

ANNUAL REPORT 2011

✧ LIBRA LIQUIDITY FUND

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FUND DIRECTORY

MANAGER

Libra Invest Berhad (361207-D)
(formerly known as Avenue Invest Berhad)
(A member of the ECM Libra Group)
2nd Floor, West Wing
Bangunan ECM Libra
8 Jalan Damansara Endah
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

HSBC (Malaysia) Trustees Berhad (001281-T)
13th Floor, Bangunan HSBC
SOUTH TOWER
No 2, Leboh Ampang
50100 Kuala Lumpur.
Tel : 03-2075 7800 ; Fax 03-2026 1273

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)
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
P.O Box 10192
50706 Kuala Lumpur.
Tel: 03-2173 1188; Fax: 03-2173 1288

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

PENANG

Level 16, Unit 16.01A & 16.02
Menara Boustead Penang
39, Jalan Sultan Ahmad Shah, 10050 Penang.
Tel: 04-227 6185; Fax: 04-227 6213

PERAK – IPOH

2nd Floor
No 63, Persiaran Greenhill
30450 Ipoh, Perak.
Tel: 05-255 5388; Fax: 05-243 8616

KELANTAN – KOTA BHARU

Lot 2 – 7, Tingkat 2,
Bangunan MARA, Jalan Dato Pati
15000 Kota Bharu, 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

71 (A&B) & 73 (A&B)
Jalan Merdeka
Taman Melaka Raya
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

1st Floor, Lot 2713, No. 343
Central Park Commercial Centre
Jalan Tun Ahmad Zaidi Aduce
93250 Kuching, Sarawak.
Tel: 082-235 035; Fax: 082-238 035

SABAH – KOTA KINABALU

Level 8, Wisma Great Eastern
No 68, Jalan Gaya
88000 Kota Kinabalu, Sabah.
Tel: 088-253 030; Fax: 088-263 030

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MARKET REVIEW: MONEY MARKET

Excess liquidity in the Malaysian money market system had been building up over the past one year as Ringgit appreciation against the US Dollar continued to attract inflows of funds from offshore investors. Funds flight to safety triggered by the Middle-East unrest, Japan's massive earthquake, US sovereign rating downgrade and escalating European sovereign debt crisis had contributed to the massive inflows into our financial system. The amount of excess liquidity being mopped up by Bank Negara stood at RM275.0 billion as at end September 2011, a rise of almost RM50 billion compared to RM225.3 billion a year ago. In May, Bank Negara raised the Overnight Policy Rate (OPR) by 25 basis points from 2.75% to 3.00%, the first interest rate increase since July 2010 in order to keep inflation in check. The Consumer Price Index (CPI) had been on a rising trend, mainly due to the rise in food prices, fuel and transportation costs. The CPI recorded a 3.4% increase in September 2011, compared to a 2.2% rise at end December 2010. Nevertheless, inflation numbers had been moderating of late and remains at a manageable level.

Deposit rates had risen in tandem with the OPR increase in May. However, the abundance of liquidity in the financial system had suppressed deposit rates offered by financial institutions. Nonetheless, the liquidity inflows had benefited the domestic bond market which had seen a strong rally in government bonds (MGS) and private debt securities (PDS) to date.

MARKET OUTLOOK: MONEY MARKET

Amidst signs of a global economic slowdown, several countries in the Asia Pacific region embarked on a more dovish stance on monetary policy. Regional central banks have started to lower interest rates to counter impending economic slowdown, as displayed by Indonesia and Australia in October and November 2011.

While Bank Negara had maintained the Overnight Policy Rate at 3.00% to date, there is market talk of a potential interest rate cut of up to 50 basis points in the first half of year 2012. With this in view, deposit rates are expected to remain stable in the near term. However, in the event of further deterioration in economic developments, potential interest rate cuts over the longer term should not be discounted.

CURRENT RATE	
Maybank Overnight Repo rate	
<u>Date</u>	<u>Rate</u>
1 Year Ended 30 Sept 2011	1.61%

Source: Maybank2u.com

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LIBRA LIQUIDITY FUND
(formerly known as AVENUE LIQUIDITY FUND)

FUND PROFILE

Inception Date	18 February 2009 (The Fund has no predetermined fixed period or termination date)
Initial Offer Price	RM0.5000 per unit during the Initial Offer Period (IOP) of 21 days ended 11 March 2009
Pricing Policy	Investment and Liquidation at Net Asset Value per unit
Fund Category/ Type	Money Market/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 investing primarily in Ringgit-denominated short-term deposits with licensed financial institutions.
Benchmark	Maybank's Overnight Repo Rates <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 Liquidity Fund.</i>
Investment Objective	Libra Liquidity Fund seeks to preserve capital and maintain a high degree of liquidity while providing steady income with minimal risk by investing primarily in short-term deposits.
Investment Policy	Libra Liquidity Fund seeks to preserve capital and maintain a high degree of liquidity while providing steady income with minimal risk by investing primarily in short-term deposits.
Investment Strategy	The Fund will invest up to 100% of its NAV in Ringgit-denominated short term deposits with licensed financial institutions. To mitigate financial institution risks, the Fund will diversify its deposit placements with different financial institutions regulated by Bank Negara Malaysia.
Distribution Policy	It is the intention of the Management Company to declare distribution of income quarterly for the Liquidity Fund, provided there are sufficient realised gains. The amount of income to be distributed will vary from period to period, depending on the interest rates, market conditions, the performance and objective of the Fund. Income distributions may be made out of realised 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 sales charge. Unitholders wanting to realise 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.

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LIBRA LIQUIDITY FUND
(formerly known as AVENUE LIQUIDITY FUND)

FUND PROFILE

**Profile of
Unitholdings**

** Excluding units held
by the Management
Company*

Size of Holding (Units)	<i>As at 30 September 2011</i>			
	Unitholder		Unit Holding	
	No	%	No (million)	%
5,000 and below	1	20.00	0.01	1.03
5,001 to 10,000	-	-	-	-
10,001 to 50,000	1	20.00	0.02	4.63
50,001 to 500,000	3	60.00	0.42	94.34
500,001 and above	-	-	-	-
* Total (Decimal Rounding)	5	100.00	0.45	100.00

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LIBRA LIQUIDITY FUND
(formerly known as AVENUE LIQUIDITY FUND)

FUND PERFORMANCE

	2011	2010	2009
NAV & PRICING for the year ended 30 Sept Please refer to Note 1 for further information.			
Total Net Asset Value (RM million)	0.26	2.05	5.19
Units in circulation (million units)	0.45	4.07	10.31
NAV per unit (RM)	0.5033	0.5034	0.5030

HIGHEST & LOWEST NAV for the year ended 30 Sept			
Highest NAV per unit (RM)	0.5057	0.5064	0.5051
Lowest NAV per unit (RM)	0.5024	0.5031	0.5000

PORTFOLIO COMPOSITION % of NAV for the year ended 30 Sept			
Liquid assets including Short-term Deposits	100.0%	100.0%	100.0%

EXPENSE/TURNOVER for the year ended 30 Sept			
Management expense ratio (MER) (%)	0.77	0.51	0.22
Portfolio turnover ratio (PTR) (times)	-	-	-
Please refer to page 21 for further explanation on the difference in MER			

RETURN (%) for the year ended 30 Sept Please refer to Note 2 for further information.			
• TOTAL RETURN			18 Feb 2009
Libra Liquidity Fund (Inception date: 18 Feb 2009)	2011	2010	to
Total Return	1.26	1.76	31 Dec 2009
Capital Return	-0.26	0.24	1.06
Income Return	1.52	1.52	0.68

• AVERAGE TOTAL RETURN	1-yr	3-yrs	5-yrs
Libra Liquidity Fund (Inception date: 18 Feb 2009)	1.26	N/A	N/A

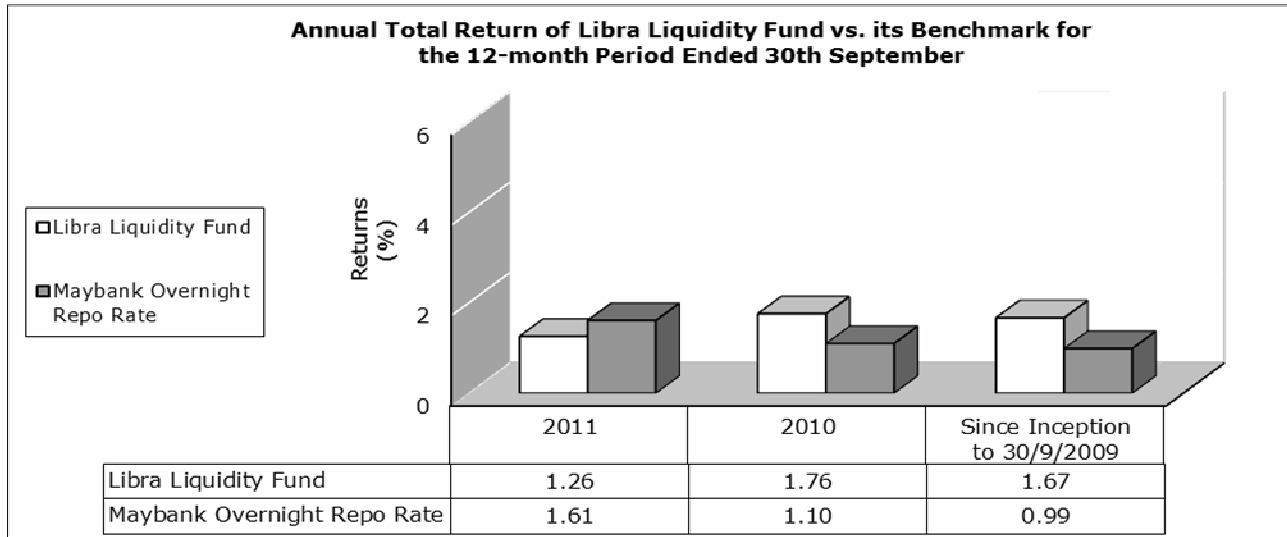
Source : Lipper

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

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LIBRA LIQUIDITY FUND
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FUND PERFORMANCE



Source : Lipper

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

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LIBRA LIQUIDITY FUND
 (formerly known as AVENUE LIQUIDITY FUND)

INCOME DISTRIBUTION AND UNIT SPLIT

For the period ended 30 Sept

	2011	2010	2009
Distribution date	29 Mar 28 Jun 28 Sept	26 Mar 25 Jun 28 Sept 29 Dec	28 Sept 29 Dec
Gross distribution (sen per unit)	0.19 (every quarter)	0.19 (every quarter)	0.19 (every quarter)
Net distribution (sen per unit)	0.19 (every quarter)	0.19 (every quarter)	0.19 (every quarter)
NAV before distribution (sen per unit)	50.57 (28 Mar) 50.43 (27 Jun) 50.51 (27 Sept)	50.51 (25 Mar) 50.54 (24 Jun) 50.64 (27 Sept) 50.56 (28 Dec)	50.51 (27 Sept) 50.50 (28 Dec)
NAV after distribution (sen per unit)	50.38 (29 Mar) 50.24 (28 Jun) 50.33 (28 Sept)	50.32 (26 Mar) 50.36 (25 Jun) 50.45 (28 Sept) 50.37 (29 Dec)	50.33 (28 Sept) 50.31 (29 Dec)
Unit Split	-	-	-

FUND REVIEW

For the year under review, the Fund was up 1.26% compared to its benchmark return of 1.61%. Returns for Libra Liquidity Fund were derived from its investments in short-term Ringgit deposits placed with licensed financial institutions. In line with its objective, the Fund has provided consistent income with minimal risk while preserving capital and maintaining a high degree of liquidity. It aims to continue to provide conservative returns while maintaining fluidity of funds to meet its investors short term needs.

NAV PER UNIT

NAV per unit as at 30 Sept 2010	RM0.5046
NAV per unit as at 30 Sept 2011	RM0.5033

ASSET ALLOCATION *as at 30 Sept 2011*



1	Liquid assets including short-term deposits	100.0%
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Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

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LIBRA LIQUIDITY FUND
(formerly known as AVENUE LIQUIDITY 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 figure for the benchmark Maybank's Overnight Repo Rate is calculated assuming placement for the period from 30/09/2010 to 30/09/2011. For calculations for periods less than 12 months, the interests earned over the period are accrued accordingly.*

- *Data source for Total Returns, Average Total Returns, Annualised Total Returns, and Fund Performance against its Benchmark: Lipper*
- *Data source for Overnight Repo Rate: Maybank*

Note 3: *Distribution of 0.19 sen per unit was declared on 29 December 2010, 29 March 2011, 28 June 2011 and 28 September 2011 and was automatically reinvested into additional units on the same day at NAV after distribution with no entry fee.*

- *There was no unit split exercise for the period ended 30 September 2011.*

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

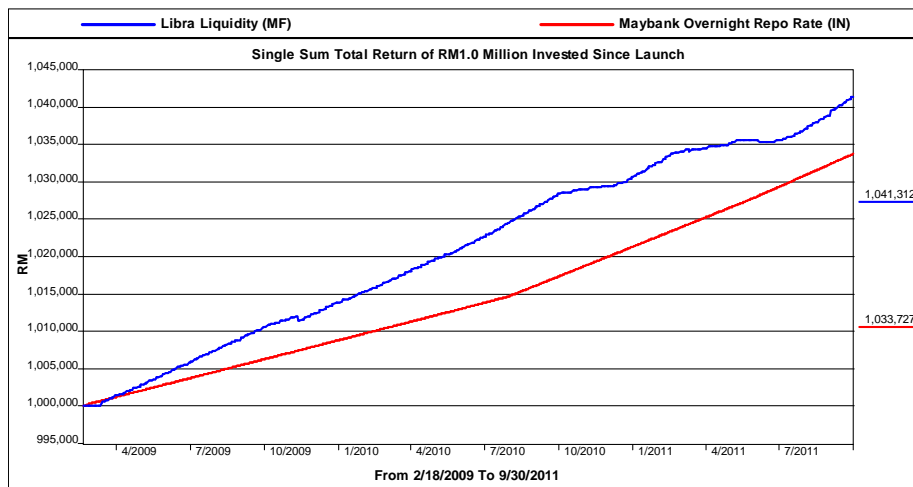
ADDITIONAL INFORMATION / DISCLOSURE

**RETURN ON AN INITIAL INVESTMENT OF RM1,000,000
IN LIBRA LIQUIDITY FUND**

As ease of reference, the Fund's total return for the period ended 30 September 2011 is in Ringgit terms.

The following charts illustrate comparative growth figures for an initial investment of RM1,000,000 in Libra Liquidity Fund, with its respective benchmark, for the period specified below.

From 18 February 2009 to 30 September 2011



A RM1,000,000 investment in Libra Liquidity Fund and its benchmark (*Maybank overnight repo rate*) from 18 February 2009 to 30 September 2011 (before tax) would be worth **RM 1,041,312.00** and **RM 1,033,727.00** respectively.



Source: Lipper

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, financial institution 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 7 for further clarification on data source and assumptions used in calculating return figures for the Fund and its benchmark.

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

TRUSTEE'S REPORT

To the Unitholders of Libra Liquidity Fund

We have acted as Trustee of Libra Liquidity Fund (formerly known as Avenue Liquidity Fund) ("the Fund") for the financial year ended 30 September 2011. To the best of our knowledge, Libra Invest Berhad (formerly known as Avenue Invest Berhad) ("the Management Company"), has operated and managed the Fund in accordance with the following:-

1. Limitations imposed on the investment powers of the management company and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007, and other applicable laws;
2. Valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
3. Creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

A gross distribution of 0.19 sen per unit was declared to the unit holders on 29 December 2010, 29 March 2011, 28 June 2011 and 28 September 2011 respectively for the financial year ended 30 September 2011.

We are of the view that the distribution is consistent with the objective of the Fund.

For **HSBC (Malaysia) Trustee Berhad**

Tan Bee Nie

Head, Trustee Operations

Kuala Lumpur, Malaysia

23 November 2011

Libra Liquidity Fund

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

	Note	2011 RM	2010 RM
ASSETS			
Deposits with financial institutions	3	210,060	2,000,000
Other receivables	4	190	801
Cash at bank		19,210	52,043
TOTAL ASSETS		<u>229,460</u>	<u>2,052,844</u>
LIABILITIES			
Accruals	5	<u>3,753</u>	<u>5,188</u>
TOTAL LIABILITIES		<u>3,753</u>	<u>5,188</u>
EQUITY			
Unitholders' capital		174,853	2,004,550
Realised reserves		50,854	43,106
TOTAL EQUITY	6	<u>225,707</u>	<u>2,047,656</u>
TOTAL EQUITY AND LIABILITIES		<u>229,460</u>	<u>2,052,844</u>
UNITS CIRCULATION			
Net Asset Value ("NAV") Per Unit	7	<u>0.5033</u>	<u>0.5034</u>

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

Libra Liquidity Fund

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

	Note	2011 RM	2010 RM
INVESTMENT INCOME			
Interest income		25,995	52,638
		<u>25,995</u>	<u>52,638</u>
EXPENSES			
Manager's fee	8	1,549	3,724
Trustee's fee	9	826	1,986
Auditors' remuneration		1,710	3,000
Tax agent's fee		1,800	1,800
Other expenses		2,096	2,146
		<u>7,981</u>	<u>12,656</u>
Net income before tax		18,014	39,982
Income tax expenses	10	-	-
Net income after tax		<u>18,014</u>	<u>39,982</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u>18,014</u>	<u>39,982</u>
Net income after tax is made up of the following:			
Net realised income		18,014	39,982
Net unrealised gain		-	-
		<u>18,014</u>	<u>39,982</u>
Net distribution amount	11	10,266	31,459
Gross distribution per unit (sen)		0.76	0.76
Net distribution per unit (sen)		<u>0.76</u>	<u>0.76</u>

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

Libra Liquidity Fund

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

	Unitholders' capital Note 6(a) RM	Realised reserves Note 6(b) RM	Total equity RM
As at 1 October 2009	5,151,790	34,583	5,186,373
Total comprehensive income for the year	-	39,982	39,982
Creation of units	2,072,895	-	2,072,895
Cancellation of units	(5,220,135)	-	(5,220,135)
Distribution (Note 11)	-	(31,459)	(31,459)
As at 30 September 2010	<u>2,004,550</u>	<u>43,106</u>	<u>2,047,656</u>
Total comprehensive income for the year	-	18,014	18,014
Creation of units	10,266	-	10,266
Cancellation of units	(1,839,963)	-	(1,839,963)
Distribution (Note 11)	-	(10,266)	(10,266)
As at 30 September 2011	<u>174,853</u>	<u>50,854</u>	<u>225,707</u>

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

Libra Liquidity Fund

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

	2011	2010
	RM	RM
Cash flows from operating and investing activities		
Interest received	26,606	69,534
Manager's fee paid	(1,774)	(3,987)
Trustee's fee paid	(946)	(2,126)
Payment for other fees and expenses	(6,696)	(5,146)
Net cash generated from operating and investing activities	<u>17,190</u>	<u>58,275</u>
Cash flows from financing activities		
Cash received from units created	10,266	3,072,748
Cash paid on units cancelled	(1,839,963)	(5,220,136)
Distribution paid	(10,266)	(31,459)
Net cash used in financing activities	<u>(1,839,963)</u>	<u>(2,178,847)</u>
Net decrease in cash and cash equivalents	(1,822,773)	(2,120,572)
Cash and cash equivalents at the beginning of the year	<u>2,052,043</u>	<u>4,172,615</u>
Cash and cash equivalents at the end of the year	<u>229,270</u>	<u>2,052,043</u>
Cash and cash equivalents comprise:		
Cash at bank	19,210	52,043
Deposits with financial institutions	210,060	2,000,000
	<u>229,270</u>	<u>2,052,043</u>

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

Libra Liquidity Fund

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2011

1. GENERAL INFORMATION

Libra Liquidity Fund (formerly known as Avenue Liquidity Fund) (“the Fund”) was established pursuant to the Deed dated 23 December 2008 between Libra Invest Berhad (“LIB”) (formerly known as Avenue Invest Berhad) as the Manager, HSBC (Malaysia) Trustee Berhad as the Trustee and the registered Unitholders of the Fund.

The principal activity of the Fund is to invest in investments as defined under The Seventh Schedule of the Deed. The Fund commenced operations on 18 February 2009 and will continue its operations until terminated in accordance with Part 12 of the Deed. The objective of Libra Liquidity Fund is to seek capital preservation and maintain a high degree of liquidity while providing steady income with minimal risk by investing primarily in short term deposits.

The Manager of the Fund is Libra Invest Berhad (formerly known as 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 November 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 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Standards Issued But Not Yet Effective

The Fund has not adopted the following standards and interpretations which have been issued but not yet effective:

	Effective for financial periods beginning on or after
FRS, Amendments to FRS and Interpretations	
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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of Significant Accounting Policies (Contd.)

(a) Financial assets (Contd.)

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'. Profit earned and dividend revenue elements of such instruments are recorded separately in 'Profit 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) Loan 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, receivables are measured at amortised cost using the effective profit 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 assess at each reporting date whether there is any objective evidence that a financial asset classified as loans and receivables is impaired.

To determine whether there 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 or 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 profit rate. The impairment loss is recognised in profit or loss.

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

If in a subsequent 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of Significant Accounting Policies (Contd.)

(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 become 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 is recognised on an accrual basis using effective interest method.

(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) Unitholders' 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of Significant Accounting Policies (Contd.)

(h) Cash Flow Statement

The Fund adopts the direct method in the preparation of statement of cash flows. 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 the Fund 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. DEPOSITS WITH FINANCIAL INSTITUTIONS

Deposits with financial institutions represent deposits with Affin Bank Berhad, CIMB Investment Bank Berhad, Hong Leong Islamic Bank Berhad, Public Bank Berhad and RHB Investment Bank Berhad. The effective average interest rate for short-term deposits as at 30 September 2011 is 3.04% (2.64% in 2010) per annum. The average maturity of these deposits as at 30 September 2011 is 21 (2 in 2010) days.

4. OTHER RECEIVABLES

	2011 RM	2010 RM
Interest receivable	<u>190</u>	<u>801</u>

5. ACCRUALS

	2011 RM	2010 RM
Accruals:		
Manager's fee	28	253
Trustee's fee	15	135
Auditors' remuneration	1,710	3,000
Tax agent's fee	<u>2,000</u>	<u>1,800</u>
	<u>3,753</u>	<u>5,188</u>

6. TOTAL EQUITY

	Note	2011 RM	2010 RM
Unitholders' capital	(a)	174,853	2,004,550
Realised reserves	(b)	<u>50,854</u>	<u>43,106</u>
Total equity		<u>225,707</u>	<u>2,047,656</u>

(a) Unitholders' Capital

	2011 Units	2011 RM	2010 Unit	2010 RM
At beginning of the year	4,067,817	2,004,550	10,310,060	5,151,790
Creation of units	20,386	10,266	4,113,324	2,072,895
Cancellation of units	<u>(3,639,770)</u>	<u>(1,839,963)</u>	<u>(10,355,567)</u>	<u>(5,220,135)</u>
At end of the year	<u>448,433</u>	<u>174,853</u>	<u>4,067,817</u>	<u>2,004,550</u>

In accordance with Part 6.1.2 of the Deed and Securities Commission's approval letter dated 22 January 2009, the maximum number of units that can be issued out for circulation is 600,000,000 (600,000,000 in 2010). As at 30 September 2011, the number of units not yet issued is 599,551,567 (595,932,183 in 2010).

Included in the units created during the year are 20,386 (62,472 in 2010) from reinvestment of distribution on 29 December 2010, 29 March 2011, 28 June 2011 and 28 September 2011 (29 December 2009, 26 March 2010, 25 June 2010 and 28 September 2010).

6. TOTAL EQUITY (CONTD.)

(b) Realised Reserves

	2011	2010
	RM	RM
At beginning of the year	43,106	34,583
Net income after tax	18,014	39,982
Distribution for the year	<u>(10,266)</u>	<u>(31,459)</u>
At end of the year	<u>50,854</u>	<u>43,106</u>

7. NAV PER UNIT

The net asset value per unit is calculated by dividing the net assets of RM225,707 as at 30 September 2011 (RM2,047,656 in 2010) by 448,433 units in issue as at 30 September 2011 (4,067,817 units in 2010).

8. MANAGER'S FEE

Part 13.1.2 of the 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 0.50% per annum. The management fee provided for the financial statements amounted to 0.15% (0.15% in 2010) per annum for the year.

9. TRUSTEE'S FEE

Part 13.2.2 of the Deed provides that the Trustee is entitled to a fee not exceeding 0.08% of net asset value of the Fund. The Trustee's fee for the year is 0.08% (0.08% in 2010) per annum of the net asset value of the Fund calculated on a daily basis.

10. INCOME TAX EXPENSES

Income tax is calculated at the Malaysian statutory tax rate of 25% 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.

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:

10. INCOME TAX EXPENSES (CONTD.)

	2011 RM	2010 RM
Net income before tax	<u>18,014</u>	<u>39,982</u>
Tax at Malaysian statutory rate of 25%	4,504	9,995
Tax effect of:		
Income not subject to tax	(6,402)	(12,976)
Expenses not deductible for tax purposes	<u>1,898</u>	<u>2,981</u>
Tax expense for the period	<u>-</u>	<u>-</u>

11. DISTRIBUTION

	2011 RM	2010 RM
Distribution to unitholders is from the following sources:		
Interest income	18,247	44,115
Less : Expenses	<u>(7,981)</u>	<u>(12,656)</u>
Net distribution amount	<u>10,266</u>	<u>31,459</u>
Gross distribution per unit (sen)	0.76	0.76
Net distribution per unit (sen)	<u>0.76</u>	<u>0.76</u>

The above distribution has been made on 29 December 2010, 29 March 2011, 28 June 2011 and 28 September 2011 (29 September 2009, 26 March 2010, 25 June 2010 and 28 September 2010 in 2010).

12. MANAGEMENT EXPENSE RATIO

Management Expense Ratio (“MER”)

Management expense ratio for the Fund is 0.77% (0.51% in 2010) for the year ended 30 September 2011. The MER for the current year has increased due to a lower 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, 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 RM1,032,915 (RM2,482,387 in 2010).

13. UNITS HELD BY THE MANAGER AND RELATED PARTIES

There were Nil units (Nil units in 2010) held by the Manager and Nil units (Nil units in 2010) held by related parties as at the date of the statement of financial position.

14. SEGMENTAL REPORTING

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

15. RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unitholders' value. 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 and liquidity risk, primarily on its investments.

(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 the Fund's investments and financial position. Interest rate on short term deposits and deposits are determined based on prevailing market rates. The Fund seeks to obtain rates that are competitive.

15. RISK MANAGEMENT POLICIES (CONTD.)

Interest rate risk sensitivity

The following table demonstrates the sensitivity of the Fund's profit/(loss) for period 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 period, based on the floating rate financial assets held at the end of the reporting period; and
- Changes in fair value of investments for the period based on revaluing fixed rate financial assets at the end of the reporting period.

	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
2011	+25/ -25	573 / (573)	Nil	573 / (573)

*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 included at fair value and categorised by the earlier of contractual repricing 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
2011							
Assets							
Cash at bank	-	-	-	-	-	19,210	19,210
Deposits with financial institutions	210,060	-	-	-	-	-	210,060
Other assets	-	-	-	-	-	190	190
Total assets	210,060	-	-	-	-	19,400	229,460
Liabilities							
Accruals	-	-	-	-	-	3,753	3,753
Total liability	-	-	-	-	-	3,753	3,753
Net interest rate sensitivity gap	210,060	-	-	-	-		

15. RISK MANAGEMENT POLICIES (CONTD.)

(iii) Liquidity risk

Liquidity risk is defined as the risk the Fund will encounter difficulty in meeting obligations associated with financial liabilities. To minimise liquidity risk, the Fund maintains a prudent and sufficient level of liquid assets to meet anticipated payments and redemption of units by Unitholders.

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
2011						
Financial liabilities						
Accruals	43	3,710	-	-	-	3,753
Total liabilities	43	3,710	-	-	-	3,753

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fund's financial assets at FVTPL are carried at fair value. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction.

For deposits and placements with financial institutions with maturities of less than twelve months, the carrying value is a reasonable estimate of fair value. The carrying amount of other financial assets and financial liabilities approximate their fair values because of the short term to maturity of these instruments.

Libra Liquidity Fund

**STATEMENT BY MANAGER
To the Unitholders of Libra Liquidity Fund**

We, Hoo See Kheng and Datuk Kamarudin Md Ali, two of the Directors of the Manager, Libra Invest Berhad (formerly known as Avenue Invest Berhad), do hereby state that in the opinion of the Manager, the financial statements set out on pages 10 to 24 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 30 September 2011 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,
LIBRA INVEST BERHAD**

HOO SEE KHENG
CEO/ CHIEF INVESTMENT OFFICER

DATUK KAMARUDIN MD ALI
INDEPENDENT NON EXECUTIVE
DIRECTOR

23 November 2011

Independent auditors' report to the unitholders of Libra Liquidity Fund

Report on the financial statements

We have audited the financial statements of Libra Liquidity Fund (formerly known as Avenue Invest Berhad), which comprise the statement of financial position as at 30 September 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 24.

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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation 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.

**Independent auditors' report to the unitholders of
Libra Liquidity Fund (Contd.)**

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 30 September 2011 and of its financial performance, the changes in net asset value and the cash flows of the Fund for the period 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

Kuala Lumpur, Malaysia
23 November 2011

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