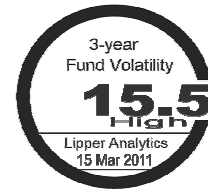




**KENANGA INVESTORS BERHAD**  
(Formerly known as CMS Trust Management Berhad)



## KENANGA ISLAMIC BALANCED FUND

### FUND OBJECTIVE

- To achieve steady capital growth and income distribution (if any) over the medium to long-term period by investing in a diversified portfolio of authorized investments in accordance with Shariah requirements

### REVIEW & OUTLOOK AS AT END MARCH 2011

US economic recovery is in the limelight of the investment fraternity for its early stage of recovery and providing confidence boost to the market despite the current MENA unrest and potential Eurozone sovereign credit crisis. However, these headwinds may cap the global market potential in the short term. Asian countries may start to raise rates in anticipation of inflationary threat to their economy that could also add on risk to our market in the short term.

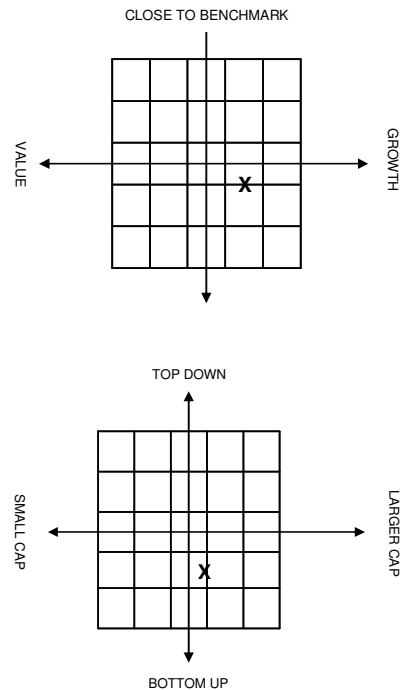
The FBMKLCI recovered from its recent low in February to close 3.6% higher MoM at 1,545.13 points for March. However, since the market is still very volatile due to the current headwinds namely MENA unrest, Eurozone debt crisis and US slow recovery as well as natural disasters that hit Australia, New Zealand and Japan, any market recovery may be followed by profit taking activities.

We increase position in IJM Plantation in to take advantage of its price weakness while we trimmed our position in Axiata and sold Maxis shares prior to its ex-dividend date. Profit gained from Maxis was larger than the expected dividend income

### Outlook and Strategy

Going forward, we think the equity market will be trading sideways after it recovered from its lowest level in March. Therefore volatility is expected to increase. The Private Debt Securities (PDS) however, we think the yield will remain to be stable even though interest rate is expected to go up. Reasons are mainly because the supply of PDS is quite tight whereas demand is increasing and the spread between PDS and Sovereign Debt is still ample to cushion the squeeze.

### INVESTMENT STYLE



### FUND MANAGER

Mr. Nik Hazim is our Senior Portfolio Manager. He joined us in April 2009 and prior to this, he was with Permodalan Nasional Berhad (PNB) having almost 14 years experience in the company. During his stint in PNB, he had started out managing international funds for proprietary accounts and later on public funds in Singapore. He also has wide experience in managing local unit trust fund for PNB and had exposures doing financial analysis and marketing of unit trust funds. He graduated with an Honours Degree from Universiti Utara Malaysia in Bachelor in Business Administration, majoring in Finance.

BENCHMARK	%
FTSE Bursa Malaysia Shariah Index	60
Benchmark 5 Year Government Investment Issues	40

Based on the fund's portfolio returns as at 28 February 2011, the Volatility Factor (VF) for this fund is 15.5 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 15.505 but not more than 18.565 (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.

This report is prepared by Kenanga Investors Bhd, strictly to be used for information purposes only, and shall under no circumstances be used as an offer to sell. A Master Prospectus dated 30<sup>th</sup> June 2010 and its Supplementary Master Prospectus dated 1 November 2010 registered with the Securities Commission, who takes no responsibility for its content, is obtainable at our offices. Units will only be issued on receipt of application form referred to in and accompany the Prospectus. Investors are advised to read and understand the Prospectus and consider the fees and charges involved before investing. Unit prices and distributions may go down as well as up. A Fund's track record does not guarantee its future performance.



**KENANGA INVESTORS BERHAD**  
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# KENANGA ISLAMIC BALANCED FUND

Date: 31/03/2011

## FUND INFORMATION

Launch date	6 December 2004
Fund category ( as per S&P, Micropal or Lipper)	Mixed Asset Islamic
Fund type	Growth & Income
Fund Size in RM	10.75mil
Launch price	RM0.50 per Unit
Initial investment	RM1,000.00
Subsequent investment	RM100.00
Sales charge	Up to 5%
Annual management fee	1.50% per annum
Exit fees	N/A
Annual expense ratio as at 31/12/2010	1.90%
EPF investment scheme	Yes
Specific Risk	-

## RISK AS AT END 31/03/2011

3-YEAR Annualized Volatility	4.26
3-YEAR Annualized Sharpe Ratio	0.10
SBC Risk Classification	3

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

## FUNDS NAV AS AT END 31/03/2011

52-Week High	0.4702
52-Week Low	0.4150

TRAILING RETURNS	3 MTH	6 MTH	1 YR	2 YR	3 YR	5 YR
Absolute Returns To Date (%)	3.08	8.28	13.01	38.70	26.17	65.57
Annualized Returns To Date (%)	13.08	17.30	13.01	17.77	8.06	10.60

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

CALENDAR YEAR RETURNS	2007	2008	2009	2010
Kenanga Islamic Balanced Fund	33.78	-24.40	23.87	11.00
60% FMBSHA + 40% MGS	27.77	-26.92	26.46	12.06

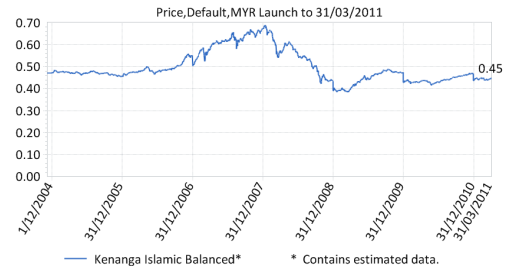
PERFORMANCE FIGURES ARE BASED ON BID-TO-BID PRICES, DIVIDENDS RE-INVESTED IN MYD.

TOP 5 HOLDINGS AS AT END 31/03/2011	% OF FUND
Jimah Energy Ventures (PDS)	14.33
Malakoff Corporation Bhd (PDS)	12.48
Eng Kah Corporation Bhd	7.39
Kuala Lumpur Kepong	4.73
YTL Power International Bhd	4.49
Total Top 5 Holdings % of Shareholder	43.42

No of stocks Holdings 21 stocks

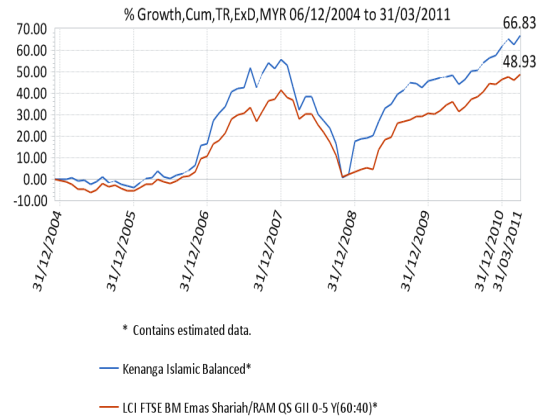
Source: Kenanga Investors Bhd

## CHART 1: HISTORICAL FUND PRICE SINCE INCEPTION

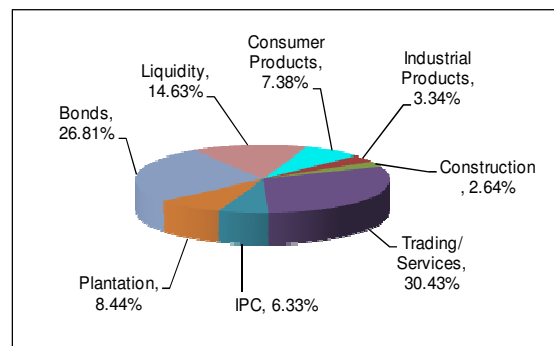


Source: Lipper IM

## CHART 2: PERFORMANCE OF FUND SINCE INCEPTION



## SECTOR ALLOCATION AS AT 31/03/2011



\* as percentage of NAV. Please note that asset exposure for the Fund is subject to change on a daily basis.