price	Cost	Fair Value	% of NAV
RHB Capital Bhd (A1) 2013/5.00	3,000,000	101.65	3,000,000	3,049,602	4.94
Senai Desaru Expressway Bhd (BBB3) 2019/3.50	4,000,000	45.09	2,725,660	1,803,436	2.92
Senai Desaru Expressway Bhd (BBB3) 2019/3.50	2,000,000	47.42	1,409,040	948,362	1.54
Tesco Stores (M) Sdn Bhd (AAA) 2012/4.85	10,000,000	102.18	10,000,000	10,218,330	16.55
WCT Bhd (AA-) 2015/2.50	8,000,000	89.48	7,157,600	7,158,432	11.59
TOTAL UNQUOTED FIXED INCOME SECURITIES			63,746,785	55,741,454	90.26
TOTAL FINANCIAL ASSETS AT FVTPL			64,233,756	56,543,954	91.56
DEFICIT OF FAIR VALUE OVER COST			(7,689,802)		

***CapOne Berhad** - The bonds defaulted upon maturity in September 2010, have nil carrying value. The trustee is negotiating for settlement and/or proceeding with recovery action against the remaining defaulted obligors.

BSA International Bhd (BSA) - The Fund holds 2,000,000 nominal value of bond in BSA. The bonds which defaulted prior to their maturity in May 2010, have nil carrying value. The High Court had in January 2011 ordered that BSA be wound up and a private liquidator be appointed. The solicitors for the trustee will be filing our proof of debt with the liquidator.

Kerisma Berhad (Kerisma) - The Fund holds 395,861 nominal value of bond in Kerisma. The bonds which matured in June 2009, defaulted and have nil carrying value. The trustee is negotiating for settlement and/or proceeding with recovery action against the remaining defaulted obligors.

The effective average yield for unquoted fixed income securities as at 31 December 2010 is 5.9% (5.8% in 2009) per annum.

5. PRIOR YEAR INVESTMENTS

	2009 RM	1 January 2009 RM
At cost		
Quoted equities	636,972	440,720
Unquoted fixed income securities	157,752,907	112,695,197
	158,389,879	113,135,917
At market value		
Quoted equities	975,000	735,000
Unquoted fixed income securities	152,809,448	100,456,679
	153,784,448	101,191,679

6. DEPOSITS WITH FINANCIAL INSTITUTIONS

Short-term deposits represent deposits with ECM Libra Investment Bank Berhad, an investment bank related to the Manager and Kuwait Finance House (Malaysia) Berhad. The effective average interest rate for short-term deposits as at 31 December 2010 is 2.8% (2.0% in 2009) per annum. The average maturity of these deposits as at 31 December 2010 is 13 (1 in 2009) days.

7. OTHER RECEIVABLES

	2010	2009	1 January
	RM	RM	2009
			RM
Amount due from Manager – creation of units	-	270,382	-
Interest receivable	593,171	2,360,070	1,899,028
Interest receivable from BSA International Bhd	-	314,794	164,795
	<u>593,171</u>	<u>2,945,246</u>	<u>2,063,823</u>
Allowance for doubtful debts (Interest receivable from BSA International Bhd)	-	(314,794)	(164,795)
	<u>593,171</u>	<u>2,630,452</u>	<u>1,899,028</u>

8. OTHER PAYABLES AND ACCRUALS

	2010	2009	1 January
	RM	RM	2009
			RM
Amount received in respect of Pesaka Astana*	2,715,680	-	-
Accruals:			
Manager's fee	25,170	171,726	299,456
Trustee's fee	4,850	10,017	20,962
Audit fee	6,000	7,500	5,500
Tax agent's fee	1,800	1,800	1,800
Legal fee	-	-	37,500
	<u>2,753,500</u>	<u>191,043</u>	<u>365,218</u>

* On 30 June 2010, the High Court ordered that Mayban Trustees Bhd and KAF Investment Bank Bhd be held liable for the amount claimed by the bondholders of Pesaka Astana Sdn Bhd. The judgement sum together with interest thereon was paid to the bondholders by both defendants in July 2010 and the above amount represents Avenue BondEXTRA Fund's share. The two parties have since filed an appeal to the Court of Appeal. On the advice of our solicitors, the amount received from both defendants has not been recognised as income by the Fund as at financial year end date.

9. TOTAL EQUITY

	Note	2010	2009	1 January
		RM	RM	2009*
				RM
Unitholders' capital	(a)	52,795,094	159,995,869	115,237,532
Retained earnings				
- Unrealised reserves/(deficits)	(b)	(7,689,802)	(4,605,431)	(11,944,238)
- Realised reserves	(c)	16,652,770	13,216,707	16,499,792
Total equity		<u>61,758,062</u>	<u>168,607,145</u>	<u>119,793,086</u>

(a) Unitholders' Capital

	2010 Units	2010 RM	2009 Units	2009 RM	1 January 2009* Units	1 January 2009* RM
At beginning of the year	337,076,569	159,995,869	248,793,786	115,237,532	359,422,088	172,088,770
Creation of units	62,207,389	30,852,099	149,388,388	75,063,015	123,374,427	59,600,367
Cancellation of units	(274,493,380)	(138,052,874)	(61,105,605)	(30,304,678)	(234,002,729)	(116,451,605)
At end of the year	<u>124,790,578</u>	<u>52,795,094</u>	<u>337,076,569</u>	<u>159,995,869</u>	<u>248,793,786</u>	<u>115,237,532</u>

In accordance with Part 6 Division 6.1 of the Supplemental Master Deed and Securities Commission's approval letter dated 1 September 2006, the maximum number of units that can be issued out for circulation is 1,500,000,000 (1,500,000,000 in 2009). As at 31 December 2010, the number of units not yet issued is 1,375,209,422 (1,162,923,431 in 2009).

Included in the units created during the year are Nil units from reinvestment of distribution (16,792,274 units on 15 July 2009 and 28 December 2009 in the previous year).

(b) Unrealised Reserves/(Deficits)

	2010 RM	2009 RM	1 January 2009* RM
At beginning of the year	(4,605,431)	(11,944,238)	(945,120)
Unrealised (gain)/loss attributable to investments sold transferred to Realised Reserves	(3,111,280)	5,596,797	611,674
Net unrealised gain/(loss) attributable to investments held transferred from the Income Statement	26,909	1,742,010	(11,610,792)
At end of the year	<u>(7,689,802)</u>	<u>(4,605,431)</u>	<u>(11,944,238)</u>

(c) Realised Reserves

	2010 RM	2009 RM	1 January 2009* RM
At beginning of the year	13,216,707	16,499,792	8,688,064
Unrealised gain/(loss) attributable to investments sold transferred from Unrealised Reserves	3,111,280	(5,596,797)	(611,674)
Net movement in realised gain for the year	16,327,987	10,902,995	8,076,390
Net income/(loss) after tax	351,692	12,451,045	(2,467,824)
Net unrealised (gain)/loss transferred to Unrealised Reserves	(26,909)	(1,742,010)	11,610,792
Distribution for the year	-	(8,395,323)	(719,566)
At end of the year	<u>16,652,770</u>	<u>13,216,707</u>	<u>16,499,792</u>

* The movements presented are those in financial year 2008.

10. NAV PER UNIT

The net asset value per unit is calculated by dividing the net assets of RM61,758,062 as at 31 December 2010 (RM168,607,145 in 2009) by 124,790,578 units in issue as at 31 December 2010 (337,076,569 in 2009).

11. MANAGER'S FEE

Part 13 Division 13.1 and The Seventh Schedule of the Supplemental Master Deed provides that the Manager is entitled to a management fee computed daily on the net asset value of the fund at a rate not exceeding 3.00% per annum. The management fee provided for in the financial statements amounted to 0.97% (1.13% in 2009) per annum for the year.

12. TRUSTEE'S FEE

Part 13 Division 13.2 and The Eighth Schedule of the Supplemental Master Deed provides that the Trustee is entitled to a fee not exceeding 0.20% of net asset value of the fund. The Trustee's fee calculated on a daily basis for the period is 0.07% (0.07% in 2009) per annum of the net asset value of the Fund, subject to a minimum of RM18,000 per annum.

13. INCOME TAX EXPENSES

Income tax is calculated at the Malaysian statutory tax rate of 25% (25% in 2009) of the estimated assessable income for the financial year.

There is no tax charge as interest income derived by the Fund is exempted pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967 and Section 8 of the Income Tax (Amendment) Act, 1999 respectively. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61(1)(b) of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2010	2009
	RM	RM
Net income before tax	<u>351,692</u>	<u>12,451,045</u>
Tax at Malaysian statutory rate of 25% (25% in 2009)	87,923	3,112,761
Effect of interest on deposits and other income not subject to tax	(394,040)	(3,550,350)
Effect of expenses not deductible for tax purposes	<u>306,117</u>	<u>437,589</u>
Tax expense for the year	<u>-</u>	<u>-</u>

14. DISTRIBUTION

Distribution to unitholders is from the following sources:

	2010	2009
	RM	RM
Interest income	-	5,106,050
Realised gain on sale of investments	-	5,222,207
	-	10,328,257
Less: Expenses	-	(1,932,934)
Net distribution amount	-	8,395,323
Gross distribution per unit (sen)	-	2.60
Net distribution per unit (sen)	-	2.60

The distribution above was made on 15 July 2009 and 28 December 2009 before taking into account unrealised loss of RM1,742,010 in 2009 which was carried forward to 2010.

15. MANAGEMENT EXPENSE RATIO & PORTFOLIO TURNOVER RATIO

Management Expense Ratio (“MER”)

Management expense ratio for the Fund is 1.05% (1.23% in 2009) for the year ended 31 December 2010. The MER for the current year has decreased compared to previous year due to a higher percentage decrease in expenses compared to the percentage decrease in the average net asset value.

The management expense ratio includes manager’s fee, trustee’s fee, auditors’ remuneration, tax agent’s fee and other expenses (excluding allowance for doubtful debts) which are calculated as follows:

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

A = Manager’s fee

D = Tax agent’s fee

B = Trustee’s fee

E = Other expenses

C = Auditors’ remuneration

F = Average net asset value of Fund

The average net asset value of the Fund for the year is RM121,884,051 (RM145,120,184 in 2009).

Portfolio Turnover Ratio (“PTR”)

The portfolio turnover ratio for the Fund is 0.64 times (0.47 in 2009) for the year ended 31 December 2010. The PTR for the current year has increased compared to the previous year due to an increase in the average transactional value and the decrease in the average net asset value.

The portfolio turnover is derived from the following calculation:

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

Where: total acquisition for the year = RM66,081,890 (RM99,057,959 in 2009)
total disposal for the year = RM89,087,501 (RM36,536,096 in 2009)

16. UNITS HELD BY THE MANAGER AND RELATED PARTIES

There were Nil units (Nil units in 2009) held by the Manager and Nil units (Nil units in 2009) held by other related parties as at the date of the balance sheet.

17. TRANSACTIONS WITH RELATED PARTIES AND OTHER STOCKBROKING COMPANIES/ INVESTMENT BANKS

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

Brokers/Dealers	Value Of Trades RM	% of Total Trades %	Brokerage Fees RM	% Of Total Brokerage Fees %
OSK Investment Bank Berhad	46,121,240	32.10	-	-
RHB Investment Bank Berhad	38,596,024	26.86	-	-
AmBank (M) Berhad	17,175,386	11.95	-	-
CIMB Bank Berhad	11,962,432	8.32	-	-
HSBC Bank Malaysia Berhad	10,242,341	7.13	-	-
Malaysian International Merchant Bankers Berhad	7,467,075	5.20	-	-
Kuwait Finance House (Malaysia) Berhad	6,329,707	4.40	-	-
Maybank Investment Bank Berhad	4,884,575	3.40	-	-
Citibank Berhad	500,000	0.35	-	-
Standard Chartered Bank Malaysia Berhad	410,765	0.29	-	-
	143,689,545	100.00	-	-

18. REPORTING

In accordance with the objective of the Fund, all of the Fund's investments are substantially in the form of fixed income securities in Malaysia. Hence, the Fund does not have any other separately identifiable business or geographical segments.

19. RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to preserve capital through a relatively balanced approach towards equities and fixed income exposures. In order to meet its stated investment objectives, the Fund utilises risk management for both defensive and proactive purposes. Rigorous analysis of sources of risk in the portfolio is carried out and the following policies are implemented to provide effective ways to reduce future risks and enhance future returns within the Fund's mandate. The key risks faced by the Fund are market risk, interest rate risk, credit risk, foreign currency risk and liquidity risk.

(i) *Market risk*

This is a class of risk that inherently exists in an economy and cannot be avoided by any business or company. It is usually due to changes in the economic outlook and affects broad market confidence. Market risk is managed through portfolio diversification and asset allocation whereby the securities exposure is monitored/reduced in the event of anticipated market weakness. Therefore, the performance of the Fund might go up or down in accordance with the prevailing market risk.

(ii) Interest rate risk

Interest rate risks are uncertainties resulting from the effects of fluctuations in the prevailing level of market interest rates on its investments and financial position.

Movements in interest rate will affect the value of unquoted fixed income securities. The Fund seeks to manage this risk by constructing a fixed income portfolio in accordance to the interest rate strategies developed after thorough evaluation of macroeconomic variables. Interest rate on short term deposits and deposits are determined based on prevailing market rates. The Fund seek to obtain rates that are competitive.

Interest rate risk sensitivity

The following table demonstrates the sensitivity of the Fund's profit/(loss) for the year to a possible change in interest rates, with all other variables held constant.

The sensitivity is the effect of the assumed changes in interest rates on:

- The net interest income for one year, based on the floating rate financial assets held at the end of the reporting year ; and
- Changes in fair value of investments for the year based on revaluing fixed rate financial assets at the end of the reporting year.

	Changes in basis points*	Sensitivity of interest income and profit/(loss) RM	Sensitivity of changes in fair value of investments RM	Net combined sensitivity changes RM
2010	+25/ -25	18,402/ (18,402)	(581,105)/ 581,105	(562,703)/ 562,703

* The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Interest rate risk exposure

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

	Up to 1 month RM	1 - 3 months RM	3 - 12 months RM	1 - 5 years RM	Over 5 years RM	Non- interest bearing RM	Total RM
2010							
Assets							
Cash at bank	-	-	-	-	-	13,441	13,441
Deposits with financial institutions	7,360,996	-	-	-	-	-	7,360,996
Unquoted fixed income securities	-	-	-	48,003,351	7,738,103	-	55,741,454
Other assets	-	-	-	-	-	1,395,671	1,395,671
Total assets	7,360,996	-	-	48,003,351	7,738,103	1,409,112	64,511,562
Liabilities							
Other payables and accruals	-	-	-	-	-	2,753,500	2,753,500
Total liability	-	-	-	-	-	2,753,500	2,753,500
Net interest rate sensitivity gap	7,360,996	-	-	48,003,351	7,738,103		

(iii) Credit Risk

Credit risk is the risks that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. The risk applies mainly to unquoted fixed income securities. The Fund expects to reduce credit risks substantially by conducting thorough credit analysis before investment and by diversifying the portfolio.

For deposits in financial institutions, the Fund minimises credit risk by adopting an investment policy which allows dealing with counterparties with good credit rating only. Receivables are monitored to ensure that exposure to bad debts are minimised.

At the reporting date, the Fund has neither past due nor impaired receivables. The maximum exposure to credit risk is projected by the carrying amount of each class of financial assets in the statement of financial position.

Concentration of risk is monitored and managed based on sectorial distribution as set out below:

	<----- 2010 ----->			<----- 2009 ----->		
	Short-term deposits RM (Credit risk)	Unquoted fixed income securities RM (Credit risk)	Quoted securities RM (Equity risk)	Short-term deposits RM (Credit risk)	Unquoted fixed income securities RM (Credit risk)	Quoted securities RM (Equity risk)
Conglomerates	-	-	-	-	10,117,620	-
Construction	-	7,158,432	-	-	5,009,965	-
Consumer products	-	10,218,330	-	-	10,218,220	-
Finance, insurance and business services	7,360,996	10,516,677	-	12,380,000	3,994,349	-
Government	-	-	-	-	5,297,200	-
Healthcare	-	-	-	-	1,958,576	-
Infrastructure	-	-	802,500	-	-	975,000
Investment trust	-	-	-	-	4,184,816	-
Plantation	-	8,992,388	-	-	15,708,716	-
Power	-	-	-	-	4,886,901	-
Properties	-	7,940,224	-	-	20,366,319	-
Sovereign	-	3,177,300	-	-	13,439,400	-
Telecommunications	-	-	-	-	5,102,010	-
Toll roads	-	2,751,798	-	-	8,639,830	-
Trading services	-	-	-	-	740,445	-
Transportation	-	4,986,305	-	-	-	-
Utilities	-	-	-	-	10,100,160	-
Others	-	-	-	-	33,044,921	-
	7,360,996	55,741,454	802,500	12,380,000	152,809,448	975,000

Credit quality of financial assets

The following table analyses the Fund's portfolio of fixed income securities by rating category:

Credit rating	As at 31 December 2010	
	As a % of debt securities	As a % of NAV
AAA	27.28%	24.62%
AA2/ AA	16.13%	14.56%
AA3/ AA-	12.84%	11.59%
A1/ A+	5.47%	4.94%
A2/ A	13.40%	12.09%
BBB3	4.94%	4.46%
B+	14.24%	12.86%
NR	5.70%	5.14%
	100.00%	90.26%

(iv) Liquidity risk

In a weak and thinly traded market where the transaction volume is low, the investments in the Fund may not be liquidated in the desired amount without causing the market price of the securities to fall sharply. The Fund Manager aims to reduce liquidity risk by investing mainly in companies with relatively large market capitalization, and are fairly liquid.

The following table summarises the Fund's remaining contractual maturity for its financial liabilities :

	Up to 1 month RM	1 - 3 months RM	3 - 12 months RM	1 - 5 years RM	Over 5 years RM	Total RM
2010						
Financial liabilities						
Other payables and accruals	30,020	7,800	2,715,680	-	-	2,753,500
Total liabilities	30,020	7,800	2,715,680	-	-	2,753,500

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund's financial assets at FVTPL are carried at fair value. In general, quoted and observable market prices are used as the measure of fair values for quoted securities.

For unquoted fixed income securities, fair values are generally obtained from the indicative market yields quoted by a bond pricing agency. In the event that the Manager is of the opinion that the value of the fixed income securities differs from the indicative yields quoted by the bond pricing agency, the Manager will value the securities based on a pricing model that reflects prevailing market conditions.

For deposits and placements with financial institutions with maturities of less than twelve months, the carrying value is a reasonable estimate of fair value. For deposits and placements with financial institutions with maturities of more than twelve months, the estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining year to maturity. The carrying amounts of the financial assets other than the investments and financial liabilities as at balance sheet date approximate their fair values because of the short term to maturity of these instruments

Avenue BondEXTRA Fund

**STATEMENT BY MANAGER
To the Unitholders of Avenue BondEXTRA Fund**

We, Tan Jin Teik and Mahadzir Bin Azizan, two of the Directors of the Manager, Avenue Invest Berhad, do hereby state that in the opinion of the Manager, the financial statements set out on pages 32 to 51 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the statement of financial position of the Fund as at 31 December 2010 and the related statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Fund together with the notes thereto for the year ended on that date, in accordance with the Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia.

**For and on behalf of the Manager
AVENUE INVEST BERHAD**

TAN JIN TEIK
MANAGING DIRECTOR

MAHADZIR BIN AZIZAN
INDEPENDENT NON EXECUTIVE
DIRECTOR

22 February 2011

**Independent auditors' report to the unitholders of
Avenue BondEXTRA Fund**

Report on the financial statements

We have audited the financial statements of Avenue BondEXTRA Fund, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 32 to 51.

Manager's and Trustee's responsibility for the financial statements

The Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable fair presentation of these financial statements.

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 judgment, 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 and fair presentation of the financial statements 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 Fund's internal control. An audit also includes evaluating the appropriateness of the 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 and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of the Fund as at 31 December 2010 and of its financial performance, the changes in equity and the cash flows of the Fund for the year then ended.

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Chan Hooi Lam
No. 2844/02/12(J)
Chartered Accountant

Kuala Lumpur, Malaysia
22 February 2011

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Note	2010 RM	2009 RM	1 January 2009 RM
ASSETS				
Investments	3	282,166,187	98,093,664	81,049,077
Deposits with financial institutions	6	123,890,000	46,420,000	20,360,000
Other receivables	7	2,073,235	405,404	203,876
Cash at bank		14,518	8,006,562	17,757
TOTAL ASSETS		<u>408,143,940</u>	<u>152,925,630</u>	<u>101,630,710</u>
LIABILITIES				
Accruals	8	188,772	73,266	140,806
TOTAL LIABILITIES		<u>188,772</u>	<u>73,266</u>	<u>140,806</u>
EQUITY				
Unitholders' capital		405,967,079	150,876,005	99,827,674
Retained earnings		1,988,089	1,976,359	1,662,230
TOTAL EQUITY	9	<u>407,955,168</u>	<u>152,852,364</u>	<u>101,489,904</u>
TOTAL EQUITY AND LIABILITIES		<u>408,143,940</u>	<u>152,925,630</u>	<u>101,630,710</u>
UNITS IN CIRCULATION				
Net Asset Value ("NAV") Per Unit	9(a) 10	<u>761,564,523</u> <u>0.5357</u>	<u>286,149,283</u> <u>0.5342</u>	<u>191,166,025</u> <u>0.5309</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Note	2010 RM	2009 RM
INVESTMENT INCOME			
Interest income		4,840,018	1,283,304
Net gain from investments:			
- financial assets at fair value through profit or loss ("FVTPL")	4	4,747,158	-
- net realised gain on sale of investments		-	2,399,366
- net unrealised gain on changes in value of investments held		-	396,912
		9,587,176	4,079,582
EXPENSES			
Manager's fee	11	1,366,138	527,486
Trustee's fee	12	191,259	73,848
Auditors' remuneration		2,200	4,100
Tax agent's fee		1,800	1,800
Other expenses		10,627	6,219
		1,572,024	613,453
Net income before tax		8,015,152	3,466,129
Income tax expenses	13	-	-
Net income after tax		8,015,152	3,466,129
Other comprehensive income		-	-
Total comprehensive income for the year		8,015,152	3,466,129
Net income after tax is made up of the following:			
Net realised income		6,745,990	3,069,217
Net unrealised gain		1,269,162	396,912
		8,015,152	3,466,129
Distributions for the year:			
Net distribution amount	14	8,003,422	3,152,000
Net distribution per unit (sen)		1.44	1.44
Gross distribution per unit (sen)		1.44	1.44

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Unitholders' capital Note 9(a) RM	Retained earnings Notes 9(b) and (c) RM	Total equity RM
As at 1 January 2009	99,827,674	1,662,230	101,489,904
Total comprehensive income for the year	-	3,466,129	3,466,129
Creation of units	202,991,908	-	202,991,908
Cancellation of units	(151,943,577)	-	(151,943,577)
Distributions (Note 14)	-	(3,152,000)	(3,152,000)
Balance at 31 December 2009	<u>150,876,005</u>	<u>1,976,359</u>	<u>152,852,364</u>
Total comprehensive income for the year	-	8,015,152	8,015,152
Creation of units	658,614,567	-	658,614,567
Cancellation of units	(403,523,493)	-	(403,523,493)
Distributions (Note 14)	-	(8,003,422)	(8,003,422)
As at 31 December 2010	<u>405,967,079</u>	<u>1,988,089</u>	<u>407,955,168</u>

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	2010 RM	2009 RM
Cash flows from operating and investing activities		
Proceeds from sale/maturity of investments	544,521,011	255,109,428
Interest received	4,479,103	1,081,777
Purchase of investments	(723,853,367)	(269,357,737)
Manager's fee paid	(1,264,553)	(587,434)
Trustee's fee paid	(177,038)	(82,241)
Payment for other fees and expenses	(14,927)	(11,319)
Net cash used in operating and investing activities	<u>(176,309,771)</u>	<u>(13,847,526)</u>
Cash flows from financing activities		
Cash received from units created	657,314,642	202,991,908
Cash paid on units cancelled	(403,523,493)	(151,943,577)
Distributions paid	(8,003,422)	(3,152,000)
Net cash generated from financing activities	<u>245,787,727</u>	<u>47,896,331</u>
Net increase in cash and cash equivalents	69,477,956	34,048,805
Cash and cash equivalents at the beginning of the year	<u>54,426,562</u>	<u>20,377,757</u>
Cash and cash equivalents at the end of the year	<u>123,904,518</u>	<u>54,426,562</u>
Cash and cash equivalents comprise:		
Cash at bank	14,518	8,006,562
Deposits with financial institutions	123,890,000	46,420,000
	<u>123,904,518</u>	<u>54,426,562</u>

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

Avenue MoneyEXTRA Fund

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

1. GENERAL INFORMATION

Avenue MoneyEXTRA Fund (“MoneyEXTRA” or “the Fund”) was established pursuant to the Deed dated 25 August 1999 (“Master Deed”) as supplemented by the Second Supplemental Deed dated 23 September 2002 (“Second Supplemental Deed”) between Avenue Invest Berhad (“AvIB”) as the Manager, Mayban Trustees Berhad as the Trustee and the registered Unitholders of the Fund. On 4 March 2009, a Supplemental Master Deed was entered into between AvIB and the Independent Trustee to merge the aforesaid Deeds for the following purposes:

- to provide for certain modifications to bring them in line with recent changes to the relevant laws; and
- to merge them into a single document for ease of reference.

The principal activity of the Fund is to invest in investments as defined under Part 1 of the Supplemental Master Deed, which includes quoted and unquoted fixed income securities and deposits with financial institutions. MoneyEXTRA commenced operations on 8 October 2002 and will continue its operations until terminated in accordance with Part 12 of the Supplemental Master Deed. The objective of MoneyEXTRA is to maintain a high degree of liquidity while providing current income by investing in short-term, high quality ringgit-denominated money market instruments.

The Manager of the Fund is Avenue Invest Berhad, a company incorporated in Malaysia. Its holding company is ECM Libra Financial Group Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Manager are managing private and public funds; and distributing a range of unit trust funds to institutional and retail investors.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 22 February 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Fund have been prepared in accordance with Financial Reporting Standards (“FRS”) and the Securities Commission’s Guidelines on Unit Trust Funds in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia (“RM”).

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and revised FRS and IC Interpretations which are effective for financial year beginning on or after 1 January 2010. Except as discussed below, these new and revised FRS and IC Interpretations do not give rise to any significant effects on the financial statements of the Fund.

FRS 7: Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Fund has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the financial statements for the year ended 31 December 2010.

FRS 8: Operating Segments

FRS 8, which replaces FRS 114: Segment Reporting, requires disclosure of information about the Fund's operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance, and replaces the requirement of the Fund to determine primary (business) and secondary (geographical) reporting segments. As this is a disclosure standard, there is no financial impact on the financial position or results of the Fund.

FRS101: Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Fund has elected to present this statement as one single statement.

In addition, as statement of financial position is required at the beginning of the earlier comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements. The revised FRS 101 was adopted retrospectively by the Fund.

Amendments to FRS 132: Financial Instruments: Presentation and FRS 101: Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation

Amendments to FRS 132 and FRS 101 became effective for annual periods beginning on or after 1 January 2010. The amendment to FRS 132 requires entities to classify puttable financial instruments as equity if the instruments have certain particular features and meet specific conditions. The amendments to FRS 101 require disclosure of certain information relating to puttable instruments classified as equity.

The unitholders' equity has the features and meets the conditions for classification as equity instruments. Consequently, upon adoption of the Amendments to FRS 132, unitholders' equity amounting to RM407,955,168 (31 December 2009: RM152,852,364) is reclassified from financial liabilities to equity. Distributions made by the Fund are recognised as dividends in equity in the period in which they are declared.

FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Fund has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provision. Comparatives are not restated. The details of the changes in accounting policies and the effect arising from the adoption of FRS 139 are discussed below:

- Fixed income securities

Prior to 1 January 2010, the Fund's investments in quoted equity instruments and fixed income securities were carried at the last done market price as at the reporting date, while its investments in collective investments schemes were valued based on their NAV per unit at the close of the reporting date. The fair value adjustments on the investments were recognised in profit or loss.

Upon adoption of FRS 139, these investments are classified on 1 January 2010, as either financial instruments at FVTPL or available-for sale ("AFS") financial instruments and are stated at their respective fair values. The determination of these investments as financial instruments at FVTPL did not materially affect the financial statements of the Fund.

2.3 Standards Issued But Not Yet Effective

The Fund has not adopted the following standards and interpretations which have been issued but no yet effective:

	Effective for financial periods beginning on or after
FRS, Amendments to FRS and Interpretations	
Amendments to FRS 132 Financial Instruments: Presentation	* 1 March 2010
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combinations	1 July 2010
FRS 127 : Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 2: Share - based Payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
IC Interpretation 12: Service Concession Arrangements	1 July 2010
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17: Distributions of Non-cash Assets to Owners	1 July 2010
Amendments IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010
Limited Exemption from Comparative FRS 7 Disclosures for First Time Adopters (Amendments to FRS 1)	1 January 2011
Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2011
Additional Exemptions for First-time Adopters (Amendments to FRS 1)	1 January 2011
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	1 January 2011
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124: Related Party Disclosures	1 January 2012
IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012
Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012

*The amendments in paragraphs 11, 16 and 97E of the Standard, relating to Classification of Rights Issues shall apply to financial statements of annual periods beginning on or after 1 March 2010.

The adoptions of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Fund.

2.4 Summary of Significant Accounting Policies

(a) Financial assets

Financial assets 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.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Fund determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and loans and receivables.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading include fixed income securities and collective investment schemes acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss'. Interest earned on such instruments are recorded in 'Interest income'. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Fund includes short term receivables in this classification.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(b) Impairment of financial assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset classified as loans and receivables is impaired.

To determine whether is objective evidence that an impairment loss on financial assets has been incurred, the Fund considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default of significant delay in payments.

If 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.

(b) Impairment of financial assets (Contd.)

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 year, the amount of the impaired 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 balance at the reversal date. The amount of reversal is recognised in profit or loss.

(c) 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.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and deposits with financial institutions which have an insignificant risk of changes in value.

(e) Revenue Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be relatively measured. Income is measured at the fair value of the consideration received or receivable. Interest income from deposits and fixed income securities is recognised on an accrual basis using effective interest or effective yield method.

Realised gain and loss on disposal of financial instruments classified as part of "at FVTPL" are calculated using the weighted average method. They represent the difference between an instrument's carrying amount based on the weighted average method and disposal amount of the investment.

(f) Income Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

No deferred tax is recognised as there are no material temporary differences.

(g) Unitholder capital

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments under the revised FRS 132. Comparative figures have been restated. Distributions to unitholders are recorded in equity when declared.

(h) Cash Flow Statement

The Fund adopts the direct method in the preparation of cash flow statement. Cash and cash equivalents include cash and bank balances and highly liquid investments (exclude equity investments) with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

(i) Functional and Presentation Currency

The financial statements of MoneyEXTRA are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also its functional currency.

(j) Significant Accounting Estimates And Judgements

The preparation of financial statements in accordance with FRS requires the use of certain accounting estimates and exercise of judgements. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

When the fair value of financial assets recorded in the Statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumption about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

3. INVESTMENTS

	2010	2009	1 January 2009
	Financial Assets at FVTPL (Note 4) RM	Total (Note 5) RM	Total (Note 5) RM
Investments	282,166,187	98,093,664	81,049,077

Prior to the adoption of FRS 139 on 1 January 2010, the investments of the Fund, although carried at fair values, need not be classified as “financial assets at FVTPL”.

4. FINANCIAL ASSETS AT FVTPL

	2010 RM
Financial assets held for trading:	
Unquoted fixed income securities	<u>282,166,187</u>
Net gain on financial assets at FVTPL comprised:	
Realised gain on disposals	3,477,996
Unrealised changes in fair values	<u>1,269,162</u>
	<u>4,747,158</u>

Financial assets held for trading as at 31 December 2010 are as detailed below:

UNQUOTED FIXED INCOME SECURITIES

	Nominal Value	Market Price	Cost	Fair Value	% of NAV
Issuer (rating)	RM'000	RM	RM	RM	%
maturity/coupon (%)					
Commercial Paper					
Bandar Raya Developments Bhd (P1) 2011/0.00	10,000	99.88	9,973,246	9,987,920	2.45
Bayu Padu Sdn Bhd (M1) 2011/0.00	10,000	99.97	9,990,959	9,996,710	2.45
Cellular Structures Sdn Bhd (M1) 2011/0.00	5,000	99.91	4,899,178	4,995,615	1.23
Esso Capital Sdn Bhd (P1) 2011/0.00	4,000	99.59	3,971,729	3,983,432	0.98
Horizon Hills Sdn Bhd (M1) 2011/0.00	2,000	99.63	1,984,542	1,992,696	0.49
Horizon Hills Sdn Bhd (M1) 2011/0.00	5,000	99.63	4,960,733	4,981,445	1.22
Hubline Bhd (P1) 2011/0.00	5,000	99.48	4,960,795	4,974,150	1.22
Hubline Bhd (P1) 2011/0.00	5,000	99.48	4,960,421	4,973,905	1.22
Hubline Bhd (P1) 2011/0.00	3,000	99.46	2,976,403	2,983,743	0.73
KPJ Healthcare Bhd (P1) 2011/0.00	20,000	99.88	19,928,559	19,975,600	4.90
KPJ Healthcare Bhd (P1) 2011/0.00	3,000	99.70	2,987,375	2,991,057	0.73

65
Avenue MoneyEXTRA Fund

Issuer (rating) maturity/coupon (%)	Nominal Value	Market Price	Cost	Fair Value	% of NAV
	RM'000	RM	RM	RM	%
Pengurusan Air SPV Bhd (P1) 2011/0.00	68,000	99.65	67,454,957	67,763,020	16.61
Perbadanan Kemajuan Negeri Selangor (P1) 2011/0.00	15,000	99.56	14,760,095	14,934,450	3.66
Perbadanan Kemajuan Negeri Selangor (P1) 2011/0.00	2,000	99.57	1,991,315	1,991,316	0.49
Radicare (M) Sdn Bhd (M1) 2011/0.00	10,000	98.87	9,861,096	9,886,740	2.42
TSH Sukuk Ijarah Sdn Bhd (M1) 2011/0.00	9,000	99.03	8,824,604	8,912,790	2.19
YTL Corporation Bhd (P1) 2011/0.00	10,000	99.46	9,922,329	9,945,630	2.44
YTL Corporation Bhd (P1) 2011/0.00	10,000	99.45	9,921,096	9,944,770	2.44
YTL Power International Bhd (P1) 2011/0.00	25,000	98.92	24,598,890	24,729,600	6.06
			<u>218,928,322</u>	<u>219,944,589</u>	
Bonds					
Ample Zone Berhad (B+) 2012/9.30	2,000	99.25	2,060,200	1,985,056	0.49
Dura Palm Sdn Bhd (AAA) 2014/5.80	1,360	100.12	1,370,749	1,361,604	0.33
Haluan Gigih Sdn Bhd (AA) 2013/4.25	9,000	100.25	9,000,000	9,022,455	2.21
Naim Cendera Holdings Bhd (AA3) 2011/4.80	15,000	100.12	15,015,000	15,018,675	3.68
Sunrise Berhad (A+) 2013/4.90	2,500	101.74	2,537,250	2,543,455	0.62
Tesco Stores (M) Sdn Bhd (AAA) 2011/4.25	5,000	100.72	5,000,000	5,036,170	1.23
TSH Sukuk Ijarah Sdn Bhd (AA-) 2012/5.45	13,000	100.81	13,000,000	13,105,313	3.21
WCT Bhd (AA-) 2013/2.50	15,000	94.33	14,148,000	14,148,870	3.47
			<u>62,131,199</u>	<u>62,221,598</u>	
TOTAL UNQUOTED FIXED INCOME SECURITIES			<u>281,059,521</u>	<u>282,166,187</u>	<u>69.17</u>
TOTAL FINANCIAL ASSETS AT FVTPL			<u>281,059,521</u>	<u>282,166,187</u>	<u>69.17</u>
EXCESS OF FAIR VALUE OVER COST				<u>1,106,666</u>	

The effective average yield for unquoted fixed income securities as at 31 December 2010 is 3.5% (4.7% in 2009) per annum.

5. PRIOR YEAR INVESTMENTS

	2009	1 January
	RM	2009
		RM
At cost		
Unquoted fixed income securities	97,892,972	80,742,191
	<u> </u>	<u> </u>
At market value		
Unquoted fixed income securities	98,093,664	81,049,077
	<u> </u>	<u> </u>

6. DEPOSITS WITH FINANCIAL INSTITUTIONS

Short-term deposits represent deposits with ECM Libra Investment Bank Berhad, an investment bank related to the Manager, Kuwait Finance House (Malaysia) Berhad and OSK Investment Bank Berhad. The effective average interest rate for short-term deposits as at 31 December 2010 is 2.74% (1.96% in 2009) per annum. The average maturity of these deposits as at 31 December 2010 is 1 (1 in 2009) day.

7. OTHER RECEIVABLES

	2010	2009	1 January
	RM	RM	2009
			RM
Amount due from Manager – creation of units	1,299,925	-	-
Interest receivable	773,310	405,404	203,876
	<u>2,073,235</u>	<u>405,404</u>	<u>203,876</u>

8. ACCRUALS

	2010	2009	1 January
	RM	RM	2009
			RM
Accruals:			
Manager's fee	161,379	59,795	119,742
Trustee's fee	22,593	8,371	16,764
Audit fee	3,000	3,300	2,500
Tax agent's fee	1,800	1,800	1,800
	<u>188,772</u>	<u>73,266</u>	<u>140,806</u>

9. TOTAL EQUITY

	Note	2010	2009	1 January
		RM	RM	2009*
				RM
Unitholders' capital	(a)	405,967,079	150,876,005	99,827,674
Retained earnings				
- Unrealised reserves	(b)	1,106,666	200,692	306,886
- Realised reserves	(c)	881,423	1,775,667	1,355,344
Total equity		<u>407,955,168</u>	<u>152,852,364</u>	<u>101,489,904</u>

(a) Unitholders' Capital

	2010 Units	2010 RM	2009 Units	2009 RM	1 January 2009* Units	1 January 2009* RM
At beginning of the year	286,149,283	150,876,005	191,166,025	99,827,674	189,703,836	98,877,376
Creation of units	1,226,931,439	658,614,567	379,803,504	202,991,908	413,574,886	219,280,109
Cancellation of units	(751,516,199)	(403,523,493)	(284,820,246)	(151,943,577)	(412,112,697)	(218,329,811)
At end of the year	<u>761,564,523</u>	<u>405,967,079</u>	<u>286,149,283</u>	<u>150,876,005</u>	<u>191,166,025</u>	<u>99,827,674</u>

In accordance with Part 6 Division 6.1 of the Supplemental Master Deed and Securities Commission's approval letter dated 25 May 2010, the maximum number of units that can be issued out for circulation is 1,000,000,000 (500,000,000 in 2009). As at 31 December 2010, the number of units not yet issued is 238,435,477 (213,850,717 in 2009).

Included in the units created during the year are 14,955,477 (5,913,676 in 2009) units from reinvestment of distributions on 26 March 2010, 25 June 2010, 28 September 2010 and 29 December 2010 (25 March 2009, 24 June 2009, 28 September 2009 and 29 December 2009 in the previous year).

(b) Unrealised Reserves

	2010 RM	2009 RM	1 January 2009* RM
At beginning of the year	200,692	306,886	158,228
Unrealised gain attributable to investments sold transferred to Realised Reserves	(363,188)	(503,106)	(233,231)
Net unrealised gain attributable to investments held transferred from the Income Statement	<u>1,269,162</u>	<u>396,912</u>	<u>381,889</u>
At end of the year	<u>1,106,666</u>	<u>200,692</u>	<u>306,886</u>

(c) Realised Reserves

	2010 RM	2009 RM	1 January 2009* RM
At beginning of the year	1,775,667	1,355,344	890,503
Unrealised gain attributable to investments sold transferred from Unrealised Reserves	<u>363,188</u>	<u>503,106</u>	<u>233,231</u>
Net movement in realised gain for the year	2,138,855	1,858,450	1,123,734
Net income after tax	8,015,152	3,466,129	3,502,744
Net unrealised gain transferred to Unrealised Reserves	(1,269,162)	(396,912)	(381,889)
Distributions for the year	<u>(8,003,422)</u>	<u>(3,152,000)</u>	<u>(2,889,245)</u>
At end of the year	<u>881,423</u>	<u>1,775,667</u>	<u>1,355,344</u>

* The movements presented are those in financial year 2008.

10. NAV PER UNIT

The net asset value per unit is calculated by dividing the net assets of RM407,955,168 as at 31 December 2010 (RM152,852,364 in 2009) by 761,564,523 units in issue as at 31 December 2010 (286,149,283 in 2009).

11. MANAGER'S FEE

Part 13 Division 13.1 and The Seventh Schedule of the Supplemental Master Deed provides that the Manager is entitled to a management fee computed daily on the net asset value of the Fund at a rate not exceeding 3.00% per annum. The management fee provided for the financial statements amounted to 0.50% (0.50% in 2009) per annum for the year.

12. TRUSTEE'S FEE

Part 13 Division 13.2 and The Eighth Schedule of the Supplemental Master Deed provides that the Trustee is entitled to a fee not exceeding 0.20% of net asset value of the Fund. The Trustee's fee calculated on a daily basis for the period is 0.07% (0.07% in 2009) per annum of the net asset value of the Fund, subject to a minimum of RM18,000 per annum.

13. INCOME TAX EXPENSES

Income tax is calculated at the Malaysian statutory tax rate of 25% (25% in 2009) of the estimated assessable income for the financial period.

There is no tax charge as interest income derived by the Fund is exempted pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61(1)(b) of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to net income before tax at the Malaysian statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follow:

	2010	2009
	RM	RM
Net income before tax	<u>8,015,152</u>	<u>3,466,129</u>
Tax at Malaysian statutory rate of 25% (25% in 2009)	2,003,788	866,532
Tax effect of:		
Income not subject to tax	(2,362,558)	(1,006,581)
Expenses not deductible for tax purposes	<u>358,770</u>	<u>140,049</u>
Tax expense for the year	<u>-</u>	<u>-</u>

14. DISTRIBUTIONS

	2010	2009
	RM	RM
Distributions to unitholders is from the following sources:		
Interest income	4,840,018	1,283,304
Realised gain on sale of investments	3,477,996	2,399,366
Previous year's realised gain	1,257,432	82,783
	9,575,446	3,765,453
Less : Expenses	(1,572,024)	(613,453)
Net distribution amount	8,003,422	3,152,000
Gross distribution per unit (sen)	1.44	1.44
Net distribution per unit (sen)	1.44	1.44

The above distributions have been made on 26 March 2010, 25 June 2010, 28 September 2010 and 29 December 2010 (25 March 2009, 24 June 2009, 28 September 2009 and 29 December 2009 in the previous year) before taking into account unrealised gain for the year of RM1,269,162 (RM396,912 in 2009) which is carried forward to next year.

15. MANAGEMENT EXPENSE RATIO & PORTFOLIO TURNOVER RATIO

Management Expense Ratio (“MER”)

Management expense ratio for the Fund is 0.58% (0.58% in 2009) for the year ended 31 December 2010. The MER for the current year remains consistent with the previous year.

The management expense ratio includes manager's fee, trustee's fee, auditor's remuneration, tax agent's fee and other expenses which are calculated as follows:

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

A	= Manager's fee	D	= Tax agent's fee
B	= Trustee's fee	E	= Other expenses
C	= Auditor's remuneration	F	= Average net asset value of fund

The average net asset value of the Fund for the year is RM273,223,240 (RM105,495,588 in 2009).

Portfolio Turnover Ratio (“PTR”)

The portfolio turnover ratio for the Fund is 1.45 times (1.41 in 2009) for the year ended 31 December 2010. The PTR for the current year has increased compared to the previous year due to a higher percentage increase in the average transactional value compared to the percentage increase in the average net asset value.

The portfolio turnover is derived from the following calculation:

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

Where: total acquisition for the year = RM723,853,367 (RM269,357,737 in 2009)
total disposal for the year = RM66,521,011 (RM28,109,428 in 2009)

16. UNITS HELD BY THE MANAGER AND RELATED PARTIES

There were Nil unit (Nil unit in 2009) held by the Manager and Nil unit (Nil unit in 2009) held by other related parties as at the date of balance sheet.

17. TRANSACTIONS WITH RELATED PARTIES AND OTHER STOCKBROKING COMPANIES/ INVESTMENT BANKS

Details of transactions with related parties and other stockbroking companies/investment banks for the financial year ended 31 December 2010 are as follows:

Brokers/Dealers	Value Of Trades RM	% Of Total Trades %	Brokerage Fees RM	% Of Total Brokerage Fees %
CIMB Investment Bank Berhad	287,280,133	36.34	-	-
AmBank (M) Berhad	183,406,022	23.20	-	-
Hong Leong Bank Berhad	79,463,785	10.05	-	-
Affin Investment Bank Berhad	56,730,485	7.18	-	-
RHB Investment Bank Berhad	42,742,185	5.41	-	-
MIDF Amanah Investment Bank Berhad	30,614,941	3.87	-	-
AmInvestment Bank Berhad	29,480,674	3.73	-	-
OSK Investment Bank Berhad	28,164,211	3.56	-	-
OCBC Bank Malaysia Berhad	17,942,664	2.27	-	-
HSBC Bank Malaysia Bhd	14,809,288	1.87	-	-
Others	19,961,444	2.52	-	-
	790,595,832	100.00	-	-

18. SEGMENTAL REPORTING

In accordance with the objective of the Fund, all of the Fund's investments are substantially in the form of fixed income securities in Malaysia. Hence, the Fund does not have any other separately identifiable business or geographical segments.

19. RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to preserve capital through a relatively balanced approach towards fixed income exposures. In order to meet its stated investment objectives, the Fund utilises risk management for both defensive and proactive purposes. Rigorous analysis of sources of risk in the portfolio is carried out and the following policies are implemented to provide effective ways to reduce future risks and enhance future returns within the Fund's mandate. The key risks faced by the Fund are market risk, interest rate risk, credit risk, foreign currency risk and liquidity risk.

Avenue MoneyEXTRA Fund

	Up to 1 month RM	1 - 3 months RM	3 - 12 months RM	1 - 5 years RM	Over 5 years RM	Non- interest bearing RM	Total RM
financial institutions							
Unquoted fixed income securities	44,955,845	155,391,079	39,652,510	42,166,753	-	-	282,166,187
Other assets	-	-	-	-	-	2,073,235	2,073,235
Total assets	168,845,845	155,391,079	39,652,510	42,166,753	-	2,087,753	408,143,940
Liabilities							
Other payables and accruals	-	-	-	-	-	188,772	188,772
Total liability	-	-	-	-	-	188,772	188,772
Net interest rate sensitivity gap	168,845,845	155,391,079	39,652,510	42,166,753	-		

(iii) Credit risk

Credit risk is the risks that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. The risk applies mainly to unquoted fixed income securities. The Fund expects to reduce credit risks substantially by conducting thorough credit analysis before investment and by diversifying the portfolio.

For deposits in financial institutions, the Fund minimises credit risk by adopting an investment policy which allows dealing with counterparties with good credit rating only. Receivables are monitored to ensure that exposure to bad debts are minimised.

At the reporting date, the Fund has neither past due nor impaired receivables. The maximum exposure to credit risk is projected by the carrying amount of each class of financial assets in the statement of financial position.

Concentration of risk is monitored and managed based on sectorial distribution as set out below:

	<----- 2010 ----->		<----- 2009 ----->	
	Short-term deposits RM	Unquoted fixed income securities RM	Short-term deposits RM	Unquoted fixed income securities RM
Conglomerates	-	19,890,400	-	-
Construction	-	29,167,545	-	-
Consumer products	-	5,036,170	-	10,000,785
Finance, insurance and business services	123,890,000	-	46,420,000	-
Healthcare	-	32,853,397	-	9,792,880
Industrial manufacturing	-	-	-	19,597,780
Natural resources	-	1,361,604	-	-
Oil and gas	-	13,980,142	-	24,387,765
Plantations	-	22,018,103	-	11,442,554
Power	-	24,729,600	-	-
Properties	-	38,416,338	-	6,946,779
Telecommunications	-	4,995,615	-	15,925,121
Toll Roads	-	9,022,455	-	-
Transportation	-	12,931,798	-	-
Water	-	67,763,020	-	-
	123,890,000	282,166,187	46,420,000	98,093,664

Credit quality of financial assets

The following table analyses the Fund's portfolio of fixed income securities by rating category:

Credit rating	As at 31 December 2010	
	As a % of debt securities	As a % of NAV
AAA	2.27%	1.57%
AA2/ AA	3.20%	2.21%
AA3/ AA-	14.98%	10.36%
A1/ A+	0.90%	0.62%
B+	0.70%	0.49%
M1/ P1	77.95%	53.92%
	100.00%	69.17%

(iv) Liquidity risk

In a weak and thinly traded market where the transaction volume is low, the investments in the Fund may not be liquidated in the desired amount without causing the market price of the securities to fall sharply. The Fund Manager aims to reduce liquidity risk by investing mainly in companies with relatively large market capitalization, and are fairly liquid.

The following table summarises the Fund's remaining contractual maturity for its financial liabilities:

	Up to 1 month RM	1 - 3 months RM	3 - 12 months RM	1 - 5 years RM	Over 5 years RM	Total RM
2010						
Financial liabilities						
Other payables and accruals	183,972	4,800	-	-	-	188,772
Total liabilities	183,972	4,800	-	-	-	188,772

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fund's financial assets at FVTPL are carried at fair value. In general, quoted and observable market prices are used as the measure of fair values for quoted securities.

For unquoted fixed income securities, fair values are generally obtained from the indicative market yields quoted by a bond pricing agency. In the event that the Manager is of the opinion that the value of the fixed income securities differs from the indicative yields quoted by the bond pricing agency, the Manager will value the securities based on a pricing model that reflects prevailing market conditions.

For deposits and placements with financial institutions with maturities of less than twelve months, the carrying value is a reasonable estimate of fair value. For deposits and placements with financial institutions with maturities of more than twelve months, the estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining year to maturity. The carrying amounts of the financial assets other than the investments and financial liabilities as at balance sheet date approximate their fair values because of the short term to maturity of these instruments.

STATEMENT BY MANAGER

To the Unitholders of Avenue MoneyEXTRA Fund

We, Tan Jin Teik and Mahadzir Bin Azizan, two of the Directors of the Manager, Avenue Invest Berhad, do hereby state that in the opinion of the Manager, the financial statements set out on pages 54 to 73 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the statement of financial position of the fund as at 31 December 2010 and the related statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Fund together with the notes thereto for the year ended on that date in accordance with the Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia.

**For and on behalf of the Manager,
AVENUE INVEST BERHAD**

TAN JIN TEIK
MANAGING DIRECTOR

MAHADZIR BIN AZIZAN
INDEPENDENT NON EXECUTIVE
DIRECTOR

22 February 2011

**Independent auditors' report to the unitholders of
Avenue MoneyEXTRA Fund**

Report on the financial statements

We have audited the financial statements of Avenue MoneyEXTRA Fund, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 54 to 73.

Manager's and Trustee's responsibility for the financial statements

The Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable fair presentation of these financial statements.

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 judgment, 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 and fair presentation of the financial statements 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 Fund's internal control. An audit also includes evaluating the appropriateness of the 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 and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of the Fund as at 31 December 2010 and of its financial performance, the changes in equity and the cash flows of the Fund for the year then ended.

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Chan Hooi Lam
No. 2844/02/12(J)
Chartered Accountant

Kuala Lumpur, Malaysia
22 February 2011

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Note	2010 RM	2009 RM	1 January 2009 RM
ASSETS				
Investments	3	7,260,551	9,346,531	8,099,395
Deposits with financial institutions	6	3,260,000	3,520,000	3,000,000
Other receivables	7	368,850	492,549	114,862
Cash at bank		102,110	50,735	6,440
TOTAL ASSETS		<u>10,991,511</u>	<u>13,409,815</u>	<u>11,220,697</u>
LIABILITIES				
Other payables and accruals	8	369,467	372,834	145,675
TOTAL LIABILITIES		<u>369,467</u>	<u>372,834</u>	<u>145,675</u>
EQUITY				
Unitholders' capital		9,165,340	12,253,396	13,511,145
Retained earnings		1,456,704	783,585	(2,436,123)
TOTAL EQUITY	9	<u>10,622,044</u>	<u>13,036,981</u>	<u>11,075,022</u>
TOTAL EQUITY AND LIABILITIES		<u>10,991,511</u>	<u>13,409,815</u>	<u>11,220,697</u>
UNITS IN CIRCULATION	9(a)	<u>20,082,204</u>	<u>26,275,276</u>	<u>29,186,551</u>
Net Asset Value ("NAV") Per Unit	10	<u>0.5289</u>	<u>0.4962</u>	<u>0.3795</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Note	2010 RM	2009 RM
INVESTMENT INCOME			
Gross dividend income		164,154	250,794
Interest income		144,626	132,529
Net gain from investments:			
- financial assets at fair value through profit or loss ("FVTPL")	4	665,074	-
- net realised gain on sale of investments		-	2,331,918
- net unrealised gain on changes in value of investments held		-	784,525
- net unrealised loss on foreign exchange		-	(24,184)
		973,854	3,475,582
EXPENSES			
Manager's fee	11	186,700	199,548
Trustee's fee	12	24,243	8,440
Auditors' remuneration		3,400	5,600
Tax agent's fee		2,800	4,700
Other expenses		76,414	23,205
		293,557	241,493
Net income before tax		680,297	3,234,089
Income tax expenses	13	(7,178)	(14,381)
Net income after tax		673,119	3,219,708
Other comprehensive income		-	-
Total comprehensive income for the year		673,119	3,219,708
Net income after tax is made up of the following:			
Net realised income		208,307	2,459,367
Net unrealised gain		464,812	760,341
		673,119	3,219,708

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Unitholders' capital Note 9(a) RM	Retained earnings Notes 9(b) and (c) RM	Total equity RM
At 1 January 2009	13,511,145	(2,436,123)	11,075,022
Total comprehensive income for the year	-	3,219,708	3,219,708
Creation of units	1,406,287	-	1,406,287
Cancellation of units	(2,664,036)	-	(2,664,036)
Balance at 31 December 2009	<u>12,253,396</u>	<u>783,585</u>	<u>13,036,981</u>
Total comprehensive income for the year	-	673,119	673,119
Creation of units	450,815	-	450,815
Cancellation of units	(3,538,871)	-	(3,538,871)
Balance at 31 December 2010	<u>9,165,340</u>	<u>1,456,704</u>	<u>10,622,044</u>

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	2010 RM	2009 RM
Cash flows from operating and investing activities		
Proceeds from sale/maturity of investments	15,039,758	22,388,341
Dividends received	131,054	255,767
Interest received	144,682	174,643
Purchase of investments	(12,336,654)	(20,556,567)
Manager's fee paid	(192,648)	(227,151)
Trustee's fee paid	(24,368)	(9,746)
Payment for other fees and expenses	(81,380)	(32,004)
Tax refunded	-	27,748
Net cash generated from operating and investing activities	<u>2,680,444</u>	<u>2,021,031</u>
Cash flows from financing activities		
Cash received from units created	649,802	1,207,300
Cash paid on units cancelled	(3,538,871)	(2,664,036)
Net cash used in financing activities	<u>(2,889,069)</u>	<u>(1,456,736)</u>
Net (decrease)/increase in cash and cash equivalents	(208,625)	564,295
Cash and cash equivalents at the beginning of the year	<u>3,570,735</u>	<u>3,006,440</u>
Cash and cash equivalents at the end of the year	<u>3,362,110</u>	<u>3,570,735</u>
Cash and cash equivalents comprise:		
Cash at bank	102,110	50,735
Deposits with financial institutions	3,260,000	3,520,000
	<u>3,362,110</u>	<u>3,570,735</u>

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

Avenue VersatileEXTRA Fund

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

1. GENERAL INFORMATION

Avenue VersatileEXTRA Fund (“VersatileEXTRA” or “the Fund”) was established pursuant to the Deed dated 25 August 1999 (“Master Deed”) as supplemented by the Second Supplemental Deed dated 23 September 2002 (“Second Supplemental Deed”) between Avenue Invest Berhad (“AvIB”) as the Manager, Mayban Trustees Berhad as the Trustee and the registered Unitholders of the Fund. On 4 March 2009, a Supplemental Master Deed was entered into between AvIB and the Independent Trustee to merge the aforesaid Deeds for the following purposes:

- to provide for certain modifications to bring them in line with recent changes to the relevant laws; and
- to merge them into a single document for ease of reference.

The principal activity of the Fund is to invest in investments as defined under Part 1 of the Supplemental Master Deed, which includes quoted securities and unquoted fixed income securities and deposits with financial institutions. VersatileEXTRA commenced operations on 28 October 2002 and will continue its operations until terminated in accordance with Part 12 of the Supplemental Master Deed. The objective of VersatileEXTRA is to provide capital appreciation over a medium to long-term period through investments in specified asset classes by adopting a relatively balanced approach towards equities and fixed income exposure.

The Manager of the Fund is Avenue Invest Berhad, a company incorporated in Malaysia. Its holding company is ECM Libra Financial Group Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The principal activities of the Manager are managing private and public funds; and distributing a range of unit trust funds to institutional and retail investors.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 22 February 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Fund have been prepared in accordance with Financial Reporting Standards (“FRS”) and the Securities Commission’s Guidelines on Wholesale Funds in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia (“RM”).

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and revised FRS and IC Interpretations which are effective for financial year beginning on or after 1 January 2010. Except as discussed below, these new and revised FRS and IC Interpretations do not give rise to any significant effects on the financial statements of the Fund.

FRS 7: Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Fund has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the financial statements for the year ended 31 December 2010.

FRS 8: Operating Segments

FRS 8, which replaces FRS 114: Segment Reporting, requires disclosure of information about the Fund's operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance, and replaces the requirement of the Fund to determine primary (business) and secondary (geographical) reporting segments. As this is a disclosure standard, there is no financial impact on the financial position or results of the Fund.

FRS101: Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Fund has elected to present this statement as one single statement.

In addition, as statement of financial position is required at the beginning of the earlier comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements. The revised FRS 101 was adopted retrospectively by the Fund.

Amendments to FRS 132: Financial Instruments: Presentation and FRS 101: Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation

Amendments to FRS 132 and FRS 101 became effective for annual periods beginning on or after 1 January 2010. The amendment to FRS 132 requires entities to classify puttable financial instruments as equity if the instruments have certain particular features and meet specific conditions. The amendments to FRS 101 require disclosure of certain information relating to puttable instruments classified as equity.

The unitholders' equity has the features and meets the conditions for classification as equity instruments. Consequently, upon adoption of the Amendments to FRS 132, unitholders' equity amounting to RM10,622,044 (31 December 2009: RM13,036,981) is reclassified from financial liabilities to equity. Distributions made by the Fund are recognised as dividends in equity in the period in which they are declared.

FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Fund has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provision. Comparatives are not restated. The details of the changes in accounting policies and the effect arising from the adoption of FRS 139 are discussed below:

- Equity instruments and fixed income securities

Prior to 1 January 2010, the Fund's investments in quoted equity instruments and fixed income securities were carried at the last done market price as at the reporting date, while its investments in collective investments schemes were valued based on their NAV per unit at the close of the reporting date. The fair value adjustments on the investments were recognised in profit or loss.

Upon adoption of FRS 139, these investments are classified on 1 January 2010, as either financial instruments at FVTPL or available-for-sale ("AFS") financial instruments and are stated at their respective fair values. The determination of these investments as financial instruments at FVTPL did not materially affect the financial statements of the Fund other than the changing of director costs to profit or loss (which were capitalised into investments previously), which has reduced the net income before tax by RM31,828 for the financial year.

2.3 Standards Issued But Not Yet Effective

The Fund has not adopted the following standards and interpretations which have been issued but no yet effective:

	Effective for financial periods beginning on or after
FRS, Amendments to FRS and Interpretations	
Amendments to FRS 132 Financial Instruments: Presentation	* 1 March 2010
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combinations	1 July 2010
FRS 127 : Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 2: Share - based Payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
IC Interpretation 12: Service Concession Arrangements	1 July 2010
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17: Distributions of Non-cash Assets to Owners	1 July 2010
Amendments IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010
Limited Exemption from Comparative FRS 7 Disclosures for First Time Adopters (Amendments to FRS 1)	1 January 2011
Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2011
Additional Exemptions for First-time Adopters (Amendments to FRS 1)	1 January 2011
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	1 January 2011
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124: Related Party Disclosures	1 January 2012
IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012
Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012

*The amendments in paragraphs 11, 16 and 97E of the Standard, relating to Classification of Rights Issues shall apply to financial statements of annual periods beginning on or after 1 March 2010.

The adoptions of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Fund.

2.4 Summary of Significant Accounting Policies

(a) Financial assets

Financial assets 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.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Fund determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and loans and receivables.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading include equity securities, fixed income securities and collective investment schemes acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss'. Interest earned and dividend revenue elements of such instruments are recorded separately in 'Interest income' and 'Gross dividend income', respectively. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Fund includes short term receivables in this classification.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(b) Impairment of financial assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset classified as loans and receivables is impaired.

To determine whether is objective evidence that an impairment loss on financial assets has been incurred, the Fund considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default of significant delay in payments.

If 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.

(b) Impairment of financial assets (Contd.)

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 year, the amount of the impaired 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 balance at the reversal date. The amount of reversal is recognised in profit or loss.

(c) 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.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and deposits with financial institutions which have an insignificant risk of changes in value.

(e) Revenue Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be relatively measured. Income is measured at the fair value of the consideration received or receivable. Dividend income is recognised on the ex-dividend date. Interest income from deposits and fixed income securities is recognised on an accrual basis using effective interest or effective yield method.

Realised gain and loss on disposal of financial instruments classified as part of "at FVTPL" are calculated using the weighted average method. They represent the difference between an instrument's carrying amount based on the weighted average method and disposal amount of the investment.

(f) Income Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

No deferred tax is recognised as there are no material temporary differences.

(g) Unitholder capital

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments under the revised FRS 132. Comparative figures have been restated. Distributions to unitholders are recorded in equity when declared.

(h) Cash Flow Statement

The Fund adopts the direct method in the preparation of cash flow statement. Cash and cash equivalents include cash and bank balances and highly liquid investments (exclude equity investments) with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

(i) Functional and Presentation Currency

The financial statements of VersatileEXTRA are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also its functional currency.

(j) Significant Accounting Estimates and Judgements

The preparation of financial statements in accordance with FRS requires the use of certain accounting estimates and exercise of judgements. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

When the fair value of financial assets recorded in the Statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumption about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

3. INVESTMENTS

	2010	2009	1 January
	Financial		2009
	Assets at		
	FVTPL	Total	Total
	(Note 4)	(Note 5)	
	RM	RM	RM
Investments	7,260,551	9,346,531	8,099,395

Prior to the adoption of FRS 139 on 1 January 2010, the investments of the Fund, although carried at fair values, need not be classified as “financial assets at FVTPL”.

4. FINANCIAL ASSETS AT FVTPL

	2010
	RM
Financial assets held for trading:	
Quoted equities	6,497,679
Unquoted fixed income securities	762,872
	7,260,551
Net gain on financial assets at FVTPL comprised:	
Realised gain on disposals	200,262
Unrealised changes in fair values	464,812
	665,074

Financial assets held for trading as at 31 December 2010 are as detailed below:

QUOTED EQUITIES

Name of Counter	Quantity	Market	Cost	Fair Value	% of
	Units	Price	RM	RM	NAV
		RM	RM	RM	%
Securities quoted in Malaysia					
<u>Main Market</u>					
Constructions					
Gamuda Bhd	80,000	3.81	260,524	304,800	2.87
IJM Corporation Bhd	35,000	6.23	200,320	218,050	2.05
Malaysian Resources Corporation Bhd	95,000	1.99	131,634	189,050	1.78
			592,478	711,900	
Finances					
CIMB Group Holdings Bhd	50,000	8.50	304,719	425,000	4.00
Malayan Banking Bhd	31,168	8.50	227,058	264,928	2.49
RHB Capital Bhd	20,000	8.72	154,520	174,400	1.64
			686,297	864,328	
Industrial Product					
Petronas Chemicals Group Bhd	60,000	5.52	315,120	331,200	3.12
Loan Stock					
Puncak Niaga Holdings Bhd	500,000	0.54	118,125	267,500	2.52

Name of Counter	Quantity Units	Market Price RM	Cost RM	Fair Value RM	% of NAV %
Plantation					
IOI Corporation Bhd	50,000	5.81	268,072	290,500	2.73
Property					
Sunrise Bhd	80,000	3.12	251,837	249,600	2.35
Trading and services					
Airasia Bhd	80,000	2.53	182,196	202,400	1.91
Axiata Group Bhd	49,100	4.75	193,088	233,225	2.20
Genting Bhd	30,000	11.18	204,873	335,400	3.16
Parkson Holdings Bhd	50,500	5.39	290,689	272,195	2.56
Sime Darby Bhd	30,000	8.80	249,959	264,000	2.49
Tenaga Nasional Bhd	25,000	8.37	226,132	209,250	1.97
			<u>1,346,937</u>	<u>1,516,470</u>	
Total			<u>3,578,866</u>	<u>4,231,498</u>	
Securities quoted in Hong Kong					
Finance					
AIA Group Ltd	30,000	8.80	240,151	264,056	2.49
China Construction Bank Corporation	88,400	2.73	249,483	241,486	2.27
			<u>489,634</u>	<u>505,542</u>	
Industrial Product					
China BlueChemical Ltd	90,000	2.20	214,388	198,398	1.87
PetroChina Co. Ltd	62,000	3.99	258,853	247,293	2.33
			<u>473,241</u>	<u>445,691</u>	
Mining					
Zijin Mining Group Co. Ltd	70,000	2.80	174,857	195,663	1.84
Total			<u>1,137,732</u>	<u>1,146,896</u>	
Securities quoted in Singapore					
Industrial Products					
Valuetronics Holdings Ltd	350,000	0.61	184,415	213,885	2.01
Property					
Global Logistic Properties Ltd	25,000	5.15	117,600	128,716	1.21
Reit					
Sabana Shari'ah Compliant Reit	115,000	2.32	290,742	266,995	2.51
Trading and services					
M1 Ltd	30,000	5.70	151,632	171,059	1.61
Wilmar International Ltd	25,000	13.55	375,976	338,630	3.19
			<u>527,608</u>	<u>509,689</u>	
Total			<u>1,120,365</u>	<u>1,119,285</u>	
TOTAL QUOTED EQUITIES			<u>5,836,963</u>	<u>6,497,679</u>	61.17

UNQUOTED FIXED INCOME SECURITIES

Issuer (rating) maturity/coupon (%)	Nominal Value RM	Market Price RM	Cost RM	Fair Value RM	% of NAV %
Bonds					
Dura Palm Sdn Bhd (AA) 2014/6.20	759,739	100.41	733,908	762,872	7.18
TOTAL UNQUOTED FIXED INCOME SECURITIES			<u>733,908</u>	<u>762,872</u>	<u>7.18</u>
TOTAL FINANCIAL ASSETS AT FVTPL			<u>6,570,871</u>	<u>7,260,551</u>	<u>68.35</u>
BROKERAGE FEES EXPENSED OFF TO PROFIT OR LOSS			(31,828)	-	-
TOTAL COST EXCLUDING BROKERAGE FEES			<u>6,539,043</u>	<u>7,260,551</u>	<u>68.35</u>
EXCESS OF FAIR VALUE OVER COST				<u>721,508</u>	

The effective average yield for unquoted fixed income securities as at 31 December 2010 is 6.2% (6.8% in 2009) per annum.

5. PRIOR YEAR INVESTMENTS

	2009 RM	1 January 2009 RM
At cost		
Quoted equities	7,635,094	7,151,454
Unquoted fixed income securities	825,646	2,764,600
	<u>8,460,740</u>	<u>9,916,054</u>
At market value		
Quoted equities	8,504,365	5,383,465
Unquoted fixed income securities	842,166	2,715,930
	<u>9,346,531</u>	<u>8,099,395</u>

6. DEPOSITS WITH FINANCIAL INSTITUTIONS

Short-term deposits represent deposits with ECM Libra Investment Bank Berhad, an investment bank related to the Manager and OSK Investment Bank Berhad. The effective average interest rate for short-term deposits as at 31 December 2010 is 2.66% (1.96% in 2009) per annum. The average maturity of these deposits as at 31 December 2010 is 1 (1 in 2009) day.

7. OTHER RECEIVABLES

	2010 RM	2009 RM	1 January 2009 RM
Amount due from stockbrokers	317,339	267,917	-
Amount due from Manager – creation of units	-	198,987	-
Dividend receivable	32,181	9,050	34,875
Interest receivable	732	788	42,902
Tax recoverable	18,598	15,807	37,085
	<u>368,850</u>	<u>492,549</u>	<u>114,862</u>

8. OTHER PAYABLES AND ACCRUALS

	2010 RM	2009 RM	1 January 2009 RM
Amount due to stockbrokers	345,225	343,753	89,185
Other creditors	2,534	-	-
Accruals:			
Manager's fee	13,574	19,522	47,125
Trustee's fee	634	759	2,065
Audit fee	4,200	4,800	4,000
Tax agent's fee	3,300	4,000	3,300
	<u>369,467</u>	<u>372,834</u>	<u>145,675</u>

9. TOTAL EQUITY

	Note	2010 RM	2009 RM	1 January 2009* RM
Unitholders' capital	(a)	9,165,340	12,253,396	13,511,145
Retained earnings				
- Unrealised reserves	(b)	721,508	885,791	(1,816,659)
- Realised reserves	(c)	735,196	(102,206)	(619,464)
Total equity		<u>10,622,044</u>	<u>13,036,981</u>	<u>11,075,022</u>

(a) Unitholders' Capital

	2010 Units	2010 RM	2009 Units	2009 RM	1 January 2009* Units	1 January 2009* RM
At beginning of the year	26,275,276	12,253,396	29,186,551	13,511,145	41,627,983	19,298,160
Creation of units	908,818	450,815	3,147,892	1,406,287	1,251,916	596,154
Cancellation of units	(7,101,890)	(3,538,871)	(6,059,167)	(2,664,036)	(13,693,348)	(6,383,169)
At end of the year	<u>20,082,204</u>	<u>9,165,340</u>	<u>26,275,276</u>	<u>12,253,396</u>	<u>29,186,551</u>	<u>13,511,145</u>

In accordance with Part 6 Division 6.1 of the Supplemental Master Deed and Securities Commission's approval letter dated 19 July 2002, the maximum number of units that can be issued out for circulation is 200,000,000 (200,000,000 in 2009). As at 31 December 2010, the number of units not yet issued is 179,917,796 (173,724,724 in 2009).

(b) Unrealised Reserves

	2010 RM	2009 RM	1 January 2009* RM
At beginning of the year	885,791	(1,816,659)	1,684,955
Unrealised (gain)/loss attributable to investments sold transferred to Realised Reserves	(629,095)	1,942,109	(1,290,224)
Net unrealised gain attributable to investments held transferred from the Income Statement	464,812	760,341	(2,211,390)
At end of the year	<u>721,508</u>	<u>885,791</u>	<u>(1,816,659)</u>

(c) Realised Reserves

	2010	2009	1 January
	RM	RM	2009*
			RM
At beginning of the year	(102,206)	(619,464)	2,203,470
Unrealised gain/(loss) attributable to investments sold transferred from Unrealised Reserves	<u>629,095</u>	<u>(1,942,109)</u>	<u>1,290,224</u>
Net movement in realised gain/(loss) for the year	526,889	(2,561,573)	3,493,694
Net income after tax	673,119	3,219,708	(6,324,548)
Net unrealised gain transferred to Unrealised Reserves	<u>(464,812)</u>	<u>(760,341)</u>	<u>2,211,390</u>
At end of the year	<u>735,196</u>	<u>(102,206)</u>	<u>(619,464)</u>

* The movements presented are those in financial year 2008.

10. NAV PER UNIT

The net asset value per unit is calculated by dividing the net assets of RM10,622,044 (RM13,036,981 in 2009) as at 31 December 2010 by 20,082,204 (26,275,276 in 2009) units in issue as at 31 December 2010.

11. MANAGER'S FEE

Part 13 Division 13.1 and The Seventh Schedule of the Supplemental Master Deed provides that the Manager is entitled to a management fee computed daily on the net asset value of the Fund at a rate not exceeding 3.00% per annum. The management fee provided in the financial statements amounted to 1.63% (1.68% in 2009) per annum for the year.

12. TRUSTEE'S FEE

Part 13 Division 13.2 and The Eight Schedule of the Supplemental Master Deed provides that the Trustee is entitled to a fee not exceeding 0.20% of net asset value of the Fund. The Trustee's fee calculated on a daily basis for the period is 0.07% (0.07% in 2009) per annum of the net asset value of the Fund, subject to a minimum of RM18,000 per annum.

13. INCOME TAX EXPENSES

	2010	2009
	RM	RM
Current tax expense	7,211	17,727
Over provision in prior year	<u>(33)</u>	<u>(3,346)</u>
Tax expense	<u>7,178</u>	<u>14,381</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% (25% in 2009) of the estimated assessable income for the financial year.

The tax charge for the financial year is in relation to the gross dividend income earned after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from tax. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967.

13. INCOME TAX EXPENSES (CONTD.)

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follow:

	2010 RM	2009 RM
Net income before tax	680,297	3,234,089
Tax at Malaysian statutory rate of 25% (25% in 2009)	170,074	808,522
Tax effect of:		
Income not subject to tax	(231,057)	(845,578)
Expenses not deductible for tax purposes	68,194	54,783
Over provision in prior year	(33)	(3,346)
Tax expense for the year	7,178	14,381

14. MANAGEMENT EXPENSE RATIO & PORTFOLIO TURNOVER RATIO

Management Expense Ratio (“MER”)

Management expense ratio for the Fund is 2.56% (2.00% in 2009) for the year ended 31 December 2010. The MER for the current year has increased compared to the previous year due to an increase in the expenses and the decrease of the average net asset value.

The management expense ratio includes manager’s fee, trustee’s fee, auditor’s remuneration, tax agent’s fee and other expenses which are calculated as follows:

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

A	=	Manager’s fee	D	=	Tax agent’s fee
B	=	Trustee’s fee	E	=	Other expenses
C	=	Auditors’ remuneration	F	=	Average net asset value of fund

The average net asset value of the Fund for the year is RM11,468,545 (RM12,056,580 in 2009).

Portfolio Turnover Ratio (“PTR”)

The portfolio turnover ratio for the Fund is 0.57 times (1.81 times in 2009) for the year ended 31 December 2010. The PTR for the current year has decreased compared to the previous year due to a lower percentage decrease in the average transactional value compared to the percentage decrease in the average net asset value.

The portfolio turnover is derived from the following calculation:

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

Where: total acquisition for the year = RM13,075,632 (RM20,910,135 in 2009)
total disposal for the year = RM15,625,014 (RM22,656,258 in 2009)

15. UNITS HELD BY THE MANAGER AND RELATED PARTIES

There was Nil unit (Nil unit in 2009) held by the Manager and Nil units (Nil units in 2009) held by other related parties as at the date of the balance sheet.

16. TRANSACTIONS WITH RELATED PARTIES AND OTHER STOCKBROKING COMPANIES/ INVESTMENT BANKS

Details of transactions with related parties and other stockbroking companies/investment banks for the financial year ended 31 December 2010 are as follows:

Brokers/Dealers	Value of Trades RM	% of Total Trades %	Brokerage Fees RM	% of Total Brokerage Fees %
ECM Libra Investment Bank Berhad*	7,064,515	28.38	28,331	28.79
CIMB Investment Bank Berhad	4,618,692	18.55	21,474	21.83
Hwang DBS Investment Bank Berhad	3,008,501	12.09	11,571	11.76
UOB Kay Hian Pte Ltd	2,862,848	11.50	9,911	10.07
AmInvestment Bank Berhad	2,779,764	11.17	10,255	10.42
DBS Vickers Securities (S) Pte Ltd	1,931,078	7.76	6,243	6.35
Hong Leong Investment Bank Berhad	916,144	3.68	3,657	3.72
Credit Suisse Securities (M) Sdn Bhd	665,492	2.67	2,697	2.74
RHB Investment Bank Berhad	358,409	1.44	1,458	1.48
CLSA Securities Malaysia Sdn Bhd	336,862	1.35	1,369	1.39
Others	351,219	1.41	1,427	1.45
	<u>24,893,524</u>	100.00	<u>98,393</u>	100.00

* A broker related to the Manager. The directors of the Manager are of the opinion that the transactions with this related investment bank have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. These dealings with the related party have been transacted at arm's length basis.

17. SEGMENTAL REPORTING

The primary segment reporting format is determined to be business segments as VersatileEXTRA's risks and rates of return are affected predominantly by the different types of investments made.

The following table provides an analysis of the revenue, results and assets by business segments:

2010	Quoted securities RM	Unquoted fixed income securities RM	Total RM
Revenue			
Segment income representing segment results	761,973	75,493	837,466
Unallocated income			84,806
Unallocated expenditure			(241,975)
Net income before taxation			680,297
Income tax expenses			(7,178)
Net income after taxation			<u>673,119</u>
Assets			
Segment assets - Investments	6,847,199	763,130	7,610,329

2010	Quoted securities RM	Unquoted fixed income securities RM	Total RM
Other unallocated assets			3,381,182
			10,991,511
Liabilities			
Segment liabilities	345,225	-	345,225
Unallocated liabilities			24,242
			369,467
2009	Quoted securities RM	Unquoted fixed income securities RM	Total RM
Revenue			
Segment income representing segment results	3,253,342	171,731	3,425,073
Unallocated income			50,509
Unallocated expenditure			(241,493)
Net income before taxation			3,234,089
Income tax expenses			(14,381)
Net income after taxation			3,219,708
Assets			
Segment assets – Investments	8,781,332	842,846	9,624,178
Other unallocated assets			3,785,637
			13,409,815
Liabilities			
Segment liabilities	343,753	-	343,753
Unallocated liabilities			29,081
			372,834

18. RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to preserve capital through a relatively balanced approach towards equities and fixed income exposures. In order to meet its stated investment objectives, the Fund utilises risk management for both defensive and proactive purposes. Rigorous analysis of sources of risk in the portfolio is carried out and the following policies are implemented to provide effective ways to reduce future risks and enhance future returns within the Fund's mandate. The key risks faced by the Fund are market risk, interest rate risk, credit risk, foreign currency risk and liquidity risk.

(i) *Market risk*

This is a class of risk that inherently exists in an economy and cannot be avoided by any business or company. It is usually due to changes in the economic outlook and affects broad market confidence. Market risk is managed through portfolio diversification and asset allocation whereby the securities exposure is monitored/reduced in the event of anticipated market weakness. Therefore, the performance of the Fund might go up or down in accordance with the prevailing market risk.

Equity price risk sensitivity

Based on the portfolio of the Fund at the end of the reporting year, the Manager's best estimate of the effect on the profit/(loss) for the year due to a possible change in equity indices, with all other variables held constant is indicated in the table below.

Market index	Changes in equity price %	Effects on profit/(loss) for the year RM	Effects on equity RM
2010			
FTSE Bursa Malaysia KLCI	+5	198,200	198,200
Hang Seng Index	+5	57,306	57,306
Straits Times Index	+5	55,157	55,157

An equivalent decrease in the market index shown above would have resulted in an equivalent, but opposite, impact.

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

(ii) Interest rate risk

Interest rate risks are uncertainties resulting from the effects of fluctuations in the prevailing level of market interest rates on its investments and financial position.

Movements in interest rate will affect the value of unquoted fixed income securities. The Fund seeks to manage this risk by constructing a fixed income portfolio in accordance to the interest rate strategies developed after thorough evaluation of macroeconomic variables. Interest rate on short term deposits and deposits are determined based on prevailing market rates. The Fund seeks to obtain rates that are competitive.

Interest rate risk sensitivity

The following table demonstrates the sensitivity of the Fund's profit/(loss) for the year to a possible change in interest rates, with all other variables held constant.

The sensitivity is the effect of the assumed changes in interest rates on:

- The net interest income for one year, based on the floating rate financial assets held at the end of the reporting year; and
- Changes in fair value of investments for the year based on revaluing fixed rate financial assets at the end of the reporting year.

	Changes in basis points*	Sensitivity of interest income and profit/(loss) RM	Sensitivity of changes in fair value of investments RM	Net combined sensitivity changes RM
2010	+25/-25	8,150/ (8,150)	(1,144)/ 1,144	7,006/ (7,006)

* The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Interest rate risk exposure

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

	Up to 1 month RM	1 - 3 months RM	3 - 12 months RM	1 - 5 years RM	Over 5 years RM	Non- interest bearing RM	Total RM
2010							
Assets							
Cash at bank	-	-	-	-	-	102,110	102,110
Deposits with financial institutions	3,260,000	-	-	-	-	-	3,260,000
Unquoted fixed income securities	-	-	-	762,872	-	-	762,872
Other assets	-	-	-	-	-	6,866,529	6,866,529
Total assets	3,260,000	-	-	762,872	-	6,968,639	10,991,511
Liabilities							
Other payables and accruals	-	-	-	-	-	369,467	369,467
Total liability	-	-	-	-	-	369,467	369,467
Net interest rate sensitivity gap	3,260,000	-	-	762,872	-		

(iii) Foreign currency risk

Investments in foreign countries are exposed to currency risk due to fluctuation of currency exchange rate. This risk is minimised via investing in diversified foreign currencies denominated assets and hence, mitigating the risk of single currency exposure.

Currency risk sensitivity

The Fund did not have any financial liabilities denominated in foreign currencies as at the reporting date. The following table indicates the currencies to which the Fund had significant exposure at the reporting date on its financial assets. The analysis calculates the effect of a reasonably possible movements of the currency rates against Ringgit Malaysia on equity and on profit/(loss) with all other variables held constant.

	Changes in currency rate	Effect on profit/(loss) for the period RM	Effect on equity RM
2010			
USD/RM	+5%	58,376	58,376
SGD/RM	+5%	55,157	55,157

An equivalent decrease in each of the currencies shown above would have resulted in an equivalent, but opposite, impact.

(iv) Credit risk

Credit risk is the risks that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. The risk applies mainly to unquoted fixed income securities. The Fund expects to reduce credit risks substantially by conducting thorough credit analysis before investment and by diversifying the portfolio.

For deposits in financial institutions, the Fund minimises credit risk by adopting an investment policy which allows dealing with counterparties with good credit rating only. Receivables are monitored to ensure that exposure to bad debts are minimised.

At the reporting date, the Fund has neither past due nor impaired receivables. The maximum exposure to credit risk is projected by the carrying amount of each class of financial assets in the statement of financial position.

Concentration of risk is monitored and managed based on sectorial distribution as set out below:

	←----- 2010 -----→			←----- 2009 -----→		
	Short-term deposits RM (Credit risk)	Unquoted fixed income securities RM (Credit risk)	Quoted securities RM (Equity risk)	Short-term deposits RM (Credit risk)	Unquoted fixed income securities RM (Credit risk)	Quoted securities RM (Equity risk)
Construction	-	-	711,900	-	-	396,000
Finance	3,260,000	-	1,369,870	3,520,000	-	1,778,813
Hotel	-	-	-	-	-	64,504
Industrial						
Product	-	-	990,776	-	-	432,126
Infrastructure						
Project	-	-	-	-	-	560,902
Loan Stocks	-	-	267,500	-	-	563,500
Mining	-	-	195,663	-	-	-
Natural Resources	-	762,872	-	-	-	-
Oil & Gas	-	-	-	-	-	255,000
Plantations	-	-	290,500	-	842,166	484,642
Properties	-	-	378,316	-	-	256,000
Reits	-	-	266,995	-	-	-
Trading & Services	-	-	2,026,159	-	-	3,712,878
	3,260,000	762,872	6,497,679	3,520,000	842,166	8,504,365

Credit quality of financial assets

The following table analyses the Fund's portfolio of fixed income securities by rating category:

Credit rating	As at 31 December 2010	
	As a % of debt securities	As a % of NAV
AA	100.00%	7.18%

(v) **Liquidity risk**

In a weak and thinly traded market where the transaction volume is low, the investments in the Fund may not be liquidated in the desired amount without causing the market price of the securities to fall sharply. The Fund Manager aims to reduce liquidity risk by investing mainly in companies with relatively large market capitalization, and are fairly liquid.

The following table summarises the Fund's remaining contractual maturity for its financial liabilities:

	Up to 1 month RM	1 - 3 months RM	3 - 12 months RM	1 - 5 years RM	Over 5 years RM	Total RM
2010						
Financial liabilities						
Other payables and accruals	361,967	7,500	-	-	-	369,467
Total liabilities	361,967	7,500	-	-	-	369,467

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund's financial assets at FVTPL are carried at fair value. In general, quoted and observable market prices are used as the measure of fair values for quoted securities.

For unquoted fixed income securities, fair values are generally obtained from the indicative market yields quoted by a bond pricing agency. In the event that the Manager is of the opinion that the value of the fixed income securities differs from the indicative yields quoted by the bond pricing agency, the Manager will value the securities based on a pricing model that reflects prevailing market conditions.

For deposits and placements with financial institutions with maturities of less than twelve months, the carrying value is a reasonable estimate of fair value. For deposits and placements with financial institutions with maturities of more than twelve months, the estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining year to maturity. The carrying amounts of the financial assets other than the investments and financial liabilities as at balance sheet date approximate their fair values because of the short term to maturity of these instruments.

Avenue VersatileEXTRA Fund

**STATEMENT BY MANAGER
To the Unitholders of Avenue VersatileEXTRA Fund**

We, Tan Jin Teik and Mahadzir Bin Azizan, two of the Directors of the Manager, Avenue Invest Berhad, do hereby state that in the opinion of the Manager, the financial statements set out on pages 76 to 97 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the statement of financial position of the Fund as at 31 December 2010 and the related statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Fund together with the notes thereto for the year ended on that date in accordance with the Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Unit trust Funds in Malaysia.

**For and on behalf of the Manager,
AVENUE INVEST BERHAD**

TAN JIN TEIK
MANAGING DIRECTOR

MAHADZIR BIN AZIZAN
INDEPENDENT NON EXECUTIVE
DIRECTOR

22 February 2011

**Independent auditors' report to the unitholders of
Avenue VersatileEXTRA Fund**

Report on the financial statements

We have audited the financial statements of Avenue VersatileEXTRA Fund, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 76 to 97.

Manager's and Trustee's responsibility for the financial statements

The Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable fair presentation of these financial statements.

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 judgment, 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 and fair presentation of the financial statements 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 Fund's internal control. An audit also includes evaluating the appropriateness of the 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 and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of the Fund as at 31 December 2010 and of its financial performance, the changes in equity and the cash flows of the Fund for the year then ended.

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Chan Hooi Lam
No. 2844/02/12(J)
Chartered Accountant

Kuala Lumpur, Malaysia
22 February 2011

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Note	2010 RM	2009 RM	1 January 2009 RM
ASSETS				
Investments	3	56,932,595	57,482,544	43,345,115
Deposits with a financial institution	6	3,090,000	6,750,000	4,820,000
Other receivables	7	420,554	2,614,506	427,819
Cash at bank		102,460	903,078	122,876
TOTAL ASSETS		<u>60,545,609</u>	<u>67,750,128</u>	<u>48,715,810</u>
LIABILITIES				
Other payables and accruals	8	<u>409,387</u>	<u>2,715,154</u>	<u>764,675</u>
TOTAL LIABILITIES		<u>409,387</u>	<u>2,715,154</u>	<u>764,675</u>
EQUITY				
Unitholders' capital		35,326,380	49,579,849	39,494,281
Retained earnings		24,809,842	15,455,125	8,456,854
TOTAL EQUITY	9	<u>60,136,222</u>	<u>65,034,974</u>	<u>47,951,135</u>
TOTAL EQUITY AND LIABILITIES		<u>60,545,609</u>	<u>67,750,128</u>	<u>48,715,810</u>
UNITS IN CIRCULATION	9(a)	<u>86,282,535</u>	<u>108,207,745</u>	<u>90,708,523</u>
Net Asset Value ("NAV") Per Unit	10	<u>0.6970</u>	<u>0.6010</u>	<u>0.5286</u>

The accompanying Notes form an integral part of the financial statements.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Note	2010 RM	2009 RM
INVESTMENT INCOME			
Gross dividend income		1,717,747	1,370,618
Interest income		565,448	703,827
Net gain from investments:			
- financial assets at fair value through profit or loss ("FVTPL")	4	8,927,567	-
- net realised gain on sale of investments		-	10,960,393
- net unrealised gain on changes in value of investments held		-	318,909
		<u>11,210,762</u>	<u>13,353,747</u>
EXPENSES			
Manager's fee	11	961,019	810,297
Trustee's fee	12	44,847	37,814
Auditors' remuneration		5,800	7,600
Tax agent's fee		2,750	4,800
Other expenses		702,509	12,955
		<u>1,716,925</u>	<u>873,466</u>
Net income before tax		9,493,837	12,480,281
Income tax expenses	13	(139,120)	(83,075)
Net income after tax		<u>9,354,717</u>	<u>12,397,206</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>9,354,717</u>	<u>12,397,206</u>
Net income after tax is made up of the following:			
Net realised income		6,155,928	12,078,297
Net unrealised gain		3,198,789	318,909
		<u>9,354,717</u>	<u>12,397,206</u>
Distribution for the year:			
Net distribution amount	14	-	5,398,935
Gross distribution per unit (sen)		-	6.23
Net distribution per unit (sen)		-	6.23

The accompanying Notes form an integral part of the financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	Unitholders' capital Note 9(a) RM	Retained earnings Notes 9(b) and (c) RM	Total equity RM
As at 1 January 2009	39,494,281	8,456,854	47,951,135
Total comprehensive income for the year	-	12,397,206	12,397,206
Creation of units	19,576,012	-	19,576,012
Cancellation of units	(9,490,444)	-	(9,490,444)
Distribution (Noted 14)	-	(5,398,935)	(5,398,935)
Balance at 31 December 2009	<u>49,579,849</u>	<u>15,455,125</u>	<u>65,034,974</u>
Total comprehensive income for the year	-	9,354,717	9,354,717
Creation of units	20,128,784	-	20,128,784
Cancellation of units	(34,382,253)	-	(34,382,253)
As at 31 December 2010	<u>35,326,380</u>	<u>24,809,842</u>	<u>60,136,222</u>

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	2010 RM	2009 RM
Cash flows from operating and investing activities		
Proceeds from sale/maturity of investments	224,730,957	146,688,439
Dividends received	1,461,056	1,192,148
Interest received	629,458	859,538
Purchase of investments	(215,645,889)	(149,713,611)
Manager's fee paid	(965,723)	(914,946)
Trustee's fee paid	(45,067)	(42,697)
Payments of other fees and expenses	(712,008)	(23,804)
Net cash generated from/(used in) operating and investing activities	<u>9,452,784</u>	<u>(1,954,933)</u>
Cash flows from financing activities		
Cash received from units created	20,150,282	19,554,514
Cash paid on units cancelled	(34,063,684)	(9,490,444)
Distribution paid	-	(5,398,935)
Net cash (used in)/generated from financing activities	<u>(13,913,402)</u>	<u>4,665,135</u>
Net (decrease)/increase in cash and cash equivalents	(4,460,618)	2,710,202
Cash and cash equivalents at the beginning of the year	7,653,078	4,942,876
Cash and cash equivalents at the end of the year	<u>3,192,460</u>	<u>7,653,078</u>
Cash and cash equivalents comprise:		
Cash at bank	102,460	903,078
Deposits with financial institutions	3,090,000	6,750,000
	<u>3,192,460</u>	<u>7,653,078</u>

The accompanying Notes form an integral part of the financial statements.

Avenue TacticalEXTRA Fund

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

1. GENERAL INFORMATION

Avenue TacticalEXTRA Fund (“TacticalEXTRA” or “the Fund”) was established pursuant to a Deed dated 31 March 2005 between Avenue Invest Berhad (“AvIB”) as the Manager, Mayban Trustees Berhad as the Trustee and the registered Unitholders of the Fund. On 4 March 2009, a Supplemental Master Deed was entered into between AvIB and the Independent Trustee to merge the aforesaid Deeds for the following purposes:

- to provide for certain modifications to bring them in line with recent changes to the relevant laws; and
- to merge them into a single document for ease of reference.

The principal activity of the Fund is to invest in investments as defined under Part 1 of the Supplemental Master Deed, which includes stock and shares of companies quoted on any recognised stock exchange(s) in Malaysia, fixed income securities and deposits with financial institutions. TacticalEXTRA commenced operations on 18 March 2005 and will continue its operations until terminated in accordance with Part 12 of the Supplemental Master Deed. The objective of TacticalExtra is to provide investors with medium to long term capital appreciation by investing principally in liquid equities with large market capitalisation, and fixed income instruments with flexible asset allocation.

The Manager of the Fund is Avenue Invest Berhad, a company incorporated in Malaysia. Its holding company is ECM Libra Financial Group Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The principal activities of the Manager are managing private and public funds; and distributing a range of unit trust funds to institutional and retail investors.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 22 February 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Fund have been prepared in accordance with Financial Reporting Standards (“FRS”) and the Securities Commission’s Guidelines on Wholesale Funds in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia (“RM”).

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and revised FRS and IC Interpretations which are effective for financial year beginning on or after 1 January 2010. Except as discussed below, these new and revised FRS and IC Interpretations do not give rise to any significant effects on the financial statements of the Fund.

FRS 7: Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Fund has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the financial statements for the year ended 31 December 2010.

FRS 8: Operating Segments

FRS 8, which replaces FRS 114: Segment Reporting, requires disclosure of information about the Fund's operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance, and replaces the requirement of the Fund to determine primary (business) and secondary (geographical) reporting segments. As this is a disclosure standard, there is no financial impact on the financial position or results of the Fund.

FRS101: Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Fund has elected to present this statement as one single statement.

In addition, as statement of financial position is required at the beginning of the earlier comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements. The revised FRS 101 was adopted retrospectively by the Fund.

Amendments to FRS 132: Financial Instruments: Presentation and FRS 101: Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation

Amendments to FRS 132 and FRS 101 became effective for annual periods beginning on or after 1 January 2010. The amendment to FRS 132 requires entities to classify puttable financial instruments as equity if the instruments have certain particular features and meet specific conditions. The amendments to FRS 101 require disclosure of certain information relating to puttable instruments classified as equity.

The unitholders' equity has the features and meets the conditions for classification as equity instruments. Consequently, upon adoption of the Amendments to FRS 132, unitholders' equity amounting to RM60,136,222 (31 December 2009: RM65,034,974) is reclassified from financial liabilities to equity. Distributions made by the Fund are recognised as dividends in equity in the period in which they are declared.

FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Fund has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provision. Comparatives are not restated. The details of the changes in accounting policies and the effect arising from the adoption of FRS 139 are discussed below:

- Equity instruments and fixed income securities

Prior to 1 January 2010, the Fund's investments in quoted equity instruments and fixed income securities were carried at the last done market price as at the reporting date, while its investments in collective investments schemes were valued based on their NAV per unit at the close of the reporting date. The fair value adjustments on the investments were recognised in profit or loss.

Upon adoption of FRS 139, these investments are classified on 1 January 2010, as either financial instruments at FVTPL or available-for-sale ("AFS") financial instruments and are stated at their respective fair values. The determination of these investments as financial instruments at FVTPL did not materially affect the financial statements of the Fund other than the changing of director costs to profit or loss (which were capitalised into investments previously), which has reduced the net income before tax by RM501,353 for the financial year.

2.3 Standards Issued But Not Yet Effective

The Fund has not adopted the following standards and interpretations which have been issued but no yet effective:

	Effective for financial periods beginning on or after
FRS, Amendments to FRS and Interpretations	
Amendments to FRS 132 Financial Instruments: Presentation	* 1 March 2010
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combinations	1 July 2010
FRS 127 : Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 2: Share - based Payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
IC Interpretation 12: Service Concession Arrangements	1 July 2010
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17: Distributions of Non-cash Assets to Owners	1 July 2010
Amendments IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010
Limited Exemption from Comparative FRS 7 Disclosures for First Time Adopters (Amendments to FRS 1)	1 January 2011
Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2011
Additional Exemptions for First-time Adopters (Amendments to FRS 1)	1 January 2011
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	1 January 2011
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124: Related Party Disclosures	1 January 2012
IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012
Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012

*The amendments in paragraphs 11, 16 and 97E of the Standard, relating to Classification of Rights Issues shall apply to financial statements of annual periods beginning on or after 1 March 2010.

The adoptions of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Fund.

2.4 Summary of Significant Accounting Policies

(a) Financial assets

Financial assets 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.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Fund determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and loans and receivables.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading include equity securities, fixed income securities and collective investment schemes acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss'. Interest earned and dividend revenue elements of such instruments are recorded separately in 'Interest income' and 'Gross dividend income', respectively. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Fund includes short term receivables in this classification.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(b) Impairment of financial assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset classified as loans and receivables is impaired.

To determine whether is objective evidence that an impairment loss on financial assets has been incurred, the Fund considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default of significant delay in payments.

If 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.

(b) Impairment of financial assets (Contd.)

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 year, the amount of the impaired 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 balance at the reversal date. The amount of reversal is recognised in profit or loss.

(c) 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.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and deposits with financial institutions which have an insignificant risk of changes in value.

(e) Revenue Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be relatively measured. Income is measured at the fair value of the consideration received or receivable. Dividend income is recognised on the ex-dividend date. Interest income from deposits and fixed income securities is recognised on an accrual basis using effective interest or effective yield method.

Realised gain and loss on disposal of financial instruments classified as part of "at FVTPL" are calculated using the weighted average method. They represent the difference between an instrument's carrying amount based on the weighted average method and disposal amount of the investment.

(f) Income Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

No deferred tax is recognised as there are no material temporary differences.

(g) Unitholder capital

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments under the revised FRS 132. Comparative figures have been restated. Distributions to unitholders are recorded in equity when declared.

(h) Cash Flow Statement

The Fund adopts the direct method in the preparation of cash flow statement. Cash and cash equivalents include cash and bank balances and highly liquid investments (exclude equity investments) with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

(i) Functional and Presentation Currency

The financial statements of TacticalEXTRA are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also its functional currency.

(j) Significant Accounting Estimates and Judgements

The preparation of financial statements in accordance with FRS requires the use of certain accounting estimates and exercise of judgements. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

When the fair value of financial assets recorded in the Statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumption about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

3. INVESTMENTS

	2010	2009	1 January
	Financial		2009
	Assets at		
	FVTPL	Total	Total
	(Note 4)	(Note 5)	
	RM	RM	RM
Investment	56,932,595	57,482,544	43,345,115

Prior to the adoption of FRS 139 on 1 January 2010, the investments of the Fund, although carried at fair values, need not be classified as “financial assets at FVTPL”.

4. FINANCIAL ASSETS AT FVTPL

	2010
	RM
Financial assets held for trading:	
Quoted equities	52,142,140
Unquoted fixed income securities	4,790,455
	<u>56,932,595</u>
Net gain on financial assets at FVTPL comprised:	
Realised gain on disposals	5,728,778
Unrealised changes in fair values	3,198,789
	<u>8,927,567</u>

Financial assets held for trading as at 31 December 2010 are as detailed below:

QUOTED EQUITIES

Name of Counter	Quantity Units	Market Price RM	Cost RM	Fair Value RM	% of NAV %
Securities Quoted in Malaysia					
<u>Main Market</u>					
Constructions					
IJM Corporation Bhd	500,000	6.23	2,640,428	3,115,000	5.18
Kimlun Corporation Bhd	300,000	1.56	369,400	468,000	0.78
			<u>3,009,828</u>	<u>3,583,000</u>	
Consumer product					
Guinness Anchor Bhd	320,000	10.16	1,903,808	3,251,200	5.41
Finances					
Alliance Financial Group Bhd	1,200,000	3.04	3,832,864	3,648,000	6.07
Public Bank Bhd	150,000	13.02	1,926,056	1,953,000	3.25
			<u>5,758,920</u>	<u>5,601,000</u>	
Industrial products					
CSC Steel Holdings Bhd	1,400,000	1.72	2,513,300	2,408,000	4.00
Lafarge Malayan Cement Bhd	200,000	7.67	1,325,307	1,534,000	2.55
Perwaja Holdings Bhd	510,000	1.00	504,050	510,000	0.85
Uchi Technologies Bhd	350,000	1.30	809,629	455,000	0.76
			<u>5,152,286</u>	<u>4,907,000</u>	
Infrastructure project co.					
YTL Power International Bhd	1,800,000	2.44	4,228,275	4,392,000	7.30

Name of Counter	Quantity Units	Market Price RM	Cost RM	Fair Value RM	% of NAV %
Plantation					
Genting Plantations Bhd	500,000	8.80	4,276,837	4,400,000	7.32
Property					
Eastern & Oriental Bhd	1,500,000	1.18	1,798,111	1,770,000	2.94
Technology					
Unisem (M) Bhd	700,000	2.30	1,586,981	1,610,000	2.68
Trading and services					
Airasia Bhd	1,000,000	2.53	2,426,494	2,530,000	4.21
Axiata Group Bhd	500,000	4.75	2,349,643	2,375,000	3.95
Berjaya Sports Toto Bhd	650,000	4.50	2,760,853	2,925,000	4.86
Dayang Enterprise Holdings Bhd	450,000	2.85	1,237,010	1,282,500	2.13
Genting Bhd	345,000	11.18	3,693,252	3,857,100	6.41
Kencana Petroleum Bhd	650,000	2.41	1,420,709	1,566,500	2.61
Malaysia Marine And Heavy Engineering Holdings Bhd	300,000	5.90	1,217,780	1,770,000	2.94
MMC Corporation Bhd	400,000	2.78	1,275,949	1,112,000	1.85
Parkson Holdings Bhd	656,000	5.39	3,743,346	3,535,840	5.88
Tenaga Nasional Bhd	200,000	8.37	1,709,156	1,674,000	2.78
			<u>21,834,192</u>	<u>22,627,940</u>	
TOTAL QUOTED EQUITIES			<u>49,549,238</u>	<u>52,142,140</u>	<u>86.71</u>
UNQUOTED FIXED INCOME SECURITIES					
Issuer (rating) maturity/ profit (%)	Nominal Value RM'000	Market Price RM	Cost RM	Fair Value RM	Fair Value as a % of NAV RM
CapOne Berhad (D) 2010/5.80	6,000	-	6,000,000	-	-
Titisan Modal Sdn Bhd (AA+) 2013/4.00	5,000	95.81	4,688,500	4,790,455	7.97
TOTAL UNQUOTED FIXED INCOME SECURITIES			<u>10,688,500</u>	<u>4,790,455</u>	<u>7.97</u>
TOTAL FINANCIAL ASSETS AT FVTPL			<u>60,237,738</u>	<u>56,932,595</u>	<u>94.68</u>
BROKERAGE FEES EXPENSED OFF TO PROFIT OR LOSS			(501,353)	-	-
TOTAL COST EXCLUDING BROKERAGE FEES			<u>59,736,385</u>	<u>56,932,595</u>	<u>94.68</u>
DEFICIT OF FAIR VALUE OVER COST				<u>(2,803,790)</u>	

The effective average yield for unquoted fixed income securities as at 31 December 2010 is 6.0% (11.4% in 2009) per annum.

5. PRIOR YEAR INVESTMENT

	2009	1 January
	RM	2009
		RM
At cost		
Quoted equities	52,424,130	33,157,043
Unquoted fixed income securities	8,576,005	19,118,905
	<u>61,000,135</u>	<u>52,275,948</u>
At market value		
Quoted equities	51,706,300	25,596,500
Unquoted fixed income securities	5,776,244	17,748,615
	<u>57,482,544</u>	<u>43,345,115</u>

6. DEPOSITS WITH A FINANCIAL INSTITUTION

Short-term deposits represent deposits in Hong Leong Bank Berhad. The effective average interest rate for short-term deposits as at 31 December 2010 is 2.60% (1.96% in 2009) per annum. The average maturity of these deposits as at 31 December 2010 is 1 (1 in 2009) day.

7. OTHER RECEIVABLES

	2010	2009	1 January
	RM	RM	2009
			RM
Amount due from stockbrokers	-	2,226,014	-
Amount due from Manager – creation of units	-	21,498	-
Dividend receivable	244,397	151,063	123,137
Interest receivable	34,960	98,971	255,190
Tax recoverable	141,197	116,960	49,492
	<u>420,554</u>	<u>2,614,506</u>	<u>427,819</u>

8. OTHER PAYABLES AND ACCRUALS

	2010	2009	1 January
	RM	RM	2009
			RM
Amount due to stockbrokers	-	2,618,464	560,002
Amount due to Manager – cancellation of units	318,569	-	-
Accruals:			
Manager's fee	77,310	82,013	186,662
Trustee's fee	3,608	3,827	8,711
Audit fee	6,600	6,800	6,000
Tax agent's fee	3,300	4,050	3,300
	<u>409,387</u>	<u>2,715,154</u>	<u>764,675</u>

9. TOTAL EQUITY

	Note	2010 RM	2009 RM	1 January 2009* RM
Unitholders' capital	(a)	35,326,380	49,579,849	39,494,281
Retained earnings				
- Unrealised deficits	(b)	(2,803,790)	(3,517,591)	(8,930,833)
- Realised reserves	(c)	27,613,632	18,972,716	17,387,687
Total equity		<u>60,136,222</u>	<u>65,034,974</u>	<u>47,951,135</u>

(a) Unitholders' Capital

	2010 Units	2010 RM	2009 Units	2009 RM	1 January 2009* Units	1 January 2009* RM
At beginning of the year	108,207,745	49,579,849	90,708,523	39,494,281	139,058,343	67,116,303
Creation of units	32,118,632	20,128,784	34,205,630	19,576,012	19,121,323	12,387,590
Cancellation of units	(54,043,842)	(34,382,253)	(16,706,408)	(9,490,444)	(67,471,143)	(40,009,612)
At end of the year	<u>86,282,535</u>	<u>35,326,380</u>	<u>108,207,745</u>	<u>49,579,849</u>	<u>90,708,523</u>	<u>39,494,281</u>

In accordance with Part 6 Division 6.1 of the Supplemental Master Deed and Securities Commission's approval letter dated 21 December 2004, the maximum number of units that can be issued out for circulation is 500,000,000 (500,000,000 in 2009). As of 31 December 2010, the number of units not yet issued is 413,717,465 (391,792,255 in 2009).

Included in the units created during the year are nil units (9,817,545 units in 2009) from reinvestments of distribution.

(b) Unrealised Deficits

	2010 RM	2009 RM	1 January 2009* RM
At beginning of the year	(3,517,591)	(8,930,833)	8,547,415
Unrealised (gain)/loss attributable to investments sold transferred to Realised Reserves	(2,484,988)	5,094,333	(7,852,008)
Net unrealised gain attributable to investments held transferred from the Income Statement	3,198,789	318,909	(9,626,240)
At end of the year	<u>(2,803,790)</u>	<u>(3,517,591)</u>	<u>(8,930,833)</u>

(c) Realised Reserves

	2010	2009	1 January
	RM	RM	2009*
			RM
At beginning of the year	18,972,716	17,387,687	24,299,760
Unrealised gain/(loss) attributable to investments sold transferred from Unrealised Reserves	<u>2,484,988</u>	<u>(5,094,333)</u>	<u>7,852,008</u>
Net movement in realised gain for the year	21,457,704	12,293,354	32,151,768
Net income after tax	9,354,717	12,397,206	(24,390,321)
Net unrealised gain transferred to Unrealised Reserves	(3,198,789)	(318,909)	9,626,240
Distribution for the year	<u>-</u>	<u>(5,398,935)</u>	<u>-</u>
At end of the year	<u><u>27,613,632</u></u>	<u><u>18,972,716</u></u>	<u><u>17,387,687</u></u>

* The movements presented are those in financial year 2008.

10. NAV PER UNIT

The net asset value per unit is calculated by dividing the net assets of RM60,136,222 (RM65,034,974 in 2009) as at 31 December 2010 by 86,282,535 (108,207,745 in 2009) units in issue as at 31 December 2010.

11. MANAGER'S FEE

Part 13 Division 13.1 and The Seventh Schedule of the Supplemental Master Deed provides that the Manager is entitled to a management fee computed daily on the net asset value of the Fund at a rate not exceeding 3.00% per annum. The management fee provided in the financial statements amounted to 1.50% (1.50% in 2009) per annum for the year.

12. TRUSTEE'S FEE

Part 13 Division 13.2 and The Eighth Schedule of the Supplemental Master Deed provides that the Trustee is entitled to a fee not exceeding 0.20% of net asset value of the Fund. The Trustee's fee calculated on a daily basis for the period is 0.07% (0.07% in 2009) per annum of the net asset value of the Fund, subject to a minimum of RM18,000 per annum.

13. INCOME TAX EXPENSES

	2010	2009
	RM	RM
Current tax expense	140,545	134,044
Over provision in prior year	<u>(1,425)</u>	<u>(50,969)</u>
Tax expense	<u><u>139,120</u></u>	<u><u>83,075</u></u>

Income tax is calculated at the Malaysian statutory tax rate of 25% (25% in 2009) of the estimated assessable income for the financial year.

13. INCOME TAX EXPENSES (CONTD.)

The tax charge for the financial year is in relation to the gross dividend income earned after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from tax. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61 (1)(b) of the Income Tax Act 1967.

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follow:

	2010	2009
	RM	RM
Net income before tax	<u>9,493,837</u>	<u>12,480,281</u>
Tax at Malaysian statutory rate of 25% (25% in 2009)	2,373,459	3,120,070
Tax effect of:		
Income not subject to tax	(2,637,834)	(3,183,735)
Expenses not deductible for tax purposes	404,920	197,709
Over provision in prior year	<u>(1,425)</u>	<u>(50,969)</u>
Tax expense for the year	<u>139,120</u>	<u>83,075</u>

14. DISTRIBUTION

	2010	2009
	RM	RM
Distribution to unitholders is from the following sources:		
Realised gain on sale of investments	<u>-</u>	<u>5,398,935</u>
Gross distribution per unit (sen)	-	6.23
Net distribution per unit (sen)	<u>-</u>	<u>6.23</u>

The above distribution was made on 15 July 2009 before taking into account unrealised gain of RM318,909 in 2009 which is carried forward to 2010.

15. MANAGEMENT EXPENSE RATIO & PORTFOLIO TURNOVER RATIO

Management Expense Ratio ("MER")

Management expense ratio for the Fund is 2.68% (1.62% in 2009) for the year ended 31 December 2010. The MER for the current year has increased compared to the previous year due to a higher percentage increase in expenses compared to the percentage increase in the average net asset value.

The management expense ratio includes manager's fee, trustee's fee, auditor's remuneration, tax agent's fee and other expenses which are calculated as follows:

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

A = Manager's fee

B = Trustee's fee

C = Auditor's remuneration

D = Tax agent's fee

E = Other expenses

F = Average net asset value of fund

The average net asset value of the Fund for the year is RM64,065,203 (RM54,017,486 in 2009).

15. MANAGEMENT EXPENSE RATIO & PORTFOLIO TURNOVER RATIO (CONTD.)

Portfolio Turnover Ratio (“PTR”)

The portfolio turnover ratio for the Fund is 3.40 times (2.78 times in 2009) for the year ended 31 December 2010. The PTR for the current year has increased compared to the previous year due to a higher percentage increase in the average transactional value compared to the percentage increase in the net asset value.

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

Where: total acquisition for the year = RM213,027,425 (RM151,772,073 in 2009)
total disposal for the year = RM222,504,943 (RM148,914,453 in 2009)

16. UNITS HELD BY THE MANAGER AND RELATED PARTIES

There was Nil unit (Nil unit in 2009) held by the Manager and Nil unit (Nil unit in 2009) held by other related parties as at the date of the balance sheet.

17. TRANSACTIONS WITH RELATED PARTIES AND OTHER STOCKBROKING COMPANIES/ INVESTMENT BANKS

Details of transactions with related parties and other stockbroking companies/investment banks for the financial year ended 31 December 2010 are as follows:

Brokers/Dealers	Value Of Trades RM	% Of Total Trades %	Brokerage Fees RM	% Of Total Brokerage Fees %
CIMB Investment Bank Bhd	90,328,298	21.30	306,034	22.22
CLSA Securities Malaysia Sdn Bhd	84,513,885	19.93	270,477	19.64
Credit Suisse Securities (M) Sdn Bhd	59,638,614	14.06	195,958	14.23
ECM Libra Investment Bank Bhd*	57,685,498	13.60	193,977	14.08
Hwang DBS Investment Bank Bhd	42,942,908	10.12	145,293	10.55
AmInvestment Bank Bhd	41,815,334	9.86	137,038	9.95
DBS Vickers Securities (S) Pte Ltd	24,394,111	5.75	79,765	5.79
UOB Kay Hian Pte Ltd	11,751,079	2.77	36,511	2.65
OSK Investment Bank Bhd	7,302,198	1.72	-	-
Maybank Investment Bank Bhd	3,779,206	0.89	12,282	0.89
	424,151,131	100.00	1,377,335	100.00

* A broker related to the Manager. The directors of the Manager are of the opinion that the transactions with this related investment bank have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. These dealings with the related party have been transacted at arm's length basis.

18. SEGMENTAL REPORTING

The primary segment reporting format is determined to be business segments as Avenue TacticalEXTRA Fund's risks and rates of return are affected predominantly by the different types of investments made.

The following table provides an analysis of the revenue, results and assets by business segments:

2010	Quoted securities RM	Unquoted fixed income securities RM	Total RM
Revenue			
Segment income/(loss) representing segment results	12,992,996	(2,618,545)	10,374,451
Unallocated income			146,400
Unallocated expenditure			(1,027,014)
Net income before taxation			9,493,837
Income tax expenses			(139,120)
Net income after taxation			<u>9,354,717</u>
Assets			
Segment assets - Investments	52,386,537	4,824,975	57,211,512
Other unallocated assets			3,334,097
			<u>60,545,609</u>
Liabilities			
Unallocated liabilities			<u>409,387</u>
2009			
Revenue			
Segment income/(loss) representing segment results	14,241,582	(990,402)	13,251,180
Unallocated income			102,567
Unallocated expenditure			(873,466)
Net income before taxation			12,480,281
Income tax expenses			(83,075)
Net income after taxation			<u>12,397,206</u>
Assets			
Segment assets - Investments	54,083,377	5,874,852	59,958,229
Other unallocated assets			7,791,899
			<u>67,750,128</u>
Liabilities			
Segment liabilities	2,618,464	-	2,618,464
Unallocated liabilities			96,690
			<u>2,715,154</u>

19. RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to preserve capital through a relatively balanced approach towards equities and fixed income exposures. In order to meet its stated investment objectives, the Fund utilises risk management for both defensive and proactive purposes. Rigorous analysis of sources of risk in the portfolio is carried out and the following policies are implemented to provide effective ways to reduce future risks and enhance future returns within the Fund's mandate. The key risks faced by the Fund are market risk, interest rate risk, credit risk, foreign currency risk and liquidity risk.

(i) *Market risk*

This is a class of risk that inherently exists in an economy and cannot be avoided by any business or company. It is usually due to changes in the economic outlook and affects broad market confidence. Market risk is managed through portfolio diversification and asset allocation whereby the securities exposure is monitored/reduced in the event of anticipated market weakness. Therefore, the performance of the Fund might go up or down in accordance with the prevailing market risk.

Equity price risk sensitivity

Based on the portfolio of the Fund at the end of the reporting year, the Manager's best estimate of the effect on the profit/(loss) for the year due to a possible change in equity indices, with all other variables held constant is indicated in the table below.

Market index	Changes in equity price %	Effects on profit/(loss) for the year RM	Effects on equity RM
2010			
FTSE Bursa Malaysia KLCI	+5	2,607,107	2,607,107

An equivalent decrease in the market index shown above would have resulted in an equivalent, but opposite, impact.

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

(ii) *Interest rate risk*

Interest rate risks are uncertainties resulting from the effects of fluctuations in the prevailing level of market interest rates on its investments and financial position.

Movements in interest rate will affect the value of unquoted fixed income securities. The Fund seeks to manage this risk by constructing a fixed income portfolio in accordance to the interest rate strategies developed after thorough evaluation of macroeconomic variables. Interest rate on short term deposits and deposits are determined based on prevailing market rates. The Fund seeks to obtain rates that are competitive.

Interest rate risk sensitivity

The following table demonstrates the sensitivity of the Fund's profit/(loss) for the year to a possible change in interest rates, with all other variables held constant.

The sensitivity is the effect of the assumed changes in interest rates on:

- The net interest income for one year, based on the floating rate financial assets held at the end of the reporting year; and
- Changes in fair value of investments for the year based on revaluing fixed rate financial assets at the end of the reporting year.

	Changes in basis points*	Sensitivity of interest income and profit/(loss) RM	Sensitivity of changes in fair value of investments RM	Net combined sensitivity changes RM
2010	+25/ -25	7,725/ (7,725)	(15,329)/ 15,329	(7,604)/ 7,604

* The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Interest rate risk exposure

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

	Up to 1 month RM	1 - 3 months RM	3 - 12 months RM	1 - 5 years RM	Over 5 years RM	Non- interest bearing RM	Total RM
2010							
Assets							
Cash at bank	-	-	-	-	-	102,460	102,460
Deposits with financial institutions	3,090,000	-	-	-	-	-	3,090,000
Unquoted fixed income securities	-	-	-	4,790,455	-	-	4,790,455
Other assets	-	-	-	-	-	52,562,694	52,562,694
Total assets	3,090,000	-	-	4,790,455	-	52,665,154	60,545,609
Liabilities							
Other payables and accruals	-	-	-	-	-	409,387	409,387
Total liability	-	-	-	-	-	409,387	409,387
Net interest rate sensitivity gap	3,090,000	-	-	4,790,455	-		

(iii) Credit risk

Credit risk is the risks that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. The risk applies mainly to unquoted fixed income securities. The Fund expects to reduce credit risks substantially by conducting thorough credit analysis before investment and by diversifying the portfolio.

For deposits in financial institutions, the Fund minimises credit risk by adopting an investment policy which allows dealing with counterparties with good credit rating only. Receivables are monitored to ensure that exposure to bad debts are minimised.

At the reporting date, the Fund has neither past due nor impaired receivables. The maximum exposure to credit risk is projected by the carrying amount of each class of financial assets in the statement of financial position.

Concentration of risk is monitored and managed based on sectorial distribution as set out below:

	←----- 2010 -----→			←----- 2009 -----→		
	Short-term deposits RM (Credit risk)	Unquoted fixed income securities RM (Credit risk)	Quoted securities RM (Equity risk)	Short-term deposits RM (Credit risk)	Unquoted fixed income securities RM (Credit risk)	Quoted securities RM (Equity risk)
Construction	-	-	3,583,000	-	-	2,080,000
Consumer Products	-	-	3,251,200	-	-	4,999,000
Finance	3,090,000	-	5,601,000	6,750,000	-	6,667,000
Industrial Product	-	-	4,907,000	-	-	3,930,000
Infrastructure Project Co	-	-	4,392,000	-	-	5,556,000
Loan Stocks	-	-	-	-	-	397,500
Plantation	-	-	4,400,000	-	2,627,546	4,926,200
Property	-	-	1,770,000	-	-	2,912,000
Technology	-	-	1,610,000	-	-	1,804,000
Trading & Services	-	-	22,627,940	-	-	18,434,600
Water	-	4,790,455	-	-	-	-
Others	-	-	-	-	3,148,698	-
	3,090,000	4,790,455	52,142,140	6,750,000	5,776,244	51,706,300

Credit quality of financial assets

The following table analyses the Fund's portfolio of fixed income securities by rating category:

Credit rating	As at 31 December 2010	
	As a % of debt securities	As a % of NAV
AA+	100.00%	7.97%
	100.00%	7.97%

(iv) Liquidity risk

In a weak and thinly traded market where the transaction volume is low, the investments in the Fund may not be liquidated in the desired amount without causing the market price of the securities to fall sharply. The Fund Manager aims to reduce liquidity risk by investing mainly in companies with relatively large market capitalization, and are fairly liquid.

The following table summarises the Fund's remaining contractual maturity for its financial liabilities :

	Up to 1 month RM	1 - 3 months RM	3 - 12 months RM	1 - 5 years RM	Over 5 years RM	Total RM
2010						
Financial liabilities						
Other payables and accruals	399,487	9,900	-	-	-	409,387
Total liabilities	<u>399,487</u>	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,387</u>

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fund's financial assets at FVTPL are carried at fair value. In general, quoted and observable market prices are used as the measure of fair values for quoted securities.

For unquoted fixed income securities, fair values are generally obtained from the indicative market yields quoted by a bond pricing agency. In the event that the Manager is of the opinion that the value of the fixed income securities differs from the indicative yields quoted by the bond pricing agency, the Manager will value the securities based on a pricing model that reflects prevailing market conditions.

For deposits and placements with financial institutions with maturities of less than twelve months, the carrying value is a reasonable estimate of fair value. For deposits and placements with financial institutions with maturities of more than twelve months, the estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining year to maturity. The carrying amounts of the financial assets other than the investments and financial liabilities as at balance sheet date approximate their fair values because of the short term to maturity of these instruments.

Avenue TacticalEXTRA Fund

**STATEMENT BY MANAGER
To the Unitholders of Avenue TacticalEXTRA Fund**

We, Tan Jin Teik and Mahadzir Bin Azizan, two of the Directors of the Manager, Avenue Invest Berhad, do hereby state that in the opinion of the Manager, the financial statements set out on pages 100 to 121 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the statement of financial position of the Fund as at 31 December 2010 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Fund together with the notes thereto for the year ended on that date in accordance with the Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia.

**For and on behalf of the Manager,
AVENUE INVEST BERHAD**

TAN JIN TEIK
MANAGING DIRECTOR

MAHADZIR BIN AZIZAN
INDEPENDENT NON EXECUTIVE
DIRECTOR

22 February 2011

**Independent auditors' report to the unitholders of
Avenue TacticalEXTRA Fund**

Report on the financial statements

We have audited the financial statements of Avenue TacticalEXTRA Fund, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 100 to 121.

Manager's and Trustee's responsibility for the financial statements

The Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable fair presentation of these financial statements.

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 judgment, 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 and fair presentation of the financial statements 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 Fund's internal control. An audit also includes evaluating the appropriateness of the 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 and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of the Fund as at 31 December 2010 and of its financial performance, the changes in equity and the cash flows of the Fund for the year then ended.

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Chan Hooi Lam
No. 2844/02/12(J)
Chartered Accountant

Kuala Lumpur, Malaysia
22 February 2011