

ALLIANCE FIRST FUND

ALLIANCE INVESTMENT MANAGEMENT BERHAD (334195-K)

FUND OBJECTIVE

- To provide medium to long term investors with a reasonable level of income and capital growth.

REVIEW & OUTLOOK AS AT END MARCH 2011

Market Review

- The Kuala Lumpur Composite Index (KLCI) staged a mild rally in early March; gaining 1.5% to 1,524 points before plunging to a 2011 low at 1,484 points, as markets tumbled after a powerful 9.0 magnitude earthquake hit Japan on 11 March 2011.
- The Nikkei index plunged 11% on 15 March 2011, as investors were spooked by a possible nuclear disaster after explosions were reported at the Fukushima Daiichi nuclear power plant which had been damaged by the tsunami.
- Global markets subsequently rebounded the following week on news that a nuclear catastrophe had been averted.
- The imposition of a no-fly zone over Libya was also positively received. The Nikkei rebounded from its steep fall as news emerged that serious radiation leaks and a complete meltdown had been avoided.
- The Dow Jones Industrial Average climbed after the Federal Reserve, in its policy meeting on 15 March 2011, pledged to continue its quantitative easing (QE2) program and kept the Fed Funds rate unchanged.
- The KLCI gained 3.6% to close the month at 1,545 points, led higher by banking heavyweights and oil and gas stocks. The FBM Emas and FBM Shariah indices gained 3.9% and 3.7% respectively to 10,613 and 10,373 points.
- Average value traded daily on the exchange fell 20% from the previous month to RM1.79 billion. Crude oil advanced 4.7% during the month to US\$117 per barrel on concern that turmoil in Libya could disrupt global supplies. Gold prices gained 1.5% to a historical high of US\$1,432 per troy ounce as the US Dollar continued to weaken.
- The US Dollar fell 1% during the month to RM3.03/US\$. Crude palm oil fell 5.5% to RM3,367 per metric tonne as supplies increased and major importers reduced their purchases.

Market Outlook

- The market is expected to resume its uptrend supported by positive fundamentals although external events may add a degree of uncertainty. Risk from Eurozone debt crisis lingers but has been managed by creation of the European Financial Stability Fund.
- We shall favour a balance of index stocks, stocks with strong growth expectations and high dividend stocks. We shall continue to adopt a trading stance on the market while maintaining our current equity exposure.

FUND MANAGER

The manager of the Fund, Alliance Investment Management Berhad (AIMB) is a subsidiary of Alliance Bank Malaysia Berhad. It was incorporated in Malaysia on 20 February 1995 under the Companies Act 1965. The consolidation of the unit trust and asset management businesses under AIMB on 2 April 2007 enables the new entity to manage unit trusts funds as well as corporate and retail funds, such as pension funds, insurance funds and high net-worth individuals.

AIMB is a licensed manager under the Capital Markets and Services Act 2007 and has a paid-up capital of RM11.3 million (11.3 million shares @ RM1.00 each). As at 31 December 2010, the total asset under management stood at RM2.7 billion including 14 unit trust funds, corporate and retail discretionary funds.

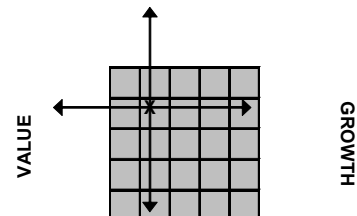
AIMB currently has 40 employees, of whom 36 are executives and four non-executives, who are responsible for the day-to-day operations and management of AIMB's funds.

Tai Suah Fun (Designated Fund Manager)

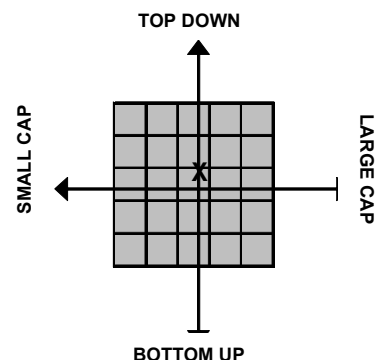
Ms. Tai Suah Fun holds a Masters in Business Administration from George Washington University DC, USA. She started her career as a Money Market Dealer with the Treasury Department at Aseambankers Malaysia Bhd and subsequently moved to Fund Management in 1995. Prior to joining Alliance Capital Asset Management (ACAM) in November 2004, she was a Fund Manager/Analyst with Mayban Investment Asset Management Sdn Bhd and JMF Asset Management Sdn Bhd for 10 years. During her eight years' tenure with Mayban Investment Asset Management Sdn Bhd, she conducted research on companies and was responsible for managing various types of funds such as insurance, provident and unit trust funds. She obtained her Fund Manager's license in 1998 and has been a licensed Fund Manager with ACAM since November 2004. Due to the rationalisation of Alliance Unit Trust (AUT) and ACAM, an application was made to Securities Commission (SC) for the change of principal from ACAM to AUT, now known as AIMB. The SC via their letter dated 2 April 2007, has approved the application. Currently, she is a licensed Fund Manager of AIMB.

INVESTMENT STYLE

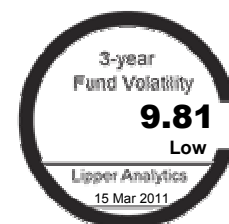
CLOSE TO BENCHMARK



DISREGARD BENCHMARK



60% FTSE Bursa Malaysia KLCI + 40%
12-month Malayan Banking Berhad
(Maybank) FD rate



Based on the fund's portfolio returns as at 28 February 2011, the Volatility Factor (VF) for this fund is 9.81 and is classified as "Low", (source: Lipper). "Low" includes funds with VF that are between 4.325 to 11.845 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

Before investing, you are advised to read and understand the contents of the Master Prospectus dated 30 January 2011, which has been registered with the Securities Commission (SC). The SC takes no responsibility for the contents of the Master Prospectus, which is obtainable at the Head Office of Alliance Investment Management Berhad (AIMB), AIMB tied-advisers, all branch offices of HSBC Bank Malaysia Berhad and other appointed Institutional Unit Trust Advisers (IUTAs). You should consider the fees and charges involved and consult your financial or other professional adviser if you are in doubt about any feature or nature of the Fund. The prices of units and distribution, if any, may go down as well as up and past performance of the Fund is no guarantee of future performance. Any issue of units to which the Master Prospectus relates to will only be made on receipt of the application form referred to in and accompanying the Master Prospectus.

ALLIANCE FIRST FUND

ALLIANCE INVESTMENT MANAGEMENT BERHAD (334195-K)

Date: 31/03/2011

FUND INFORMATION

Launch Date	16 January 1996
Fund Category (as per S&P, Micropal or Lipper)	Balanced
Fund Type	Income and Growth
Fund Size (RM)	49.671 million
Launch Price	RM1.00
Initial Investment	RM1,000
Subsequent Investment	RM100
Sales Charge	Maximum up to 6.50% of net asset value (NAV) per unit
Annual Management Fee	1.50% of NAV
Exit Fee	Nil
Annual Expense Ratio as at 31/03/2011	1.70%
EPF Investment Scheme	No
Special Risk	Subject to liquidity and market risk

RISK AS AT END 31/03/2011

**3-year Annualised Volatility	9.34
**3-year Annualised Sharpe Ratio	0.242
HSBC Risk Classification	3

**3-YEAR VOLATILITY AND SHARPE RATIO FIGURES ARE BASED ON BID PRICES, ADJUSTED FOR DIVIDENDS RE-INVESTED AND IN MYR.

FUND'S NAV AS AT END 31/03/2011

52-Week High	RM0.6183
52-Week Low	RM0.5284

TRAILING RETURNS

	3-MTH	6-MTH	1-YR	2-YR	3-YR	5-YR
Absolute Returns To-Date (%)	1.49	5.01	12.83	44.05	16.12	44.70
Annualised Returns To-Date (%)	-	-	12.83	20.02	5.11	7.67

PERFORMANCE FIGURES ARE BASED ON BID-TO-BID PRICES, DIVIDENDS RE-INVESTED IN MYR.

CALENDAR YEAR RETURNS

	2007	2008	2009	2010
Alliance First Fund (%)	19.58	-25.97	24.19	15.36
Benchmark (%)	21.55	-26.33	28.97	12.80

PERFORMANCE FIGURES ARE BASED ON BID-TO-BID PRICES, DIVIDENDS RE-INVESTED IN MYR.

TOP 10 HOLDINGS AS AT END 31/03/2011

	% OF FUND
Tenaga Nasional Bhd	4.72%
CIMB Group Holdings Bhd	4.62%
Public Bank Bhd	4.29%
YTL Power International Bhd - 26/09/11 (Bonds) [RAM AA1]	4.05%
QL Resources Bhd	3.74%
Overseas-Chinese Banking Corporation Ltd	3.23%
Gamuda Bhd	3.11%
Malaysian Resources Corporation Bhd	3.10%
Malayan Banking Bhd	2.62%
Sunway Real Estate Investment Trust	2.35%

No. of stock holdings 28 stocks

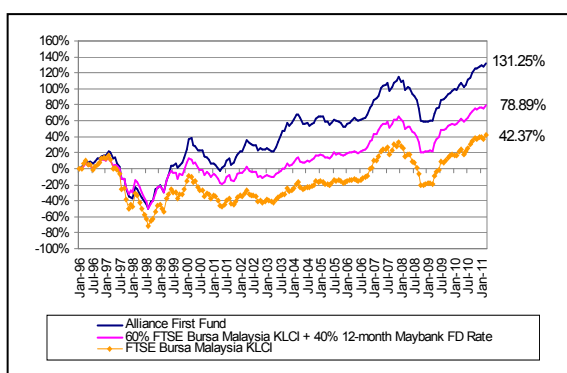
SOURCE: Perkasa Normandy Advisers Sdn Bhd, as at 31 March 2011

CHART 1: HISTORICAL PRICE OF FUND SINCE INCEPTION



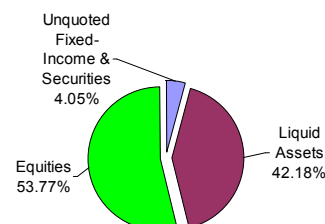
NAV line chart (based on NAV-to-NAV, Dividend re-invested)

CHART 2: PERFORMANCE OF FUND SINCE INCEPTION



The Fund vs Benchmark (Line Chart) since inception

SECTOR ALLOCATION* AS AT 31/03/2011



*As percentage of NAV. Asset exposure for the Fund is subject to change on a daily basis.
Source: AIMB

COUNTRY ALLOCATION

Nil