



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

MASTER PROSPECTUS

THIS MASTER PROSPECTUS IS DATED 30 JUNE 2011 AND EXPIRES ON 29 JUNE 2012.



Incorporating 11 Funds:

Date of Constitution being the date of the Principal Deeds establishing the Funds

Names of Funds	Date of Constitution	Names of Funds	Date of Constitution
Kenanga Premier Fund	21 November 1996	Kenanga Bond Fund	29 July 2002
Kenanga Growth Fund	30 December 1999	Kenanga Asia Pacific Oriental Fund	24 July 2006
Kenanga Islamic Fund	29 July 2002	Kenanga Malaysian Inc Fund	29 August 2007
Kenanga Syariah Growth Fund	8 January 2002	Kenanga Islamic Money Market Fund	29 August 2007
Kenanga Balanced Fund	30 April 2001	Kenanga Money Market Fund	29 August 2007
Kenanga Islamic Balanced Fund	22 November 2004		

Manager: Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad) (353563-P)

Trustee: Universal Trustee (Malaysia) Berhad (17540-D)
HSBC (Malaysia) Trustee Berhad (1281-T)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE MASTER PROSPECTUS.
IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS, WHICH SHOULD BE CONSIDERED BY
PROSPECTIVE INVESTORS, SEE 'RISK FACTORS' COMMENCING ON PAGE 30.

MASTER PROSPECTUS

Message from the CEO

Dear Investors,

Thank you for expressing your interest in our Kenanga Premier Fund, Kenanga Growth Fund, Kenanga Islamic Fund, Kenanga Syariah Growth Fund, Kenanga Balanced Fund, Kenanga Islamic Balanced Fund, Kenanga Bond Fund, Kenanga Asia Pacific Oriental Fund, Kenanga Malaysian Inc Fund, Kenanga Islamic Money Market Fund and Kenanga Money Market Fund (“the Funds”).

Please refer to pages 7, 8 and 9 for the Funds’ main features (e.g. objectives and the investment policies and strategies of the Funds), which will provide you with a better understanding of how our Funds work.

We offer a wide range of Funds to cater to different investors needs, therefore it is best that you understand how each of the Funds work and consider whether they are suitable for you. You may also refer to pages 10, 11 and 13 for the “Investors Profile” for the Funds to assess whether a particular Fund is suitable for your needs.

All investments carry some form of risk. The risk profile of a particular Fund will very much depend on the underlying investments of the Fund. Different Funds have different risk profiles; please refer to pages 7, 8 and 9 for a better understanding of the principal risks involved when investing in our Funds.

All investments in the Funds will be subjected to direct (sales charge, switching fee, transfer fee and bank commission payable during cheque clearing) and indirect (management fee, trustee fee and other permitted expenses) charges and fees. Please refer to pages 14 to 22 for information on the Funds’ Fees, Charges and Expenses.

If you are interested in purchasing Units of any of the Funds, have any queries or require further information, please contact our regional or agency offices, details of which can be found at page 6 or you may send an email to info.trust@kenanga.com.my. Alternatively, you may contact any of our distributors listed at page 6 of this Master Prospectus.

We look forward to being of service to you.

Best wishes,

Abdul Razak bin Ahmad
Executive Director/Chief Executive Officer

MASTER PROSPECTUS

RESPONSIBILITY STATEMENTS AND STATEMENTS OF DISCLAIMER

This Master Prospectus has been reviewed and approved by the directors of the Manager and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Master Prospectus false or misleading.

The Securities Commission Malaysia has approved the issue of, offer for subscription or purchase, or issue an invitation to subscribe for or purchase Units of the Funds and a copy of this Master Prospectus has been registered with the Securities Commission Malaysia.

The approval, and registration of this Master Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Funds or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Master Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manager responsible for the Funds and takes no responsibility for the contents in this Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT ON THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.

This Master Prospectus is not intended to and will not be issued and distributed in any country or jurisdiction other than Malaysia ('Foreign Jurisdiction'). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units of any of the Funds to which this Master Prospectus relates may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

No Units will be issued or sold on the basis of this Master Prospectus later than one (1) year after the date of this Master Prospectus.

Investors are advised that recourse for false or misleading statements or acts made in connection with the Master Prospectus is directly available through sections 248, 249 and 357 of the Capital Markets and Services Act 2007.

The Kenanga Islamic Fund, Kenanga Syariah Growth Fund, Kenanga Islamic Balanced Fund and Kenanga Islamic Money Market Fund have been certified as being Shariah compliant by the Shariah Adviser appointed for those Funds.

MASTER PROSPECTUS

TABLE OF CONTENTS

CHAPTER		PAGE
1	DEFINITIONS	1
2	CORPORATE DIRECTORY	4
3	DIRECTORY OF THE MANAGER'S OFFICES AND LIST OF IUTA	6
4	KEY DATA OF THE FUNDS	7
5	RISK FACTORS	30
6	INFORMATION ON THE FUNDS	37
7	ADDITIONAL INFORMATION RELATING TO SHARIAH-BASED FUNDS (KIF, KSGF, KIBF AND KIMMF)	87
8	DISTRIBUTION POLICY FOR THE FUNDS	90
9	PERFORMANCE AND HISTORICAL HIGHLIGHTS OF THE FUNDS	94
10	FEES, CHARGES, EXPENSES AND TRANSACTION DETAILS	126
11	SALIENT TERMS OF THE DEEDS	134
12	MANAGEMENT AND ADMINISTRATION OF THE FUNDS	142
13	TRUSTEES' PROFILES	149
14	SHARIAH ADVISER	155
15	CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS	157
16	APPROVALS AND CONDITIONS	159
17	CONSENT	160
18	ADDITIONAL INFORMATION	161

MASTER PROSPECTUS

19	DOCUMENTS AVAILABLE FOR INSPECTION	163
20	DIRECTORS' RESPONSIBILITY STATEMENT	164
21	TAX ADVISER'S LETTER	165

FiMM PRE-INVESTMENT FORM

Included behind

ACCOUNT OPENING FORM

Included behind

INVESTMENT APPLICATION FORM

(Unit Trust Loan Financing Risk Disclosure Statement)

Included behind

MASTER PROSPECTUS

1. DEFINITIONS

Act	means the Capital Markets and Services Act 2007.
Accrual Period	means a twelve (12) months period ending on the last day of December of each year.
Bursa Malaysia	means the stock exchange managed or operated by Bursa Malaysia Securities Berhad.
Business Day	means a day on which the Bursa Malaysia is open for trading.
BNM	means Bank Negara Malaysia.
Cash Produce	means all cash receivable by the Trustee by way of : <ul style="list-style-type: none">• Dividend, bonus and interest/profit;• Commission, brokerage, fees and other charges;• The proceeds of sale of rights and other cash received;• Any profit or any part thereof on the sale of shares or debentures or other properties; and• Any other sum having the nature of income which the Manager and the Trustee (having consulted the Auditors) deem to be cash produce.
Dealing Hours	means the dealing hours which are from 8.30 a.m. to 4.00 p.m. on any Business Day. The Manager has the discretion to vary the cut-off time of the Funds with the respective distribution channels as and when it deems necessary.
Deed(s)	means the deeds or master deeds for the respective Funds and any other supplemental deeds or master supplemental deeds that may be entered into between the Manager and the Trustee of the respective Funds and registered with the SC.
Eligible Market	means a market that is regulated by a regulatory authority, operates regularly, open to the public and has adequate liquidity for the purposes of the Funds.
EPF	means the Employees Provident Fund.
External Fund Manager	Opus Asset Management Sdn Bhd (Company No. 414625-T) - <i>for Kenanga Bond Fund.</i>
Feeder Fund	means a unit trust fund that invests nearly all of its assets in a single collective investment scheme.
Financial Institutions	If the institution is in Malaysia, a licensed bank, licensed merchant bank or an Islamic bank; If the institution is outside Malaysia, any institution that is licensed/registered/ approved/authorised to provide financial services by the relevant banking regulator.
Fund (s)	means the unit trust schemes offered for sale through this Master Prospectus which are the KENANGA PREMIER FUND, KENANGA GROWTH FUND, KENANGA ISLAMIC FUND, KENANGA SYARIAH GROWTH FUND, KENANGA BALANCED FUND, KENANGA ISLAMIC BALANCED FUND, KENANGA BOND FUND, KENANGA ASIA PACIFIC ORIENTAL FUND, KENANGA MALAYSIAN INC FUND, KENANGA ISLAMIC MONEY MARKET FUND AND KENANGA MONEY MARKET FUND referred to individually as “the Fund” or collectively as “the Funds”.

MASTER PROSPECTUS

Guidelines	means Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia as may be amended from time to time.
General Investment Account (GIA)	means Investment Account based on either Mudharabah or Murabahah that works on a profit sharing basis and fixed profit income basis respectively.
IUTA	means Institutional Unit Trust Advisers, an IUTA is an institution, body or organisation that is able to distribute unit trust funds. An IUTA must be registered with the Federation of Investment Managers Malaysia (FiMM).
KAPOF	means the Kenanga Asia Pacific Oriental Fund.
KBF	means the Kenanga Balanced Fund.
KBNF	means the Kenanga Bond Fund.
KGF	means the Kenanga Growth Fund.
KIF	means the Kenanga Islamic Fund.
KIBF	means the Kenanga Islamic Balanced Fund.
KIMMF	means the Kenanga Islamic Money Market Fund.
KMIF	means the Kenanga Malaysian Inc Fund.
KMMF	means the Kenanga Money Market Fund.
KPF	means the Kenanga Premier Fund.
KSGF	means the Kenanga Syariah Growth Fund.
MARC	Malaysia Rating Corporation Berhad.
Management Expense Ratio (MER)	$\frac{\text{Total annual expenses incurred by the Fund}}{\text{Average net asset value (NAV) of the Fund}} \times 100$ <p>This ratio will inform you of the total expenses incurred by the Fund during the year as compared to its average NAV. Total expenses include management fee, trustee fee and expenses incurred for fund administrative services. A low MER indicates the effectiveness of the Manager in managing the expenses of the Fund.</p>
Manager/KIB/We	Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad (353563-P))
MSCI AC Asia Pacific Index	Morgan Stanley Capital International All Country Asia Pacific Index.
Net Asset Value (NAV)	Net asset value (NAV) of the Fund is the total value of the Fund's assets minus its liabilities at the valuation point. In computing the annual management fee and annual trustee fee, the NAV of the Fund should include the management fee and the trustee fee for the relevant day.
Net Asset Value (NAV) per Unit	Net asset value (NAV) per Unit of the Fund is the NAV divided by its total number of Units in circulation.
Portfolio Turnover Ratio (PTR)	refers to the measure of trading activity or how frequently assets within a fund are bought and sold by the managers. A fund with a 50 percent portfolio turnover ratio, for example, replaces half of its holdings during the period under review. A fund with a high portfolio turnover rate will typically

MASTER PROSPECTUS

incur more transaction costs than one with a low portfolio turnover rate.

The computation of PTR is as follows:

$$\text{PTR} = \frac{(\text{Total acquisition of the Fund} + \text{Total disposal of the Fund})}{\text{divided by 2}}$$

Average value of the Fund calculated on a daily basis

RAM	RAM Rating Services Berhad.
Repurchase Price per Unit	means the NAV per Unit of the Fund as at the next valuation point (forward pricing) after the repurchase request is received by the Manager.
SACSC	means the Shariah Advisory Council of the Securities Commission Malaysia.
SC	means the Securities Commission Malaysia established under the Securities Commission Act 1993.
Selling Price per Unit	means the NAV per Unit of a Fund as at the next valuation point (forward pricing) after a written request to buy Units is received by the Manager.
Shariah	means Islamic Law comprising the whole body of rulings pertaining to human conducts derived from the primary and secondary sources of the Shariah. The primary sources are the Quran, the Sunnah, Ijma' and Qiyas while the secondary ones are those established sources such as Maslahah, Istihsan, Istishab, 'Uruf and Sadd Zara'ie.
Shariah requirements	means a phrase or expression which generally means making sure that any human conduct must not involve any prohibition and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
Sukuk	means a document or certificate, documenting the undivided pro-rated ownership of underlying assets. The <i>sak</i> (singular of <i>sukuk</i>) is freely traded at par, premium or discount. In Malaysia, the term <i>sukuk</i> is used for fixed income securities which comply with Shariah requirements. It is normally used together with Shariah contracts applied in the structure, such as <i>bai' bithaman ajil</i> , <i>murabahah</i> and <i>istisna'</i> for underlying transactions based on indebtedness, or <i>musyarakah</i> and <i>mudharabah</i> for underlying transactions based on partnership.
Trustee(s)	Universal Trustee (Malaysia) Berhad for <i>Kenanga Islamic Fund and Kenanga Bond Fund</i> ; and HSBC (Malaysia) Trustee Berhad for <i>Kenanga Premier Fund, Kenanga Growth Fund, Kenanga Syariah Growth Fund, Kenanga Balanced Fund, Kenanga Islamic Balanced Fund, Kenanga Asia Pacific Oriental Fund, Kenanga Malaysian Inc, Kenanga Islamic Money Market Fund and Kenanga Money Market Fund</i> .
Target Fund	means the Allianz RCM Oriental Income Fund.
Unit	means a Unit of a Fund and includes a fraction of a Unit.
Unit Holders	means the person(s) for the time being registered under the provisions of the Deed(s) as the holder(s) of Units and includes the Manager and joint-holders.

MASTER PROSPECTUS

2. CORPORATE DIRECTORY

MANAGER	Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad) (Company No. 353563-P)
REGISTERED OFFICE	8 th Floor, Kenanga International, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. Tel: 03-2162 1490 Fax: 03-2161 4990
BUSINESS OFFICE	Suite 12.02, 12 th Floor, Kenanga International, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. Tel: 03-2713 3188 Fax: 03-2713 5868 E-mail: info.trust@kenanga.com.my Website: www.KenangalInvestors.com.my
EXTERNAL FUND MANAGER (KBNF)	Opus Asset Management Sdn Bhd (Company No. 414625-T)
REGISTERED OFFICE	2 nd Floor, No.2-4, Jalan Manau, 50460 Kuala Lumpur (P.O.Box 11379, 50744 Kuala Lumpur), Malaysia. Tel: 03-2273 1221 Fax: 03-2273 1220
BUSINESS OFFICE	B-19-2, Northpoint Offices, Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia. Tel: 03-2288 8882 Fax: 03-2288 8889
TRUSTEE (KIF and KBNF)	Universal Trustee (Malaysia) Berhad (Company No. 17540-D)
REGISTERED AND BUSINESS OFFICE	1 Jalan Ampang, 3rd Floor, 50450 Kuala Lumpur, Malaysia. Tel: 03-2070 8050 Fax: 03-2031 8715, 2032 3194, 2070 1296
TRUSTEE (KPF, KGF, KSGF, KBF, KIBF, KAPOF, KMIF, KIMMF and KMMF)	HSBC (Malaysia) Trustee Berhad (Company No. 1281-T)
REGISTERED AND BUSINESS OFFICE	Suite 901, 9th Floor, Wisma Hamzah-Kwong Hing, No. 1, Lebu Ampang 50100 Kuala Lumpur, Malaysia. Tel: 03-2074 3200 Fax: 03-2078 0145
TRUSTEE'S DELEGATES	<u>Local</u> The Hongkong and Shanghai Banking Corporation Limited (as Custodian) and assets held through:- HSBC Nominees (Tempatan) Sdn Bhd (Company No. 258854-D) No. 2 Lebu Ampang, 50100 Kuala Lumpur, Malaysia. Tel: 03-2070 0744 Fax: 03-2072 9787 <u>Foreign</u> HSBC Institutional Trust Services (Asia) Limited 6 th Floor, Tower One, HSBC Centre, No. 1 Sham Mong Road, Kowloon, Hong Kong.

MASTER PROSPECTUS

Tel: 852-2533 6333
Fax: 852-2869 6120

BOARD OF DIRECTORS OF THE MANAGER

Datuk Syed Ahmad Alwee Alsree **Chairman**
Syed Zafilen Syed Alwee **Independent Director**
Bruce Kho Yaw Huat **Independent Director**
Lee Kok Khee
Abdul Razak bin Ahmad
Peter John Rayner

INVESTMENT COMMITTEE MEMBERS FOR THE FUNDS

Bruce Kho Yaw Huat **Independent Member & Chairman**
Datuk Syed Ahmad Alwee Alsree
Syed Zafilen Syed Alwee **Independent Member**
Abdul Razak bin Ahmad
Peter John Rayner

KEY MANAGEMENT TEAM OF THE MANAGER

Abdul Razak bin Ahmad, *Chief Executive Officer/Executive Director*
Philip Tan Chek Boon, *Deputy Chief Executive Officer/Director of Investment*
Chen Fan Fai, *Deputy Chief Executive Officer/Director of Investment*
Wong Yew Joe, *Director of Investment, Fixed Income*
Syhiful Zamri Bin Abdul Azid, *Director of Investment, Research and Advisory*
Shahariah Binti Shaharudin, *Head, Business Development*
Noor Aini Shaik Awab, *Head, Operations*
Francis Lou, *Head, Finance*
Aida Zurina, *Head, Legal & Compliance*
Eugene Liew, *Head, Compliance*
Milo Lo, *Head, Information Technology*

COMPANY SECRETARY

Mohamad Affendi Bin Yusoff, LS 007158
8th Floor, Kenanga International, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

AUDITORS

Ernst & Young
Room 300-303, 3rd Floor, Wisma Bukit Mata Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak, Malaysia.

TAX ADVISERS

Ernst & Young Tax Consultants Sdn Bhd
Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia.

SOLICITORS

Raja, Darryl & Loh
18th Floor, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia.

SHARIAH ADVISER (KSGF, KIF, KIBF and KIMMF)

Islamic Banking and Finance Institute Malaysia Sdn Bhd (Company No. 340040-M)
3rd Floor, Dataran Kewangan Darul Takaful, Jalan Sultan Sulaiman, 50000 Kuala Lumpur, Malaysia.
Tel: 03-2031 1010
Fax: 03-2078 5250
Website: www.ibfim.com

PRINCIPAL BANKER

RHB Bank Berhad
Level 7, Menara AA, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

FEDERATION OF INVESTMENT MANAGERS MALAYSIA

Federation of Investment Managers Malaysia (FiMM)
19-07-3, 7th Floor, PNB Damansara, 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Tel No.: 03-2093 2600
Fax No.: 03-2093 2700
Email: info@fimm.com.my

MASTER PROSPECTUS

3. DIRECTORY OF THE MANAGER'S OFFICES AND LIST OF IUTA

REGIONAL OFFICES

Kuala Lumpur

Suite 12.02, 12th Floor, Kenanga International,
Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia

Tel: 03-2713 3188
Fax: 03-2713 5868

Kuching (Sarawak)

Level 1, Wisma Mahmud,
Jalan Sungai Sarawak,
93100 Kuching, Sarawak, Malaysia

Tel: 082-343 022 / 082-343 032
Fax: 082-343 066 / 082-343 016

Kota Kinabalu (Sabah)

Lot 47, No. 20, 1st Floor, Damai Plaza
Phase 4, Block F, Lorong Pokok Kayu Manis II,
88300 Kota Kinabalu, Sabah, Malaysia

Tel: 088-269 678 / 088-254 678
Fax: 088-259 678

AGENCY OFFICES

Miri

c/o Lot 1084, 2nd Floor,
Jalan Merpati
98000 Miri
Sarawak, Malaysia

Tel: 085-427 782

Miri

Lot 527, 2nd Floor
Pelita Commercial Centre
Jalan Pujut
98000 Miri
Sarawak, Malaysia

Tel: 085-411 296
Fax: 085-411 298

INSTITUTIONAL UNIT TRUST ADVISERS

Banks

1. HSBC Bank Malaysia Berhad
2. RHB Bank Berhad
3. Standard Chartered Bank Malaysia Berhad
4. Standard Chartered Saadiq Berhad
5. OCBC Bank Malaysia Berhad
6. Alliance Bank (Malaysia) Berhad
7. CIMB Investment Bank Berhad
8. HSBC Amanah Malaysia Berhad
9. CIMB Bank Berhad

Non-Banks

1. RHB Investment Management Sdn Bhd
2. Apex Investment Services Berhad
3. Kuwait Finance House (Malaysia) Berhad
4. Philip Mutual Berhad
5. iFast Capital Sdn Bhd
6. Malacca Securities Sdn Bhd

MASTER PROSPECTUS

4. KEY DATA OF THE FUNDS

THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE FUNDS; INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS BEFORE MAKING ANY INVESTMENT DECISIONS.

FUND	Kenanga Premier Fund (KPF)	Kenanga Growth Fund (KGF)	Kenanga Islamic Fund (KIF)	Kenanga Syariah Growth Fund (KSGF)
FUND PROFILE <ul style="list-style-type: none"> Fund Category Fund Type 	<ul style="list-style-type: none"> Equity Growth 	<ul style="list-style-type: none"> Equity Growth 	<ul style="list-style-type: none"> Equity (Islamic) Growth 	<ul style="list-style-type: none"> Equity (Islamic) Growth
INVESTMENT OBJECTIVE Please refer to pages: 37, 42, 46 and 51	KPF aims to provide consistent annual returns and medium to long-term capital appreciation.	KGF aims to provide Unit Holders with long-term capital growth.	KIF aims to achieve steady capital growth and income distribution (incidental) over the medium to long-term period by investing in a diversified portfolio of authorised investments in accordance with accepted Shariah principles.	KSGF aims to provide Unit Holders with long-term capital growth by investing principally in equities that comply with Shariah requirements.
INVESTMENT STRATEGY Please refer to pages: 37, 42, 46 and 51	The Fund will invest principally in a diversified portfolio of equity and equity-related securities.	The Fund will invest principally in a diversified portfolio of equity and equity-related securities.	The Fund will invest principally in a diversified portfolio of Shariah-compliant equity and equity-related securities.	The Fund will invest principally in a diversified portfolio of Shariah-compliant equity and equity-related securities.
ASSET ALLOCATION IN TERMS OF PERCENTAGE OF THE NAV OF THE FUND Please refer to pages: 37, 42, 47 and 51	<ul style="list-style-type: none"> Minimum - 2% in liquid assets 70% - 98% in equities 	<ul style="list-style-type: none"> 5% - 25% in liquid assets 75% - 95% in equities 	<ul style="list-style-type: none"> Minimum - 2% in Shariah-based liquid assets 70% - 98% in Shariah-compliant equities 	<ul style="list-style-type: none"> 5% - 25% in Shariah-based liquid assets 75% - 95% in Shariah-compliant equities
PRINCIPAL RISKS Please refer to pages: 31, 32 and 33	<ul style="list-style-type: none"> Market Risk Particular Stock Risk Currency Risk Country Risk 	<ul style="list-style-type: none"> Market Risk Particular Stock Risk 	<ul style="list-style-type: none"> Market Risk Particular Stock Risk Reclassification of Shariah Status Risk Currency Risk Country Risk 	<ul style="list-style-type: none"> Market Risk Particular Stock Risk Reclassification of Shariah Status Risk

MASTER PROSPECTUS

FUND	Kenanga Balanced Fund (KBF)	Kenanga Islamic Balanced Fund (KIBF)	Kenanga Bond Fund (KBNF)	Kenanga Asia Pacific Oriental Fund (KAPOF)
FUND PROFILE <ul style="list-style-type: none"> Fund Category Fund Type 	<ul style="list-style-type: none"> Balanced Growth & Income 	<ul style="list-style-type: none"> Balanced (Islamic) Growth & Income 	<ul style="list-style-type: none"> Fixed Income Income 	<ul style="list-style-type: none"> Balanced (Feeder Fund) Growth & Income
INVESTMENT OBJECTIVE Please refer to pages: 55, 59, 64 and 68	KBF aims to provide a portfolio of investments with lower risk and lower volatility for investors.	KIBF aims to achieve steady capital growth and income distribution (if any) over the medium to long-term period by investing in a diversified portfolio of authorised investments in accordance with Shariah requirements.	KBNF aims to provide investors with a steady income stream over the medium to long-term period through investments primarily in fixed income instruments. <i>Note: The primary mode of distribution of income will be done via reinvestment of additional Units. Kindly refer to mode of distributions at page 90 for full details.</i>	KAPOF aims to invest into Allianz RCM Oriental Income Fund which has an investment objective to provide investors with long-term capital appreciation and income through investment in debt, convertible bonds and high yielding securities of companies in the Asia Pacific region.
INVESTMENT STRATEGY Please refer to pages: 55, 59, 64 and 68	The Fund will invest in a balanced portfolio of equities and equity-related securities and fixed income securities.	The Fund will invest in a balanced portfolio of Shariah-compliant equity and equity-related securities as well as sukuk.	The Fund will invest in a portfolio of fixed income securities.	The Fund will invest nearly all of its assets into the Allianz RCM Oriental Income Fund.
ASSET ALLOCATION IN TERMS OF PERCENTAGE OF THE NAV OF THE FUND Please refer to pages: 55, 60, 64 and 68	<ul style="list-style-type: none"> Minimum - 2% in liquid assets Maximum - 60% in equities Maximum - 40% in fixed income instruments 	<ul style="list-style-type: none"> Minimum - 2% in Shariah-based liquid assets Maximum - 60% in Shariah-compliant equities Maximum - 40% in sukuk 	<ul style="list-style-type: none"> Minimum - 5% in liquid assets 70% - 95% in fixed income instruments 	<ul style="list-style-type: none"> At least 2% in liquid assets At least 95% in the Allianz RCM Oriental Income Fund
PRINCIPAL RISKS Please refer to pages: 33, 34 and 35	<ul style="list-style-type: none"> Market Risk Particular Stock Risk Credit Risk Interest Rate Risk Currency Risk Country Risk 	<ul style="list-style-type: none"> Market Risk Particular Stock Risk Credit Risk Interest Rate Risk Reclassification of Shariah Status Risk Currency Risk Country Risk 	<ul style="list-style-type: none"> Market Risk Credit Risk Interest Rate Risk 	<ul style="list-style-type: none"> Market Risk Stock & Issuer Risk Interest Rate Risk Credit Risk Currency Risk Country Risk

MASTER PROSPECTUS

FUND	Kenanga Malaysian Inc Fund (KMIF)	Kenanga Islamic Money Market Fund (KIMMF)	Kenanga Money Market Fund (KMMF)
FUND PROFILE <ul style="list-style-type: none"> Fund Category Fund Type 	<ul style="list-style-type: none"> Equity Growth 	<ul style="list-style-type: none"> Money Market (Islamic) Income 	<ul style="list-style-type: none"> Money Market Income
INVESTMENT OBJECTIVE Please refer to pages: 75, 79 and 83	KMIF aims to provide consistent annual returns and medium to long-term capital appreciation by investing in Malaysian securities with global reach.	KIMMF aims to provide investors with a regular income stream that comply with Shariah requirements whilst maintaining capital stability. <i>Note: The primary mode of distribution of income will be done via reinvestment of additional Units. Kindly refer to mode of distributions at page 90 for full details.</i>	KMMF aims to provide investors with a regular income stream while maintaining capital stability. <i>Note: The primary mode of distribution of income will be done via reinvestment of additional Units. Kindly refer to mode of distributions at page 90 for full details.</i>
INVESTMENT STRATEGY Please refer to pages: 75, 79 and 83	The Fund will invest principally in equities of companies with a global vision and proven track record that can potentially tap regional and global market base.	The Fund will invest primarily in short term government or government-backed sukuk, Islamic Accepted Bills, Islamic Negotiable Instruments, Islamic promissory notes, Shariah-based call deposits and other short-term corporate sukuk and Islamic money market instruments.	The Fund will invest primarily in short term government or government-backed securities, bills of exchange, negotiable instruments of deposits, promissory notes, call deposits and other short-term corporate bonds and other money market instruments.
ASSET ALLOCATION IN TERMS OF PERCENTAGE OF THE NAV OF THE FUND Please refer to pages: 75, 79 and 83	<ul style="list-style-type: none"> Up to 98% in Malaysian equities Up to 50% in cash or other liquid assets 	<ul style="list-style-type: none"> Up to 100% in Islamic money market instruments and government/ government-backed/ corporate sukuk 	<ul style="list-style-type: none"> Up to 100% in money market instruments and government/government-backed/corporate bonds
PRINCIPAL RISKS Please refer to pages: 35 and 36	<ul style="list-style-type: none"> Market Risk Particular Stock Risk 	<ul style="list-style-type: none"> Market Risk Credit Risk Interest Rate Risk Reinvestment Risk 	<ul style="list-style-type: none"> Market Risk Credit Risk Interest Rate Risk Reinvestment Risk

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MASTER PROSPECTUS

FUND	Kenanga Premier Fund (KPF)	Kenanga Growth Fund (KGF)	Kenanga Islamic Fund (KIF)	Kenanga Syariah Growth Fund (KSGF)
INVESTOR PROFILE Please refer to pages: 37, 42, 46 and 51	KPF is suitable for investors who are willing to accept moderate to high risk in order to achieve a reasonable return on their capital over the medium to long-term period ranging from three (3) to five (5) years.	KGF is suitable for investors who: <ul style="list-style-type: none"> • have long-term investment time horizon of more than five (5) years; and • have a moderate risk profile with tolerance for short-term periods of volatility. 	KIF is suitable for investors who want a portfolio of investments that complies with Shariah requirements and at the same time, willing to accept moderate to high risk in order to achieve a reasonable return on their capital over the medium to long-term period ranging from three (3) to five (5) years.	KSGF is suitable for investors who: <ul style="list-style-type: none"> • have long-term investment time horizon of more than five (5) years; • have a moderate risk profile with tolerance for short-term periods of volatility; and • have a preference for Shariah compliant investments.
DISTRIBUTION POLICY Please refer to pages: 90 onwards	The Fund intends to pay income by way of distributions or by the creation of additional units after the end of each Accrual Period or any specified period, where possible.	The Fund may distribute income to the Unit Holders at the discretion of the Manager. However, distribution is incidental as the Fund is a growth fund.	The Fund intends to pay income by way of distributions or by the creation of additional units after the end of each Accrual Period or any specified period, where possible.	The Fund may distribute income to the Unit Holders at the discretion of the Manager. However, distribution is incidental as the Fund is a growth fund.
DISTRIBUTION REINVESTMENT POLICY Please refer to page: 90	In the absence of instructions from a Unit Holder, distributions from a Fund are automatically reinvested into additional Units of that Fund based on the NAV per Unit with NO sales charge on the next Business Day after the distribution date.			
PERFORMANCE BENCHMARK Please refer to pages: 38, 43, 47 and 52	FTSE-Bursa Malaysia 100 Index	FTSE-Bursa Malaysia Kuala Lumpur Composite Index	FTSE-Bursa Malaysia Emas Shariah Index	FTSE-Bursa Malaysia Emas Shariah Index
GENERAL INFORMATION <ul style="list-style-type: none"> • Trustee • Financial Year End • Launch Date/ Commencement Date • Maximum Approved Fund Size • Units In Circulation as at 20 May 2011 	HSBC (Malaysia) Trustee Berhad 31 December 26 November 1996 1,000,000,000 Units 304,154,641 Units	HSBC (Malaysia) Trustee Berhad 31 December 17 January 2000 500,000,000 Units 17,409,862 Units	Universal Trustee (Malaysia) Berhad 31 December 15 August 2002 500,000,000 Units 58,697,884 Units	HSBC (Malaysia) Trustee Berhad 31 December 29 January 2002 200,000,000 Units 2,277,096 Units

MASTER PROSPECTUS

FUND	Kenanga Balanced Fund (KBF)	Kenanga Islamic Balanced Fund (KIBF)	Kenanga Bond Fund (KBNF)	Kenanga Asia Pacific Oriental Fund (KAPOF)
INVESTOR PROFILE Please refer to pages: 55, 59, 64 and 68	KBF is suitable for investors who are willing to accept moderate risk in order to achieve a reasonable return on their capital over the medium to long-term period ranging from three (3) to five (5) years.	KIBF is suitable for investors who want a portfolio of investments that complies with Shariah requirements and at the same time, willing to accept moderate risk in order to achieve a steady capital growth and income distribution (if any) over the medium to long-term period ranging from three (3) to five (5) years.	KBNF is suitable for relatively conservative investors who wish to have more stable income and returns and have medium to long term investment time horizons ranging from three (3) to five (5) years. <i>Note: The primary mode of distribution of income will be done via reinvestment of additional Units. Kindly refer to mode of distributions at page 90 for full details.</i>	KAPOF is suitable for investors who: <ul style="list-style-type: none"> • seek to diversify their investments into the Asia Pacific region; • seek moderate to long-term capital appreciation and income on their investments; • have moderate to high risk tolerance; and • have medium to long-term investment horizon ranging from three (3) to five (5) years.
DISTRIBUTION POLICY Please refer to pages: 90 onwards	The Fund aims to pay a regular distribution annually, where possible.	The Fund intends to pay income by way of distributions after the end of each Accrual Period or any specified period, where possible.	The Fund aims to pay a regular distribution annually, where possible.	The Fund intends to distribute income at least once every financial year on a best effort basis.
DISTRIBUTION REINVESTMENT POLICY Please refer to page: 90	In the absence of instructions from a Unit Holder, distributions from a Fund are automatically reinvested into additional Units of that Fund based on the NAV per Unit with NO sales charge on the next Business Day after the distribution date.			
PERFORMANCE BENCHMARK Please refer to pages: 56, 60, 65 and 69	60% FTSE-Bursa Malaysia 100 Index 40% Benchmark 5-year Malaysian Government Securities (MGS)	60% FTSE-Bursa Malaysia Emas Shariah Index 40% Benchmark 5-year Malaysian Government Investment Issues	Maybank 12-months fixed deposit rates	MSCI AC Asia Pacific Index
GENERAL INFORMATION <ul style="list-style-type: none"> • Trustee • Financial Year End 	HSBC (Malaysia) Trustee Berhad 31 December	HSBC (Malaysia) Trustee Berhad 31 December	Universal Trustee (Malaysia) Berhad 31 December	HSBC (Malaysia) Trustee Berhad 31 December

MASTER PROSPECTUS

• Launch Date/ Commencement Date	23 May 2001	6 December 2004	15 August 2002	24 August 2006
• Maximum Approved Fund Size	500,000,000 Units	200,000,000 Units	500,000,000 Units	300,000,000 Units
• Units In Circulation as at 20 May 2011	61,902,324 Units	23,836,756 Units	4,758,582 Units	50,941,543 Units

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MASTER PROSPECTUS

FUND	Kenanga Malaysian Inc Fund (KMIF)	Kenanga Islamic Money Market Fund (KIMMF)	Kenanga Money Market Fund (KMMF)
INVESTOR PROFILE Please refer to pages: 75, 79 and 83	KMIF is suitable for investors who: <ul style="list-style-type: none"> • seek medium to long-term capital appreciation ranging from three (3) to five (5) years; and • seek a diversified investment consisting of Malaysian equities with global exposure. 	KIMMF is suitable for investors who: <ul style="list-style-type: none"> • seek regular income that comply with Shariah requirements with capital stability; • have low risk tolerance; and • have short to medium-term investment horizon of less than three (3) years. <p><i>Note: The primary mode of distribution of income will be done via reinvestment of additional Units. Kindly refer to mode of distributions at page 90 for full details.</i></p>	KMMF is suitable for investors who: <ul style="list-style-type: none"> • seek regular income with capital stability; • have low risk tolerance; and • have short to medium-term investment horizon of less than three (3) years. <p><i>Note: The primary mode of distribution of income will be done via reinvestment of additional Units. Kindly refer to mode of distributions at page 90 for full details.</i></p>
DISTRIBUTION POLICY Please refer to pages: 90 onwards	The Fund intends to pay income by way of distribution or by the creation of additional units after the end of each Accrual Period or any specified period, where possible.	Distribution of income will be incidental.	Distribution of income will be incidental.
DISTRIBUTION REINVESTMENT POLICY Please refer to page: 90	In the absence of instructions from a Unit Holder, distributions from a Fund are automatically reinvested into additional Units of that Fund based on the NAV per Unit with NO sales charge on the next Business Day after the distribution date.		
PERFORMANCE BENCHMARK Please refer to pages: 76, 80 and 83	FTSE-Bursa Malaysia 100 Index	Maybank 1-month GIA rate	Maybank Overnight Rate
GENERAL INFORMATION <ul style="list-style-type: none"> • Trustee • Financial Year End • Launch Date/ Commencement Date • Maximum Approved Fund Size • Units In Circulation as at 20 May 2011 	HSBC (Malaysia) Trustee Berhad 31 December 9 November 2007 400,000,000 Units 69,053,188 Units	HSBC (Malaysia) Trustee Berhad 31 December 9 November 2007 200,000,000 Units 6,575,619 Units	HSBC (Malaysia) Trustee Berhad 31 December 9 November 2007 200,000,000 Units 60,846,951 Units

MASTER PROSPECTUS

FUND	Kenanga Premier Fund (KPF)	Kenanga Growth Fund (KGF)	Kenanga Islamic Fund (KIF)	Kenanga Syariah Growth Fund (KSGF)
FEES AND CHARGES	This table describes the charges that you may DIRECTLY incur when you buy or redeem Units of the Funds.			
SALES CHARGE <ul style="list-style-type: none"> • Direct sales staff of KIB and walk-in customers • Agency Sales • IUTA • Financial Planners <p>Please refer to pages: 126 and 127</p>	Up to 6.50% of the NAV per Unit	Up to 5.00% of the NAV per Unit	Up to 6.50% of the NAV per Unit	Up to 5.00% of the NAV per Unit
	<p>Note: The Manager may waive or reduce the sales charge imposed. Investors may also negotiate for a lower sales charge with their preferred distributor, subject to the respective channels' qualifying criterion.</p> <p>Investors who invest through the EPF Members' Investment Scheme pay a lower Sales Charge which is 3% of the NAV per Unit (or such other maximum rate that may be allowed by the EPF from time to time).</p>			
REPURCHASE CHARGE <ul style="list-style-type: none"> • Direct sales staff of KIB and walk-in customers • Agency Sales • IUTA • Financial Planners <p>Please refer to page: 128</p>	Nil	Nil	Nil	Nil
TRANSFER FEE	Nil			
SWITCHING FEE	Nil			
OTHER CHARGES	There are no other charges (except charges levied by banks on remittance of money) payable directly by investors when purchasing or redeeming Units of the Funds.			
<ul style="list-style-type: none"> • MER (%) (financial year ended 31 December 2010) 	1.65	1.58	2.13	1.97

MASTER PROSPECTUS

• PTR (times) (financial year ended 31 December 2010)	0.50	0.67	0.71	0.71
THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.				

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MASTER PROSPECTUS

FUND	Kenanga Balanced Fund (KBF)	Kenanga Islamic Balanced Fund (KIBF)	Kenanga Bond Fund (KBNF)	Kenanga Asia Pacific Oriental Fund (KAPOF)
FEES AND CHARGES	This table describes the charges that you may DIRECTLY incur when you buy or redeem Units of the Funds.			
SALES CHARGE <ul style="list-style-type: none"> Direct sales staff of KIB and walk-in customers Agency Sales IUTA Financial Planners Please refer to page: 127	Up to 5.99% of the NAV per Unit	Up to 5.99% of the NAV per Unit	Nil	Up to 5.50% of the NAV per Unit
	Up to 5.99% of the NAV per Unit	Up to 5.99% of the NAV per Unit	Nil	Up to 5.50% of the NAV per Unit
	Up to 5.99% of the NAV per Unit	Up to 5.99% of the NAV per Unit	Nil	Up to 5.50% of the NAV per Unit
	Up to 5.99% of the NAV per Unit	Up to 5.99% of the NAV per Unit	Nil	Up to 5.50% of the NAV per Unit
	<p>Note: The Manager may waive or reduce the sales charge imposed. Investors may also negotiate for a lower sales charge with their preferred distributor, subject to the respective channels' qualifying criterion.</p> <p>Investors who invest in any funds through the EPF Members' Investment Scheme pay a lower Sales Charge which is 3% of the NAV per Unit (or such other maximum rate that may be allowed by the EPF from time to time).</p>			
REPURCHASE CHARGE <ul style="list-style-type: none"> Direct sales staff of KIB and walk-in customers Agency Sales IUTA Financial Planners Please refer to page: 128	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil
TRANSFER FEE	Nil			

MASTER PROSPECTUS

SWITCHING FEE	Nil			
OTHER CHARGES	There are no other charges (except charges levied by banks on remittance of money) payable directly by investors when purchasing or redeeming Units of the Funds.			
• MER (%) (financial year ended 31 December 2010)	1.53	1.90	1.98	1.98
• PTR (times) (financial year ended 31 December 2010)	0.50	0.57	0.55	0.09
THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.				

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MASTER PROSPECTUS

FUND	Kenanga Malaysian Inc Fund (KMIF)	Kenanga Islamic Money Market Fund (KIMMF)	Kenanga Money Market Fund (KMMF)
FEES AND CHARGES	This table describes the charges that you may DIRECTLY incur when you buy or redeem Units of the Funds.		
SALES CHARGE <ul style="list-style-type: none"> • Direct sales staff of KIB and walk-in customers • Agency Sales • IUTA • Financial Planners Please refer to page: 127	Up to 6.50% of the NAV per Unit Up to 6.50% of the NAV per Unit Up to 6.50% of the NAV per Unit Up to 6.50% of the NAV per Unit	Nil Nil Nil Nil	Nil Nil Nil Nil
Note: The Manager may waive or reduce the sales charge imposed. Investors may also negotiate for a lower sales charge with their preferred distributor, subject to the respective channels' qualifying criterion. Investors who invest in any funds through the EPF Members' Investment Scheme pay a lower Sales Charge which is 3% of the NAV per Unit (or such other maximum rate that may be allowed by the EPF from time to time).			
REPURCHASE CHARGE <ul style="list-style-type: none"> • Direct sales staff of KIB and walk-in customers • Agency Sales • IUTA • Financial Planners Please refer to page: 128	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil
TRANSFER FEE	Nil		
SWITCHING FEE	Nil		
OTHER CHARGES	There are no other charges (except charges levied by banks on remittance of money) payable directly by investors when purchasing or redeeming Units of the Funds.		
<ul style="list-style-type: none"> • MER (%) (financial year ended 31 December 2010) 	1.97	1.54	0.63

MASTER PROSPECTUS

• PTR (times) (financial year ended 31 December 2010)	0.57	NIL	3.03
THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.			

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MASTER PROSPECTUS

FUND	Kenanga Premier Fund (KPF)	Kenanga Growth Fund (KGF)	Kenanga Islamic Fund (KIF)	Kenanga Syariah Growth Fund (KSGF)
FEES AND CHARGES	This table describes the charges that you may INDIRECTLY incur when you invest in Units of the Funds.			
ANNUAL MANAGEMENT FEE Please refer to pages: 131 and 132	1.50% of the NAV of the Fund per annum.	1.50% of the NAV of the Fund per annum.	1.90% of the NAV of the Fund per annum.	1.50% of the NAV of the Fund per annum.
ANNUAL TRUSTEE FEE Please refer to page: 132	0.07% of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis (excluding foreign sub-custodian fee and charges).	0.08% of the Fund's NAV per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.	0.08% of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis (excluding foreign sub-custodian fee and charges).	0.08% of the Fund's NAV per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.
FUND EXPENSES Please refer to page: 133	<ul style="list-style-type: none"> • Commission paid to brokers • Auditors' fee • Tax Adviser's fee • Valuation fee • Taxes • Custodial charges • Shariah advisory fee (where applicable) • Annual/Interim reports • Independent Investment Committee Member Fee • Any other expenses permitted to be charged to the Fund by the Deed <p>THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.</p>			

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MASTER PROSPECTUS

FUND	Kenanga Balanced Fund (KBF)	Kenanga Islamic Balanced Fund (KIBF)	Kenanga Bond Fund (KBNF)	Kenanga Asia Pacific Oriental Fund (KAPOF)
FEES AND CHARGES	This table describes the charges that you may INDIRECTLY incur when you invest in Units of the Funds.			
ANNUAL MANAGEMENT FEE Please refer to page: 132	1.50% of the NAV of the Fund per annum.	1.50% of the NAV of the Fund per annum.	1.00% of the NAV of the Fund per annum.	1.80% of the NAV of the Fund per annum. <i>Please note that no additional management fees will be charged to the investor or the Fund by the Allianz RCM Oriental Income Fund.</i>
ANNUAL TRUSTEE FEE Please refer to page: 132	0.08% of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis (excluding foreign sub-custodian fee and charges).	0.07% of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis (excluding foreign sub-custodian fee and charges).	0.08% of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.	0.07% of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis (excluding foreign sub-custodian fee and charges).
FUND EXPENSES Please refer to page: 133	<ul style="list-style-type: none"> • Commission paid to brokers • Auditors' fee • Tax Adviser's fee • Valuation fee • Taxes • Custodial charges • Shariah advisory fee (where applicable) • Annual/Interim reports • Independent Investment Committee Member Fee • Any other expenses permitted to be charged to the Fund by the Deed 			
	THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.			

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MASTER PROSPECTUS

FUND	Kenanga Malaysian Inc Fund (KMIF)	Kenanga Islamic Money Market Fund (KIMMF)	Kenanga Money Market Fund (KMMF)		
FEES AND CHARGES	This table describes the charges that you may INDIRECTLY incur when you invest in Units of the Funds.				
ANNUAL MANAGEMENT FEE Please refer to page: 132	1.80% of the NAV of the Fund per annum.	up to 0.50% of the NAV of the Fund per annum.	up to 0.50% of the NAV of the Fund per annum.		
ANNUAL TRUSTEE FEE Please refer to page: 132	0.08% of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.	0.08% of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.	0.08% of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.		
FUND EXPENSES Please refer to page: 133	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> • Commission paid to brokers • Auditors' fee • Tax Adviser's fee • Valuation fee • Taxes </td> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> • Custodial charges • Shariah advisory fee (where applicable) • Annual/Interim reports • Independent Investment Committee Member Fee • Any other expenses permitted to be charged to the Fund by the Deed </td> </tr> </table> <p>THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.</p>			<ul style="list-style-type: none"> • Commission paid to brokers • Auditors' fee • Tax Adviser's fee • Valuation fee • Taxes 	<ul style="list-style-type: none"> • Custodial charges • Shariah advisory fee (where applicable) • Annual/Interim reports • Independent Investment Committee Member Fee • Any other expenses permitted to be charged to the Fund by the Deed
<ul style="list-style-type: none"> • Commission paid to brokers • Auditors' fee • Tax Adviser's fee • Valuation fee • Taxes 	<ul style="list-style-type: none"> • Custodial charges • Shariah advisory fee (where applicable) • Annual/Interim reports • Independent Investment Committee Member Fee • Any other expenses permitted to be charged to the Fund by the Deed 				

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MASTER PROSPECTUS

FUND	Kenanga Premier Fund (KPF)	Kenanga Growth Fund (KGF)	Kenanga Islamic Fund (KIF)	Kenanga Syariah Growth Fund (KSGF)
TRANSACTION DETAILS	<p>RM1,000* or such other lower amount as the Manager in its sole discretion allows. (*This includes the amount invested into the Fund and the sales charge that is imposed on an investor)</p>			
<p>MINIMUM INITIAL INVESTMENT</p> <p>Please refer to page: 129</p>				
<p>MINIMUM ADDITIONAL INVESTMENT</p> <p>Please refer to page: 129</p>	<p>RM100* or such other lower amount as the Manager in its sole discretion allows. (*This includes the amount invested into the Fund and the sales charge that is imposed on an investor)</p> <p>Investors who invest through the EPF Members' Investment Scheme is required to invest a minimum additional investment of RM1,000.</p>			
MAXIMUM INVESTMENTS	There is no maximum investment limit for individual and corporate investors.			
<p>MINIMUM REDEMPTION</p> <p>Please refer to page: 130</p>	<p>The minimum redemption amount is 500 Units for each transaction or such other lower amount as the Manager in its sole discretion allows.</p> <p>However, if the redemption request leaves a Unit Holder with less than 500 Units (Minimum Holdings), the Unit Holder may be required to make an application for the Manager to liquidate all the Unit Holder's holding in the Funds.</p>			
FREQUENCY OF REPURCHASE	No limits			
MINIMUM HOLDINGS	500 Units			
<p>PAYMENT OF REDEMPTION PROCEEDS</p> <p>Please refer to page: 130</p>	Redemption proceeds will be paid within ten (10) days of receiving the repurchase request.			
TRANSFER OF UNITS	Units in the Funds are transferable without any fee and restrictions. A copy of the "Transfer Form" can be obtained from the Manager's office.			
<p>SWITCHING OPTION</p> <p>Please refer to page: 130</p>	<p>The minimum number of Units for each switching transaction is 500 Units.</p> <ol style="list-style-type: none"> Unit Holders who originally purchased Units of a Fund with a "Sales Charge" imposed will switch into any of the other Funds at the NAV per Unit of that Fund. Unit Holders who originally purchased Units of a Fund with NO "Sales Charge" imposed who switches into any other Funds with NO "Sales Charge" imposed will switch at the NAV per Unit of that Fund. However, if a Unit Holder who originally purchased Units of a Fund with NO "Sales Charge" 			

MASTER PROSPECTUS

	<p>imposed decides to switch into a Fund with a "Sales Charge" imposed, the Unit Holder will switch at the NAV per Unit of that Fund and will incur the Sales Charge imposed by the Fund they intend to switch into. Thereafter, any subsequent switches into any of the other Funds will be at the NAV per Unit of that Fund.</p> <p>Switching from Shariah-based fund to a conventional fund is discouraged especially for Muslim Unit Holders.</p>			
<p>COOLING-OFF RIGHT</p> <p>Please refer to page: 131</p>	<p>Six (6) Business Days from the date of receipt of the application. Only given to an investor who is investing for the first time in any of the unit trust funds managed by the Manager (EPF investors are subject to EPF's terms and conditions).</p> <p>Corporations/institutions, staff of the Manager and persons registered to deal in unit trust funds of the Manager are not entitled.</p>			
<p>DEEDS OF THE FUNDS</p>	<ul style="list-style-type: none"> • Deed dated 21 November 1996 • Supplemental Deed dated 26 November 1998 • Second Supplemental Deed dated 16 November 2000 • Third Supplemental Deed dated 19 December 2001 • Fourth Supplemental Deed dated 15 April 2005 • Master Supplemental Deed dated 1 June 2009 • Second Master Supplemental Deed dated 13 October 2010 	<ul style="list-style-type: none"> • Deed dated 30 December 1999 • First Supplemental Deed dated 17 January 2002 • Second Supplemental Deed dated 18 April 2005 • Third Supplemental Deed dated 9 July 2007 • Supplemental Master Deed dated 13 October 2010 	<ul style="list-style-type: none"> • Master Deed dated 29 July 2002 • Master Supplemental Deed dated 1 June 2009 • Second Master Supplemental Deed dated 13 October 2010 	<ul style="list-style-type: none"> • Deed dated 8 January 2002 • Supplemental Deed dated 3 November 2004 • Second Supplemental Deed dated 18 April 2005 • Third Supplemental Deed dated 13 January 2006 • Fourth Supplemental Deed dated 9 July 2007 • Supplemental Master Deed dated 13 October 2010

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MASTER PROSPECTUS

FUND	Kenanga Balanced Fund (KBF)	Kenanga Islamic Balanced Fund (KIBF)	Kenanga Bond Fund (KBNF)	Kenanga Asia Pacific Oriental Fund (KAPOF)
TRANSACTION DETAILS	<p>RM1,000* or such other lower amount as the Manager in its sole discretion allows. (*This includes the amount invested into the Fund and the sales charge that is imposed on an investor)</p>			
<p>MINIMUM INITIAL INVESTMENT</p> <p>Please refer to page: 129</p>				
<p>MINIMUM ADDITIONAL INVESTMENT</p> <p>Please refer to page: 129</p>	<p>RM100* or such other lower amount as the Manager in its sole discretion allows. (*This includes the amount invested into the Fund and the sales charge that is imposed on an investor)</p> <p>Investors who invest through in the Funds under the EPF Members' Investment Scheme is required to invest a minimum additional investment of RM1,000.</p>			
MAXIMUM INVESTMENTS	There is no maximum investment limit for individual and corporate investors.			
<p>MINIMUM REDEMPTION</p> <p>Please refer to page: 130</p>	<p>The minimum redemption amount is 500 Units for each transaction or such other lower amount as the Manager in its sole discretion allows.</p> <p>However, if the redemption request leaves a Unit Holder with less than 500 Units (Minimum Holdings), the Unit Holder may be required to make an application for the Manager to liquidate all the Unit Holder's holding in the Funds.</p>			
FREQUENCY OF REPURCHASE	No limits			
MINIMUM HOLDINGS	500 Units			
<p>PAYMENT OF REDEMPTION PROCEEDS</p> <p>Please refer to page: 130</p>	Redemption proceeds will be paid within ten (10) days of receiving the repurchase request.			
TRANSFER OF UNITS	Units in the Funds are transferable without any fee and restrictions. A copy of the "Transfer Form" can be obtained from the Manager's office.			
<p>SWITCHING OPTION</p> <p>Please refer to page: 130</p>	<p>The minimum number of Units for each switching transaction is 500 Units.</p> <ol style="list-style-type: none"> Unit Holders who originally purchased Units of a Fund with a "Sales Charge" imposed will switch into any of the other Funds at the NAV per Unit of that Fund. Unit Holders who originally purchased Units of a Fund with NO "Sales Charge" imposed who switches into any other Funds with NO "Sales Charge" imposed will switch at the NAV per Unit of that Fund. However, if a Unit Holder who originally purchased Units of a Fund with NO "Sales Charge" 			

MASTER PROSPECTUS

	<p>imposed decides to switch into a Fund with a “Sales Charge” imposed, the Unit Holder will switch at the NAV per Unit of that Fund and will incur the Sales Charge imposed by the Fund they intend to switch into. Thereafter, any subsequent switches into any of the other Funds will be at the NAV per Unit of that Fund.</p> <p>Switching from Shariah-based fund to a conventional fund is discouraged especially for Muslim Unit Holders.</p>			
<p>COOLING-OFF RIGHT</p> <p>Please refer to page: 131</p>	<p>Six (6) Business Days from the date of receipt of the application. Only given to an investor who is investing for the first time in any of the unit trust funds managed by the Manager (EPF investors are subject to EPF’s terms and conditions).</p> <p>Corporations/institutions, staff of the Manager and persons registered to deal in unit trust funds of the Manager are not entitled.</p>			
<p>DEEDS OF THE FUNDS</p>	<ul style="list-style-type: none"> • Deed dated 30 April 2001 • Master Supplemental Deed dated 1 June 2009 • Second Master Supplemental Deed dated 13 October 2010 	<ul style="list-style-type: none"> • Deed dated 22 November 2004 • Master Supplemental Deed dated 1 June 2009 • Second Master Supplemental Deed dated 13 October 2010 	<ul style="list-style-type: none"> • Master Deed dated 29 July 2002 • Master Supplemental Deed dated 1 June 2009 • Second Master Supplemental Deed dated 13 October 2010 	<ul style="list-style-type: none"> • Deed dated 24 July 2006 • Supplemental Deed dated 28 November 2008 • Master Supplemental Deed dated 1 June 2009 • Second Master Supplemental Deed dated 13 October 2010

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MASTER PROSPECTUS

FUND	Kenanga Malaysian Inc Fund (KMIF)	Kenanga Islamic Money Market Fund (KIMMF)	Kenanga Money Market Fund (KMMF)
TRANSACTION DETAILS			
MINIMUM INITIAL INVESTMENT Please refer to page: 129	RM1,000* or such other lower amount as the Manager in its sole discretion allows. (*This includes the amount invested into the Fund and the sales charge that is imposed on an investor)		
MINIMUM ADDITIONAL INVESTMENT Please refer to page: 129	RM100* or such other lower amount as the Manager in its sole discretion allows. (*This includes the amount invested into the Fund and the sales charge that is imposed on an investor) Investors who invest through in the Funds under the EPF Members' Investment Scheme is required to invest a minimum additional investment of RM1,000.		
MAXIMUM INVESTMENTS	There is no maximum investment limit for individual and corporate investors.		
MINIMUM REDEMPTION Please refer to page: 130	The minimum redemption amount is 500 Units for each transaction or such other lower amount as the Manager in its sole discretion allows. However, if the redemption request leaves a Unit Holder with less than 500 Units (Minimum Holdings), the Unit Holder may be required to make an application for the Manager to liquidate all the Unit Holder's holding in the Funds.		
FREQUENCY OF REPURCHASE	No limits		
MINIMUM HOLDINGS	500 Units		
PAYMENT OF REDEMPTION PROCEEDS Please refer to page: 130	Redemption proceeds will be paid within ten (10) days of receiving the repurchase request.	Redemption proceeds will be paid on the next Business Day if the repurchase request is received by the Manager before 11am on any Business Day. Any repurchase request received after 11am on any Business Day will be deemed received by the Manager on the following Business Day.	
TRANSFER OF UNITS	Units in the Funds are transferable without any fee and restrictions. A copy of the "Transfer Form" can be obtained from the Manager's office.		
SWITCHING OPTION Please refer to page: 130	The minimum number of Units for each switching transaction is 500 Units. <ol style="list-style-type: none"> 1. Unit Holders who originally purchased Units of a Fund with a "Sales Charge" imposed will switch into any of the other Funds at the NAV per Unit of that Fund. 2. Unit Holders who originally purchased Units of a Fund with NO "Sales Charge" imposed who switches into any other Funds with NO "Sales Charge" imposed will switch at the NAV per Unit of that Fund. 3. However, if a Unit Holder who originally purchased Units of a Fund with NO "Sales Charge" imposed decides to switch into a Fund with a "Sales Charge" imposed, the Unit Holder will switch at the NAV per Unit of that Fund and will incur the Sales Charge imposed by the Fund 		

MASTER PROSPECTUS

	<p>they intend to switch into. Thereafter, any subsequent switches into any of the other Funds will be at the NAV per Unit of that Fund.</p> <p>Switching from Shariah-based fund to a conventional fund is discouraged especially for Muslim Unit Holders.</p>
<p>COOLING-OFF RIGHT</p> <p>Please refer to page: 131</p>	<p>Six (6) Business Days from the date of receipt of the application. Only given to an investor who is investing for the first time in any of the unit trust funds managed by the Manager (EPF investors are subject to EPF's terms and conditions).</p> <p>Corporations/institutions, staff of the Manager and persons registered to deal in unit trust funds of the Manager are not entitled.</p>
<p>DEEDS OF THE FUNDS</p>	<ul style="list-style-type: none">• Master Deed dated 29 August 2007• Supplemental Master Deed dated 29 November 2007• Master Supplemental Deed dated 1 June 2009• Second Master Supplemental Deed dated 13 October 2010

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MASTER PROSPECTUS

FURTHER INFORMATION IN RELATION TO KAPOF	
Name of Target Fund	Allianz RCM Oriental Income Fund
Country of Origin	Grand Duchy of Luxembourg
Management Company/ Operator of the Target Fund	Allianz Global Investors Luxembourg S.A.
Investment Manager of the Target Fund	RCM Asia Pacific Limited
Regulatory Authority which regulates the Target Fund	Commission de Surveillance du Secteur Financier
Date of the Establishment of the Target Fund	11 April 2005 (the name of the Target Fund which was previously known as Allianz GIS RCM Oriental Income Fund was subsequently amended on 3 October 2008)
Base Currency	USD
Share Class	Share Class A

FURTHER INFORMATION IN RELATION TO KBNF	
EXTERNAL FUND MANAGER	Opus Asset Management Sdn Bhd

FURTHER INFORMATION IN RELATION TO KIF, KSGF, KIBF AND KIMMF	
SHARIAH ADVISER	Islamic Banking and Finance Institute Malaysia Sdn Bhd

Unit prices and distributions payable, if any, may go down as well as up.

Prospective Unit Holders should read and understand the contents of the Prospectus and, if necessary, should consult their adviser(s).

Past performance of the fund is not an indication of its future performance.

For information concerning certain risk factors which should be considered by prospective investors, see "Risk Factors" commencing on page 30.

MASTER PROSPECTUS

5. RISK FACTORS

General Risks

Whilst the Manager believes that the investment policy will be effective and that investment in unit trust funds may be rewarding, investors should be aware that there are risks associated with their investment in unit trust funds.

a) **Market Risk**

Any purchase of securities will involve an element of risk. A unit trust fund that principally invests in listed stocks will be prone to the fluctuation in the performance of the stock markets, caused by changing market conditions as a result of global, regional or national economic conditions, political developments, governmental policies and social environment which will in turn affect the price of the units.

b) **Particular Stock Risk**

Where a unit trust fund has investments in stocks, any large fluctuations in the value of a particular stock may cause the price of the units to move as well. This impact may however be minimized by investing in a wide portfolio of investments, thus spreading the element of risk.

c) **Management Company Risk**

The performance of the unit trust fund depends on, amongst other things, the expertise of the management company. Poor management of the fund will jeopardise the investment of unit holders through loss of capital gains of the fund. Poor management may also lead to losses to unit holders.

d) **Liquidity Risk**

This refers to the risk that the securities invested in cannot be readily sold and converted into cash without incurring significant loss in value. This may arise when the trading volume is low and/or where there is a lack of demand for the security. If a unit trust fund has a large portfolio of stocks issued by smaller companies, the relatively illiquidity of these stocks can cause the value of the fund to drop. This is because there are generally less ready buyers of such stocks compared with the stocks of larger and more established companies.

e) **Credit Risk**

Credit risk or default risk refers to the possibility of deterioration of a fixed income instrument's credit quality, which will negatively affect the market value of the instrument. The credit quality of a bond represents the ability of the issuer to make timely interest and/or principal repayments in relation to the bond. This is often reflected in the credit rating assigned by qualified credit rating agencies.

f) **Interest Rate Risk**

The risk refers to the effect of interest rate changes on the performance of a bond/sukuk portfolio. In the event of rising interest rates, prices of fixed income securities/demand for sukuk will decrease and vice versa. Meanwhile, debt securities/sukuk with longer maturity and lower coupon/profit rates are more sensitive to interest rate changes.

As for Shariah-based funds, the interest rate is a general economic indicator that will have an impact on the management of funds regardless of whether it is a Shariah-based fund or otherwise. It does not in any way suggest that these funds will invest in conventional financial instruments.

g) **Inflation Risk**

A unit trust fund is subject to the risk of an investor's investment not growing proportionately to the inflation rate, thereby decreasing the investor's purchasing power even though the investment in monetary terms may have increased.

h) **Non-Compliance Risk**

This refers to the current and prospective risk to the unit trust fund and the investors' interest arising from non-compliance of regulations imposed by the Act, the Securities Commission Act 1993 and the Securities Commission Malaysia's Guidelines on Unit Trust Funds, deeds, prospectuses and/or manager's internal policies and procedures by the manager. Risk of non-compliance can lead to diminished reputation, reduced franchise value, limited business opportunities and reduced expansion potential for the company. Accordingly, non-compliance may affect the investor's investments by causing a fall in the value of the unit trust fund.

MASTER PROSPECTUS

i) **Reclassification of Shariah Status Risk**

The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-based funds may be reclassified to be Shariah non-compliant upon review of the securities by the SACSC performed twice yearly. If this occurs, the value of the fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities.

j) **Currency Risk**

Where a unit trust fund is invested in foreign currency or assets denominated in a foreign currency, the fund may be exposed to currency fluctuation risks as well as changes in foreign exchange regulations. There is a risk of potential price fluctuations in the value of foreign securities because of changing current exchange rates. If this occurs, there is a possibility that the unit price of the fund may be adversely affected.

k) **Country Risk**

Investments may be affected by the political and economic conditions of the country in which the investments are made. There is a risk of price fluctuations in foreign securities because of political, financial and economic events in foreign countries. If this occurs, there is a possibility that the unit price of the fund may be adversely affected.

l) **Loan Financing Risk**

The returns for unit trusts cannot be guaranteed and as such, we do not recommend that you obtain a loan to finance your investment. However, if you choose to do so, you need to understand that:

- borrowing increases the possibility of losses as well as gains;
- if the value of your investment falls below a certain level, you may be asked by the financial institution to reduce the outstanding loan to the required level; and
- the investors' ability to pay loan installments may be affected by unforeseen circumstances in the future such as loss of employment.

Shariah-based unit trust fund's investor is advised to seek for Islamic financing to finance their acquisition.

Measures to Check Risks

As some of the risks involved are inherent and may not be within the direct control of the Manager, it is not possible to completely hedge all risks. The Manager will take prudent and reasonable steps to anticipate foreseeable risks and to minimise potential loss to Unit Holders. Such steps would include:

Economic Intelligence A network of research and information providers can give advance foresight on global and domestic developments, which can give impact on investments. Such information will give the fund manager lead-time in restructuring the portfolio, if required.

Fundamentally Focused Investments While the manager cannot foresee unfortunate events, which can impact our market overnight, the manager can minimise this risk by investing in stocks with fundamentals. This will ensure a more stable portfolio focusing on longer term consistent returns rather than speculative issues.

Research Driven Instruments The fund manager will conduct regular visits to companies invested in to ensure expectations are at least maintained. Any deviation from prior expectation will enable the fund manager to respond accordingly.

Specific Risks

Risks related to KPF

Market Risk Any purchase of securities will involve an element of risk. A unit trust fund that principally invests in listed stocks will be prone to the fluctuation in the performance of the stock markets, caused by changing market conditions as a result of global, regional or national economic conditions, political developments, governmental policies and social environment which will in turn affect the price of the units.

MASTER PROSPECTUS

Particular Stock Risk	Any large fluctuations in the value of a particular stock may cause the price of the units to move as well.
Currency Risk	The Fund may be exposed to currency fluctuation risk as well as changes in foreign exchange regulations as the Fund may be invested in foreign currency or assets denominated in a foreign currency. There is a risk of potential price fluctuations in the value of foreign assets because of changing current exchange rates. If this occurs there is a possibility that the unit price of the fund may be adversely affected.
Country Risk	Investments may be affected by the political and economic conditions of the country in which the investments are made. There is a risk of price fluctuations in foreign securities resulting from political, financial and economic events in foreign countries. If this occurs there is a possibility that the unit price of the Fund may be adversely affected.

Risks related to KGF

Market Risk	<p>Any purchase of securities will involve an element of risk. A unit trust fund that principally invests in listed stocks will be prone to the fluctuation in the performance of the stock markets, caused by changing market conditions as a result of global, regional or national economic conditions, political developments, governmental policies and social environment which will in turn affect the price of the units.</p> <p>Market Risk is managed through the Manager's dynamic asset allocation strategy between equities and cash for the Fund. If the Manager is of the opinion that the market is particularly bearish in any point in time, the Fund may increase its exposure to cash in order to preserve capital.</p>
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Particular Stock Risk	<p>Any large fluctuations in the value of a particular stock may cause the price of the units to move as well.</p> <p>Particular Stock Risk is managed by ensuring the Fund is well diversified across various stocks.</p>
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Risks related to KIF

Market Risk	Any purchase of Shariah-compliant securities will involve an element of risk. A unit trust fund that principally invests in listed Shariah-compliant stocks will be prone to the fluctuation in the performance of the stock markets, caused by changing market conditions as a result of global, regional or national economic conditions, political developments, governmental policies and social environment which will in turn affect the price of the units.
Particular Stock Risk	Any large fluctuations in the value of a particular Shariah-compliant stock may cause the price of the units to move as well.
Reclassification of Shariah Status Risk	The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-based funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia performed twice yearly. If this occurs, the value of the fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities.
Currency Risk	The Fund may be exposed to currency fluctuation risks as well as changes in foreign exchange regulations as the Fund may be invested in foreign currency or assets denominated in a foreign currency. There is a risk of potential price fluctuations in the value of foreign assets because of changing current exchange rates. If this occurs there is a possibility that the unit price of the fund may be adversely affected.
Country Risk	Investments may be affected by the political and economic conditions of the country in which the investments are made. There is a risk of price fluctuations in foreign Shariah-compliant securities resulting from political, financial and economic events in foreign countries. If this occurs there is a possibility that the unit price of the Fund may be adversely affected.

MASTER PROSPECTUS

Risks related to KSGF

Market Risk Any purchase of Shariah-compliant securities will involve an element of risk. A unit trust fund that principally invests in listed Shariah-compliant stocks will be prone to the fluctuation in the performance of the stock markets, caused by changing market conditions as a result of global, regional or national economic conditions, political developments, governmental policies and social environment which will in turn affect the price of the units.

Market Risk is managed through the Manager's dynamic asset allocation strategy between equities and cash for the Fund. If the Manager is of the opinion that the market is particularly bearish in any point in time, the Fund may increase its exposure to cash in order to preserve capital.

Particular Stock Risk Any large fluctuations in the value of a particular stock may cause the price of the units to move as well.

Particular Stock Risk is managed by ensuring the Fund is well diversified across various stocks.

Reclassification of Shariah Status Risk The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-based funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia performed twice yearly. If this occurs, the value of the fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities.

Risks related to KBF

Market Risk Any purchase of securities will involve an element of risk. A unit trust fund that principally invests in listed stocks will be prone to the fluctuation in the performance of the stock markets, caused by changing market conditions as a result of global, regional or national economic conditions, political developments, governmental policies and social environment which will in turn affect the price of the units.

Particular Stock Risk Any large fluctuations in the value of a particular stock may cause the price of the units to move as well.

Credit Risk Credit risk or default risk refers to the possibility of deterioration of a fixed income instrument's credit quality, which will negatively affect the market value of the instrument. The credit quality of a bond represents the ability of the issuer to make timely interest and/or principal repayments in relation to the bond. This is often reflected in the credit rating assigned by qualified credit rating agencies.

Interest Rate Risk The risk refers to the effect of interest rate changes on the market value of a bond portfolio. In the event of rising interest rates, prices of fixed income securities will decrease and vice versa. Meanwhile, debt securities with longer maturity and lower coupon rates are more sensitive to interest rate changes.

Currency Risk The Fund may be exposed to currency fluctuation risks as well as changes in foreign exchange regulations as the Fund may be invested in foreign currency or assets denominated in a foreign currency. There is a risk of potential price fluctuations in the value of foreign assets because of changing current exchange rates. If this occurs there is a possibility that the unit price of the fund may be adversely affected.

Country Risk Investments may be affected by the political and economic conditions of the country in which the investments are made. There is a risk of price fluctuations in foreign securities resulting from political, financial and economic events in foreign countries. If this occurs there is a possibility that the unit price of the Fund may be adversely affected.

MASTER PROSPECTUS

Risks related to KIBF

Market Risk	Any purchase of Shariah-compliant securities will involve an element of risk. A unit trust fund that principally invests in listed Shariah-compliant stocks will be prone to the fluctuation in the performance of the stock markets, caused by changing market conditions as a result of global, regional or national economic conditions, political developments, governmental policies and social environment which will in turn affect the price of the units.
Particular Stock Risk	Any large fluctuations in the value of a particular Shariah-compliant stock may cause the price of the units to move as well.
Credit Risk	Credit risk or default risk refers to the possibility of deterioration of a sukuk/Shariah-compliant instrument's credit quality, which will negatively affect the market value of the instrument. The credit quality of a sukuk/Shariah-compliant instruments represents the ability of the issuer to make timely profit payments and/or principal payments in relation to the sukuk/Shariah-compliant instruments. This is often reflected in the credit rating assigned by qualified credit rating agencies.
Interest Rate Risk	<p>The risk refers to the effect of interest rate changes on the performance of a sukuk portfolio. In the event of rising interest rates, demand for sukuk will decrease and vice versa. Meanwhile, sukuk with longer maturity and lower profit rates are more sensitive to interest rate changes.</p> <p>As for KIBF, the interest rate is a general economic indicator that will have an impact on the management of funds regardless of whether it is a Shariah-based fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for this Fund are in accordance with requirements of the Shariah.</p>
Reclassification of Shariah Status Risk	The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-based funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia performed twice yearly. If this occurs, the value of the fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities.
Currency Risk	The Fund may be exposed to currency fluctuation risks as well as changes in foreign exchange regulations as the Fund may be invested in foreign currency or assets denominated in a foreign currency. There is a risk of potential price fluctuations in the value of foreign assets because of changing current exchange rates. If this occurs there is a possibility that the unit price of the fund may be adversely affected.
Country Risk	Investments may be affected by the political and economic conditions of the country in which the investments are made. There is a risk of price fluctuations in foreign Shariah-compliant securities resulting from political, financial and economic events in foreign countries. If this occurs there is a possibility that the unit price of the Fund may be adversely affected.

Risks related to KBNF

Market Risk	<p>Investments into fixed income instruments may involve market risk. A unit trust fund that principally invests in these securities are prone to price fluctuation of the prevailing securities, which may be caused by changing market conditions as a result of global, regional or local economic conditions, political developments, governmental policies and social environment.</p> <p>Market Risk is managed through the Manager's dynamic asset allocation strategy between fixed income instruments and cash for the Fund. If the Manager is of the opinion that the market is particularly bearish in any point in time, the Fund may increase its exposure to cash in order to preserve capital.</p>
Credit Risk	Credit risk or default risk refers to the possibility of deterioration of a fixed income instrument's credit quality, which will negatively affect the market value of the instrument. The credit quality of a bond represents the ability of the issuer to make timely interest and/or principal

MASTER PROSPECTUS

repayments in relation to the bond. This is often reflected in the credit rating assigned by qualified credit rating agencies.

Interest Rate Risk The risk refers to the effect of interest rate changes on the market value of a bond portfolio. In the event of rising interest rates, prices of fixed income securities will decrease and vice versa. Meanwhile, debt securities with longer maturity and lower coupon rates are more sensitive to interest rate changes.

Risks related to KAPOF

Market Risk Market risks are fluctuations that affect the market values of investments for both bonds and equities. Such fluctuations affect the entire market owing to changes in the global and local economic outlook as well as the political and social environment. Market risk cannot be eliminated by diversification. It stems from the fact that there are unforeseen circumstances, which threaten all businesses.

As the Target Fund invests in equities, it is exposed to various general trends and tendencies in the equities market, which are particularly attributable to irrational factors. Such factors may lead to a more significant and long lasting decline in prices affecting the entire market. Securities of top rated issuers are exposed to the general market risk in basically the same manner.

Stock & Issuer Risk The investment in stocks and debt instruments is subject to the risk of the company or issuer thereof. Risks include but are not limited to competitive operating environments, changing industry conditions and poor management.

Currency Risk While the Target Fund is denominated in US dollars, it may be invested in whole or in part in securities quoted in other currencies. The performance of the Target Fund will therefore be affected by movements in the exchange rate between the currencies in which its assets are held and its base currency. In addition, as the Fund is denominated in Ringgit Malaysia, whereas the Target Fund is denominated in US dollars, the performance of units in the Fund will be affected by movements in the exchange rate between Ringgit Malaysia and US dollars.

Country Risk The investments by the Target Fund in foreign markets may be subject to the changes in the country's economic fundamentals, social and political stability, currency movements and foreign investment policies. These factors may have an impact on the prices of the securities that the Fund invests in.

Interest Rate Risk All fixed income instruments are exposed to interest rate risk. The interest rates changes frequently and will cause prices of fixed income instruments to change inversely.

Credit Risk Credit risk or default risk refers to the possibility of deterioration of a fixed income instrument's credit quality, which will negatively affect the market value of the instrument. The credit quality of a bond represents the ability of the issuer to make timely interest and/or principal repayments in relation to the bond. This is often reflected in the credit rating assigned by qualified credit rating agencies.

Risks related to KMIF

Market Risk Any purchase of securities will involve an element of risk. A unit trust fund that principally invests in listed stocks will be prone to the fluctuation in the performance of the stock markets, caused by changing market conditions as a result of global, regional or national economic conditions, political developments, governmental policies and social environment which will in turn affect the price of the units.

Particular Stock Risk Any large fluctuations in the value of a particular stock may cause the price of the units to move as well.

MASTER PROSPECTUS

Risks related to KIMMF

Market Risk Investments into sukuk/Shariah-compliant instruments may involve market risk. A unit trust fund that principally invests in these Shariah-compliant securities are prone to price fluctuation of the prevailing Shariah-compliant securities, which may be caused by changing market conditions as a result of global, regional or local economic conditions, political developments, governmental policies and social environment.

Market Risk is managed through the Manager's dynamic asset allocation strategy between fixed income instruments and cash for the Fund. If the Manager is of the opinion that the market is particularly bearish in any point in time, the Fund may increase its exposure to cash in order to preserve capital.

Credit Risk Credit risk or default risk refers to the possibility of deterioration of a sukuk/Shariah-compliant instrument's credit quality, which will negatively affect the market value of the instrument. The credit quality of a sukuk/Shariah-compliant instruments represents the ability of the issuer to make timely profit payments and/or principal payments in relation to the sukuk/Shariah-compliant instruments. This is often reflected in the credit rating assigned by qualified credit rating agencies.

Interest Rate Risk The risk refers to the effect of interest rate changes on the performance of a sukuk portfolio. In the event of rising interest rates, demand for sukuk will decrease and vice versa. Meanwhile, sukuk with longer maturity and lower profit rates are more sensitive to interest rate changes.

As for KIMMF₁, the interest rate is a general economic indicator that will have an impact on the management of funds regardless of whether it is a Shariah-based fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for this Fund are in accordance with requirements of the Shariah.

Reinvestment Risk This is a risk that future proceeds (profit and/or capital) are reinvested at a lower potential profit rate.

Risks related to KMMF

Market Risk Investments into fixed income instruments may involve market risk. A unit trust fund that principally invests in these securities are prone to price fluctuation of the prevailing securities, which may be caused by changing market conditions as a result of global, regional or local economic conditions, political developments, governmental policies and social environment.

Market Risk is managed through the Manager's dynamic asset allocation strategy between fixed income instruments and cash for the Fund. If the Manager is of the opinion that the market is particularly bearish in any point in time, the Fund may increase its exposure to cash in order to preserve capital.

Credit Risk Credit risk or default risk refers to the possibility of deterioration of a fixed income instrument's credit quality, which will negatively affect the market value of the instrument. The credit quality of a bond represents the ability of the issuer to make timely interest and/or principal repayments in relation to the bond. This is often reflected in the credit rating assigned by qualified credit rating agencies.

Interest Rate Risk The risk refers to the effect of interest rate changes on the performance of a bond portfolio. In the event of rising interest rates, prices of fixed income securities will decrease and vice versa. Meanwhile, debt securities with longer maturity and lower coupon rates are more sensitive to interest rate changes.

Reinvestment Risk This is a risk that future proceeds (interest and/or capital) are reinvested at a lower potential interest rate.

MASTER PROSPECTUS

6. INFORMATION ON THE FUNDS

Kenanga Premier Fund (KPF)

The approved size of KPF is one billion (1,000,000,000) Units.

Type of Fund : **Growth**

Category of Fund : **Equity**

Objective of KPF

The investment objective of KPF is to provide Unit Holders with consistent annual returns in the form of distribution, and medium to long-term capital appreciation.

Any material changes to the investment objective of the Fund would require the Unit Holders' approval.

Investors' Profile

KPF is suitable for investors who are willing to accept moderate to high risk in order to achieve a reasonable return on their capital over the medium to long-term period ranging from three (3) to five (5) years. This enables the investors to withstand extended periods of market highs and lows in the pursuit of capital growth with KPF.

Specific Benefit of KPF

Potentially Higher Returns KPF is generally volatile in nature due to its high investment in equity and equity-related securities (maximum 98% of the NAV) and thus investors may enjoy potentially higher returns (if any) than other types of funds (e.g. balanced funds and/or fixed income funds) during an upward market trend.

Principal Investment Strategies

KPF seeks to maximise total returns by providing investors with a combination of capital appreciation and income distribution, if any, while reducing risk through diversified investments mainly in equities which are broadly summarised as follows:

1. to invest in any combination of equity and equity-related securities;
2. to invest in securities which are readily marketable, although a proportion of the Fund may consist of investments in equities of smaller quoted companies; and

In selecting investments, emphasis is placed on prospects for significant growth in the long-term and in particular, companies which have strong fundamentals and sound management.

3. to invest in futures market for hedging purposes only.

Accordingly, the indicative **asset allocation** of KPF will be as follows:

70% - 98% of the Fund's NAV - Equities
Minimum 2% of the Fund's NAV - Liquid assets

Investment Method	Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies	Temporary Defensive Measures
The Fund is managed on an active bottom-up growth strategy, and adopts a moderate trading strategy in line with	The Fund invests in growth stocks irrespective of market capitalisation, however, smaller market capitalised	Asset allocation is actively managed to commensurate with expected risk/reward ratio for the market. The minimum	We use active asset allocation and stock volatility to control risk. On country risk,	These can be undertaken upon consultation with the Investment Committee and can include high level of

MASTER PROSPECTUS

<p>the Fund's objective.</p>	<p>companies may run higher liquidity risk than normal.</p>	<p>percentage of investment in equities is at least 70% of the NAV at anytime.</p>	<p>country allocations are driven by our stock selection process and we constantly monitor country allocations to ensure that we are only taking measured bets away from the benchmark.</p> <p>On currency risk, generally, we do not hedge the currency risks. However, we may take into account and may hedge to reduce such risks by investing in foreign currency futures contracts, swaps, futures or any combination of such instruments.</p>	<p>cash and/or fixed income instruments over equities.</p> <p>The cash will be place-out into short-term money market instruments and/or deposits.</p>
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Performance benchmark

FTSE-Bursa Malaysia 100 Index source from www.bursamalaysia.com.

PERMITTED INVESTMENTS

KPF may invest in the following investments subject to the relevant laws and in accordance with the Fund's objective:

1. Securities of companies listed on the Bursa Malaysia;
2. Units or shares of collective investment schemes;
3. Securities traded in a foreign market subject to the provisions in the Guidelines;
4. Unlisted securities of Malaysian corporations;
5. Malaysian Government Securities, Treasury Bills, Bank Negara Malaysia Certificates, and Government Investment Certificates;
6. Malaysian currency balances in hand, Malaysian currency deposits with financial institutions including Negotiable Certificates of Deposit and placements of money at call with financial institutions;
7. Cagamas bonds/Islamic bonds and bankers' acceptances, unlisted loan stocks and corporate bonds which are traded in the money market and are either bank guaranteed or carrying at least a BBB rating by the RAM Rating Services Berhad (RAM), and private debt securities which have an equivalent rating by RAM; and
8. Any other form of investments as may be permitted by the SC from time to time.

INVESTMENT RESTRICTIONS AND LIMITS

1. The value of the Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV.
2. The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.

MASTER PROSPECTUS

3. The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
4. The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV.
5. For investment in derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV.
6. The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV.
7. The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV.
8. The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.
9. The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer.
10. The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer.
11. The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to money market instruments that do not have a pre-determined issue size.
12. The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no restrictions and limits imposed on securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

BASES FOR VALUATION AND VALUATION FOR THE FUND

Bases for Valuation

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds will be valued appropriately, i.e. at fair market value and at all times in compliance with the Guidelines.

Investment Instruments	Valuation Basis
Securities Listed on Any Exchange	Market price However, if: <ul style="list-style-type: none">➤ a valuation based on the market price does not represent the fair value of the securities, e.g. during abnormal market conditions; or➤ no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees,

MASTER PROSPECTUS

	then the securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustees after appropriate technical consultation.
Securities Not Traded In or Under the Rules of an Eligible Market	Fair value should be determined on methods or bases which have been verified by the auditors of the Funds, approved by the Trustees and adequately disclosed in the prospectus of the Funds.
Fixed Income Securities/ Debentures/Sukuk	<p>Unquoted debt securities/sukuk denominated in Ringgit Malaysia will be valued on a daily basis based on fair value prices quoted by a bond pricing agency (BPA) registered with the SC. If the Manager is of the view that the price quoted by the BPA for a specific bond/sukuk differs from the market price by more than 20 basis points, the Manager may use the market price provided that the Manager adheres to the requirements as stipulated in the SC Guidelines.</p> <p>In the absence of reliable market quotation, valuation should be:</p> <ul style="list-style-type: none"> ➤ the average price obtained from at least three (3) independent dealers (eg. Citibank Bhd, AmlInvestment Bank Bhd, CIMB Investment Bank Bhd and etc.). <p>In any case, where the market interest rates of similar class of debt securities have changed materially, cost adjusted value should be marked-to-market.</p>
Malaysian Currency Liquid Assets	Nominal value.
Foreign Currency Liquid Assets	Same basis as Malaysian currency liquid assets of similar type, with such adaptations as are necessary.
Financial Futures	Margin.
Collective Investment Scheme	The value of each interest/profit in any collective investment scheme which is valued as at the same day as the Fund shall be the net asset value per unit, share or other interest/profit in such collective investment scheme calculated as at the day or, if the Manager so determine or if such collective investment scheme is not valued as at the same day as the Fund, the last published net asset value per unit, share or other interest/profit in such collective investment scheme (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other interest/profit.
Financial Options	Premium.
Any Other Instruments	Fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus of the Funds.

Valuation for the Fund

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future, i.e. the next valuation point. The valuation point for the Fund is at 5 p.m. every Business Day.

If the Fund has investments in foreign markets, the valuation of the Fund will be done only on T+1 day due to the different time zones of foreign markets.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangaInvestors.com.my).

MASTER PROSPECTUS

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

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MASTER PROSPECTUS

Kenanga Growth Fund (KGF)

The approved size of KGF is five hundred million (500,000,000) Units.

Type of Fund : **Growth**

Category of Fund : **Equity**

Objective of KGF

The primary objective of the Fund is to provide Unit Holders with long-term capital growth.

Any changes to the investment objective of the Fund would require Unit Holders' approval.

Investors' Profile

KGF is suitable for investors who:

- have a long-term investment time horizon of more than five (5) years; and
- have a moderate risk profile with tolerance for short-term periods of volatility.

Specific Benefit of KGF

KGF is managed to reduce the volatility level below the market while seeking to achieve a return comparable to the market over the full market/business cycle.

Principal Investment Strategies

The Fund's assets are actively invested in a diversified portfolio of Malaysian equity and equity-related securities of companies with sustainable business model that is trading at a discount to its intrinsic value.

While the Fund does not actively practice asset allocation but seeks to fill the portfolio up with securities, under extreme market volatility and/or when market is trading at valuation deem unsustainable, the Fund will judiciously scale back its equity exposure.

Under normal market conditions, the Fund's equity exposure is expected to range from 75% to 95% of the Fund's NAV with the balance in money market instruments, fixed deposits and/or cash.

Accordingly, the indicative **asset allocation** of KGF will be as follows:

- 75% to 95% of the Fund's NAV - Equities
5% to 25% of the Fund's NAV - Liquid assets

Investment Method	Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies	Temporary Defensive Measures
The Fund is built up on a stock by stock basis.	The Fund invests in the equity and equity-related securities of companies with sustainable business model and trading at a discount to their intrinsic value. The Fund is style neutral and does not differentiate between growth or value stocks, small-cap, mid-cap or big-cap.	The Fund does not actively practice asset allocation but seek to fill the portfolio up with companies that satisfy the twin criteria of sustainable business model and trading at discount to its intrinsic value.	Risk management is central to the investment process of the Fund. The portfolio is continuously subjected to two risk management overlays and a rigid sell discipline. The first overlay is a series of investment limits check, while the second overlay is a	In times of extreme market volatility and/or when market valuation is at a level deem unsustainable, the Fund will judiciously scale back its equity exposure to below its normal operating range of 75% to 95% of the Fund's NAV. The cash will be

MASTER PROSPECTUS

			statistical check on the volatility of the portfolio to ensure that it is below the market level.	place-out into short-term money market instruments and/or deposits.
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Performance benchmark

FTSE-Bursa Malaysia Kuala Lumpur Composite Index source from www.bursamalaysia.com.

PERMITTED INVESTMENTS

As permitted under the Deed, the requirements of the SC and provided always that there is no inconsistency with the objective of the Fund, the Fund may invest in the following types of investments, including but not limited to:

1. Securities of companies listed on the Bursa Malaysia;
2. Units or shares in other collective investment schemes (these can be related or unrelated);
3. Unlisted equities and unlisted warrants, provided always that the issuers of such securities must be incorporated in Malaysia and provided further that the Fund has appropriate policies and procedures for the valuation of such securities;
4. Malaysian Government Securities, Treasury Bills, Bank Negara Malaysia Certificates and Government Investment Certificates;
5. Malaysian currency balances in hand, Malaysian currency deposits with commercial banks, investment banks and Bank Islam Malaysia Berhad including Negotiable Certificates of Deposit and placements of money at call with investment banks;
6. Cagamas bonds and bankers' acceptance, unlisted loan stocks and corporate bonds which are traded in the money market and are either bank guaranteed or carrying at least a BBB rating by the RAM Rating Services Berhad ("RAM") and private debt securities which have an equivalent rating by RAM; and
7. Any other form of investments as may be permitted by the SC from time to time and which is in line with the objective of the Fund.

INVESTMENT RESTRICTIONS AND LIMITS

The investments of the Fund must be relevant and consistent with its investment objectives. The acquisition of investments is subject to the Guidelines and the Deed and cannot exceed the following limits or any other limits as may be prescribed by SC from time to time:

1. The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
2. The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
3. The value of the Fund's placements in deposits with any single financial institution must not exceed 20% of the Fund's NAV.
4. The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.
5. The Fund's investments in transferable securities (other than debentures) issued by any single issuer must not exceed 10% of the securities issued.
6. The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer.

MASTER PROSPECTUS

7. The value of the Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV.
8. The aggregate value of the Fund's investments in transferable securities, money market instruments and deposits issued or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV.
9. A Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size.
10. The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV.
11. A Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no restrictions and limits imposed on securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

BASES FOR VALUATION AND VALUATION FOR THE FUND

Bases for Valuation

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds will be valued appropriately, i.e. at fair market value and at all times in compliance with the Guidelines.

Investment Instruments	Valuation Basis
Securities Listed on Any Exchange	Market price However, if: <ul style="list-style-type: none">➤ a valuation based on the market price does not represent the fair value of the securities, e.g. during abnormal market conditions; or➤ no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees, then the securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustees after appropriate technical consultation.
Securities Not Traded In or Under the Rules of an Eligible Market	Fair value should be determined on methods or bases which have been verified by the auditors of the Funds, approved by the Trustees and adequately disclosed in the prospectus of the Funds.
Fixed Income Securities	Investments in fixed income securities which are not listed on Bursa Malaysia will be valued on a daily basis using fair value prices quoted by a bond pricing agency ("BPA") registered with the SC. If the Manager is of the view that the price quoted by the BPA differs from the market price by more than 20 basis points, the Manager may use the market price provided that the Manager records the basis for using agency non-BPA price, obtains the necessary internal approvals for using the non-BPA price and keeps an audit trail of all the decisions and basis for adopting the market yield.

MASTER PROSPECTUS

Malaysian Currency Liquid Assets	Malaysian currency-denominated cash balances in hand, deposits placed with banks or other financial institutions and placement of money at call with investment bank are valued each day by reference to the value of such investments and the profits accrued thereon for the relevant period.
Collective Investment Scheme	Investments in collective investment schemes will be valued, based on the last published NAV per unit or share of such collective investment scheme. In the case of unlisted collective investment schemes, the valuation will be based on the last published repurchase price or other appropriate method as determined by the Manager and adequately disclosed in this section.
Money Market Instruments	Investments such as Banker Acceptance, Islamic Accepted Bills, Government and/or any other government-related agencies Investment Issues (both conventional and Shariah-based), Bank Negara Monetary Notes-i, Cagamas Sukuk, Mudharabah Sukuk, Negotiable Certificate of Deposit, Negotiable Islamic Debt Certificate (NIDC), Islamic Negotiable Instrument of Deposit (INID) or any other Government Islamic papers are valued each day by reference to the value of such investments and the profits accrued thereon for the relevant period.
Any Other Instruments	Fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus of the Funds.

Valuation for the Fund

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future, i.e. the next valuation point. The valuation point for the Fund is at 5 p.m. every Business Day.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangaInvestors.com.my).

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

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MASTER PROSPECTUS

Kenanga Islamic Fund (KIF)

The approved size of the Fund is five hundred million (500,000,000) Units.

Type of Fund : **Growth**

Category of Fund : **Equity (Islamic)**

KIF is suitable for investors who prefer investing in a portfolio of investments that strictly adhere to requirements of the Shariah and are prepared to accept moderate to high risks in order to achieve medium to long-term capital gain.

Objective of KIF

The investment objective of KIF is to achieve steady capital growth and income distribution (incidental) over the medium to long-term period by investing in a diversified portfolio of authorised investments in accordance with accepted Shariah principles.

Any material changes to the investment objective of the Fund would require the Unit Holders' approval.

Investors' Profile

KIF is suitable for investors who want a portfolio of investments that complies with Shariah requirements and at the same time, willing to accept moderate to high risk in order to achieve a reasonable return on their capital over the medium to long-term period ranging from three (3) to five (5) years. This enables the investors to withstand extended periods of market's highs and lows in the pursuit of capital growth with KIF.

The Manager will seek to invest the assets of KIF in high growth and undervalued Shariah-compliant securities, which offer good growth potential with an investment time horizon of between three (3) to five (5) years.

Specific Benefits of KIF

Potentially Higher Returns KIF is generally volatile in nature due to its high investment in Shariah-compliant securities (maximum 98% of NAV) and thus investors may enjoy potentially higher returns (if any) than other types of funds (e.g. balanced funds and/or fixed income/sukuk funds) during an upward market trend.

Caters to the Needs of Shariah Adherent Investors KIF provides Shariah-adherent investors as well as all other investors, with an alternative to invest in Shariah-compliant investments.

Principal Investment Strategies

KIF seeks to maximise total returns by providing investors with a combination of capital appreciation and income distribution, if any, while reducing risk through diversified investments in Shariah-compliant equities which are broadly summarised as follows:

1. to invest in any combination of Shariah-compliant equity and equity-related securities; and
2. to invest in Shariah-compliant securities, which are readily marketable, although a proportion of KIF may consist of investments in Shariah-compliant equities of smaller quoted companies.

In selecting investments, emphasis is placed on prospects for significant growth in the long-term and in particular, companies which have strong fundamentals and sound management.

These give opportunities for investors to opt for capital gains and income in accordance with Shariah requirements.

The Investment Committee will work closely with the appointed Shariah Adviser to ensure that the investments of the Fund are in compliance with Shariah requirements.

MASTER PROSPECTUS

Accordingly, the indicative **asset allocation** of the Fund shall be as follows:

70% - 98% of the NAV - Shariah-compliant equities
 Minimum 2% of the NAV - Shariah-based liquid assets

Investment Method	Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies	Temporary Defensive Measures
The Fund is managed on an active bottom-up growth strategy, and adopts a moderate trading strategy in line with the Fund's objective.	The Fund invests in growth stocks irrespective of market capitalisation, however, smaller market capitalised companies may run higher liquidity risk than normal.	Asset allocation is actively managed to commensurate with the expected risk/reward ratio of the market. The minimum percentage of investment in Shariah-compliant equities is at least 70% of the NAV at anytime.	We use active asset allocation and stock volatility to control risk.	These can be undertaken upon consultation with the Investment Committee and can include high level of cash and/or sukuk over Shariah-compliant equities. The cash will be place-out into Islamic money market instruments and/or Shariah-based deposits.

Performance benchmark

FTSE-Bursa Malaysia Emas Shariah Index source from www.bursamalaysia.com.

PERMITTED INVESTMENTS

The Fund may invest in the following investments which have been approved by the Shariah Advisory Council of the SC and/or Shariah Adviser as permissible instruments that comply with Shariah requirements, subject further to the relevant laws and in accordance with the Fund's objective.

1. Shariah-compliant securities of companies listed on the Bursa Malaysia;
2. Shariah-compliant securities not traded that have been approved by the relevant authorities for listing and quotation on Bursa Malaysia, which are offered directly by the company approved for listing by way of private placement or a tender basis and as approved by the SC's Shariah Advisory Council and/or Shariah Adviser;
3. Government Investment Issue (GII), Islamic Accepted Bills, Bank Negara Monetary Notes-i, Cagamas Sukuk and other obligation issued or guaranteed by the Malaysian Government, Bank Negara Malaysia and other government-related agencies that comply with Shariah requirements;
4. Shariah-compliant securities traded on eligible markets and/or approved stock exchanges;
5. Traded Islamic money-market instruments in the money market;
6. Ringgit-denominated Shariah-based deposits placed with financial institutions and placement of money at call with financial institutions that comply with Shariah requirements;
7. Any other forms of Shariah-compliant investments as may be agreed upon by the Manager and the Trustee from time to time and permitted by the relevant authorities, where necessary;
8. Islamic futures contracts and options traded in the futures and options market of and exchange approved under the Act for hedging purposes as approved by the SC's Shariah Advisory Council and/or the Shariah Adviser;

MASTER PROSPECTUS

9. Foreign Shariah-compliant securities of an approved foreign markets approved by the SC's Shariah Advisory Council and/or the Shariah Adviser; and
10. Any other kind of Shariah-compliant investment instruments approved by the SC's Shariah Advisory Council and/or Shariah Adviser.

INVESTMENT RESTRICTIONS AND LIMITS

1. The value of the Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV.
2. The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
3. The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
4. The value of the Fund's placement in Shariah-based deposits with any single institution must not exceed 20% of the Fund's NAV.
5. For investment in Islamic derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines and the value of a Fund's over-the-counter (OTC) Islamic derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV.
6. The aggregate value of the Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments, Shariah-based deposits and OTC Islamic derivatives issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV.
7. The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any group companies must not exceed 20% of the Fund's NAV.
8. The Fund's investments in transferable Shariah-compliant securities (other than Islamic debentures) must not exceed 10% of the Shariah-compliant securities issued by any single issuer.
9. The Fund's investments in Islamic debentures must not exceed 20% of the Islamic debentures issued by any single issuer.
10. The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.
11. All the Fund's investments have to be Shariah-compliant.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no restrictions and limits imposed on Shariah-compliant securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

MASTER PROSPECTUS

BASES FOR VALUATION AND VALUATION FOR THE FUND

Bases for Valuation

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds will be valued appropriately, i.e. at fair market value and at all times in compliance with the Guidelines.

Investment Instruments	Valuation Basis
Shariah-compliant Securities Listed on Any Exchange	<p>Market price</p> <p>However, if:</p> <ul style="list-style-type: none"> ➤ a valuation based on the market price does not represent the fair value of the Shariah-compliant securities, e.g. during abnormal market conditions; or ➤ no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees, <p>then the Shariah-compliant securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustees after appropriate technical consultation.</p>
Shariah-compliant Securities Not Traded In or Under the Rules of an Eligible Market	<p>Fair value should be determined on methods or bases which have been verified by the auditors of the Funds, approved by the Trustees and adequately disclosed in the prospectus of the Funds.</p>
Islamic Debentures/Sukuk	<p>Unquoted sukuk denominated in Ringgit Malaysia will be valued on a daily basis based on fair value prices quoted by a bond pricing agency (BPA) registered with the SC. If the Manager is of the view that the price quoted by the BPA for a specific sukuk differs from the market price by more than 20 basis points, the Manager may use the market price provided that the Manager adheres to the requirements as stipulated in the SC Guidelines.</p> <p>In the absence of reliable market quotation, valuation should be:</p> <ul style="list-style-type: none"> ➤ the average price obtained from at least three (3) independent dealers (e.g. Citibank Bhd, AmInvestment Bank Bhd, CIMB Investment Bank Bhd and etc.). <p>In any case, where the market interest rates of similar class of sukuk have changed materially, cost adjusted value should be marked-to-market.</p>
Shariah-based Liquid Assets (Malaysian Currency)	<p>Nominal value.</p>
Shariah-based Liquid Assets (Foreign Currency)	<p>Same basis as Shariah-based liquid assets (Malaysian currency) of similar type, with such adaptations as are necessary.</p>
Islamic Financial Futures	<p>Margin.</p>
Shariah-based Collective Investment Scheme	<p>The value of each profit in any Shariah-based collective investment scheme which is valued as at the same day as the Fund shall be the net asset value per unit, share or other profit in such Shariah-based collective investment scheme calculated as at the day or, if the Manager so determine or if such Shariah-based collective investment scheme is not valued as at the same day as the Fund, the last published net asset value per unit, share or other profit in such Shariah-based collective investment scheme (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other profit.</p>

MASTER PROSPECTUS

Islamic Financial Options	Premium.
Any Other Instruments	Fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus of the Funds.

Valuation for the Fund

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future, i.e. the next valuation point. The valuation point for the Fund is at 5 p.m. every Business Day.

If the Fund has investments in foreign markets, the valuation of the Fund will be done only on T+1 day due to the different time zones of foreign markets.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangalInvestors.com.my).

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

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MASTER PROSPECTUS

Kenanga Syariah Growth Fund (KSGF)

The approved size of the Fund is two hundred million (200,000,000) Units.

Type of Fund : **Growth**

Category of Fund : **Equity (Islamic)**

Objective of KSGF

The primary objective of the Fund is to provide Unit Holders with long-term capital growth by investing principally in equities that comply with Shariah requirements.

Any changes to the investment objective of the Fund would require Unit Holders' approval.

The Fund's activities are also conducted strictly in accordance with Shariah requirements and are monitored by the Fund's Shariah Adviser.

Investors' Profile

KSGF is suitable for investors who:

- have a long-term investment time horizon of more than five (5) years;
- have a moderate risk profile with tolerance for short-term periods of volatility; and
- have a preference for Shariah compliant investments.

Specific Benefits of KSGF

KSGF is managed to reduce the volatility level below the market while seeking to achieve a return comparable to the market over the full market/business cycle.

KSGF provides Shariah-adherent investors as well as all other investors, with an alternative to invest in Shariah-compliant investments.

Principal Investment Strategies

The Fund's assets are actively invested in a diversified portfolio of Malaysian Shariah-compliant equity and equity-related securities of companies with sustainable business model and trading at a discount to its intrinsic value.

While the Fund does not actively practice asset allocation but seeks to fill the portfolio up with Shariah-compliant securities, under extreme market volatility and/or when market is trading at valuation deem unsustainable, the Fund will judiciously scale back its Shariah-compliant equity exposure.

Under normal market conditions, the Fund's Shariah-compliant equity exposure is expected to range from 75% to 95% of the Fund's NAV with the balance in Islamic money market instruments, Shariah-based deposits and/or cash.

Accordingly, the indicative **asset allocation** of KSGF will be as follows:

- 75% to 95% of the Fund's NAV - Shariah-compliant equities
5% to 25% of the Fund's NAV - Shariah-based liquid assets

Investment Method	Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies	Temporary Defensive Measures
The Fund is built up on a stock by stock basis.	The Fund invests in the Shariah-compliant equity and equity-related securities of companies with sustainable business model and trading at a	The Fund does not actively practice asset allocation but seek to fill the portfolio up with companies that satisfy the twin	Risk management is central to the investment process of the Fund. The portfolio is continuously subjected to two risk	In times of extreme market volatility and/or when market valuation is at a level deem unsustainable, the Fund will judiciously scale back

MASTER PROSPECTUS

	discount to their intrinsic value. The Fund is style neutral and does not differentiate between growth or value stocks, small-cap, mid-cap or big-cap.	criteria of sustainable business model and trading at discount to its intrinsic value.	management overlays and a rigid sell discipline. The first overlay is a series of investment limits check, while the second overlay is a statistical check on the volatility of the portfolio to ensure that it is below the market level.	its Shariah-compliant equity exposure to below its normal operating range of 75% to 95% of the Fund's NAV. The cash will be place-out into short-term Islamic money market instruments and/or Shariah-based deposits.
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Performance benchmark

FTSE-Bursa Malaysia Emas Shariah Index source from www.bursamalaysia.com.

PERMITTED INVESTMENTS

As permitted under the Deed, the requirements of the SC and provided always that there is no inconsistency with the objective of the Fund, the Fund may invest in the following types of investments, including but not limited to:

1. Shariah-compliant securities of Malaysian companies listed on the Bursa Malaysia;
2. Units of Islamic real estate investment trusts (REITs) listed on the Bursa Malaysia;
3. Government Investment Issues (GII);
4. Malaysian currency balances in hand, Shariah-based deposits (Malaysian currency) with Islamic banks or other financial institutions including investment certificates;
5. Unlisted Shariah-compliant securities that are permitted by the SC for the listing and quotation on the Bursa Malaysia, which are offered directly by the company approved for listing, by way of private placement or on a tender basis;
6. Islamic Accepted Bill, Cagamas Sukuk, or other sukuk which are carrying at least BBB rating by RAM Rating Services Berhad ('RAM'); and
7. Any other kinds of Shariah-compliant investments as may be allowed by the relevant authorities from time to time and which is in line with the objective of the Fund.

In conformity with Shariah requirements, the securities of companies engaged in the following activities or producing the following categories of products shall not be included in the portfolio of the Fund:-

1. All conventional banking, insurance and financial services;
2. Gaming;
3. Alcoholic beverages;
4. Non-halal food products;
5. Interest bearing money market instruments; and
6. Any further restrictions as may be determined by the Securities Commission Malaysia's Shariah Advisory Council and/or the Fund's Shariah Adviser from time to time.

MASTER PROSPECTUS

INVESTMENT RESTRICTIONS AND LIMITS

The investments of the Fund must be relevant and consistent with its investment objectives. The acquisition of investments is subject to the Guidelines and the Fund's Deed and cannot exceed the following limits or any other limits as may be prescribed by the SC and/or Shariah Adviser from time to time:

1. The value of the Fund's investments in ordinary Shariah-compliant shares issued by any single issuer must not exceed 10% of the Fund's NAV.
2. The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
3. The value of the Fund's placements in Shariah-based deposits with any single financial institution must not exceed 50% of the Fund's NAV if the Fund's NAV is less than RM10 million (see section 16 at page 159).
4. The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.
5. The Fund's investments in Shariah-compliant transferable securities (other than Islamic debentures) issued by any single issuer must not exceed 10% of the Shariah-compliant securities issued.
6. The Fund's investments in Islamic debentures must not exceed 20% of the debentures issued by any single issuer.
7. The value of the Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV.
8. The aggregate value of the Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments and Shariah-based deposits issued or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV.
9. The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.
10. The value of the Fund's investments in units/shares of any Shariah-based collective investment scheme must not exceed 20% of the Fund's NAV.
11. A Fund's investments in Shariah-based collective investment schemes must not exceed 25% of the units/shares in any one Shariah-based collective investment scheme.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no restrictions and limits imposed on Shariah-compliant securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

BASES FOR VALUATION AND VALUATION FOR THE FUND

Bases for Valuation

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds will be valued appropriately, i.e. at fair market value and at all times in compliance with the Guidelines.

MASTER PROSPECTUS

Investment Instruments	Valuation Basis
Shariah-compliant Securities Listed on Any Exchange	Market price However, if: <ul style="list-style-type: none"> ➤ a valuation based on the market price does not represent the fair value of the Shariah-compliant securities, e.g. during abnormal market conditions; or ➤ no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees, then the Shariah-compliant securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustees after appropriate technical consultation.
Shariah-compliant Securities Not Traded In or Under the Rules of an Eligible Market	Fair value should be determined on methods or bases which have been verified by the auditors of the Funds, approved by the Trustees and adequately disclosed in the prospectus of the Funds.
Islamic Debentures/Sukuk	Investments in unquoted sukuk which are not listed on Bursa Malaysia will be valued on a daily basis using fair value prices quoted by a bond pricing agency (“BPA”) registered with the SC. If the Manager is of the view that the price quoted by the BPA differs from the market price by more than 20 basis points, the Manager may use the market price provided that the Manager records the basis for using the non-BPA price, obtains the necessary internal approvals for using the non-BPA price and keeps an audit trail of all the decisions and basis for adopting the market yield.
Shariah-based Liquid Assets (Malaysian Currency)	Malaysian currency-denominated cash balances in hand, Shariah-based deposits placed with banks or other financial institutions and placement of money at call with investment bank are valued each day by reference to the value of such investments and the profits accrued thereon for the relevant period.
Shariah-based Collective Investment Scheme	Investments in Shariah-based collective investment schemes will be valued, based on the last published NAV per unit or share of such Shariah-based collective investment scheme. In the case of unlisted Shariah-based collective investment schemes, the valuation will be based on the last published repurchase price or other appropriate method as determined by the Manager and adequately disclosed in this section.
Islamic Money Market Instruments	Investments such as Islamic Accepted Bills, Government and/or any other government-related agencies Investment Issues, Bank Negara Monetary Notes-i, Cagamas Sukuk, Mudharabah Sukuk, Islamic Negotiable Instruments (INIs) or any other Government Islamic papers are valued each day by reference to the value of such investments and the profits accrued thereon for the relevant period.
Any Other Instruments	Fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus of the Funds.

Valuation for the Fund

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future, i.e. the next valuation point. The valuation point for the Fund is at 5 p.m. every Business Day.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangaInvestors.com.my).

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

MASTER PROSPECTUS

Kenanga Balanced Fund (KBF)

The approved size of KBF is five hundred million (500,000,000) Units.

Type of Fund : **Growth and Income**

Category of Fund : **Balanced**

Objective of KBF

The investment objective of KBF is to provide a portfolio of investments, which gives a lower risk and lower volatility for investors.

Any material changes to the investment objective of the Fund would require the Unit Holders' approval.

Investors' Profile

KBF is suitable for investors who are willing to accept moderate risk in order to achieve a reasonable return on their capital over the medium to long-term period ranging from three (3) to five (5) years. This enables the investors to withstand extended periods of market highs and lows in the pursuit of capital growth as well as distribution of income with KBF.

Specific Benefits of KBF

Less Volatility KBF is generally less volatile in nature due to its limited exposure in equities (maximum 60% of NAV) and at the same time, investors may have a chance to enjoy stable income stream due to its investments in fixed income securities.

Performance KBF may outperform growth funds in a bear market.

Principal Investment Strategies

KBF seeks to maximise total returns by providing investors with a combination of capital appreciation and income distribution, if any, while reducing risk through diversified investments in equities and fixed income securities which are broadly summarised as follows:

1. to invest in a balanced portfolio of equity and equity-related securities and fixed income securities;
2. to invest in securities which are readily marketable, although a proportion of the Fund may consist of investments in equities and bonds of smaller quoted companies; and

In selecting investments, emphasis is placed on prospects for significant growth in the long-term and in particular, companies which have strong fundamentals and sound management.

3. to invest in futures market for hedging purposes only.

Accordingly, the indicative **asset allocation** of KBF will be as follows:

Maximum 60% of the NAV - Equities
Maximum 40% of the NAV - Fixed income instruments
Minimum 2% of the NAV - Liquid assets

Investment Method	Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies	Temporary Defensive Measures
The Fund is managed on an active bottom-up strategy. The Fund also invests in fixed income instruments.	The Fund's investments focus on growth stocks with a reasonable dividend yield. The risk profile	Asset allocation is actively managed to commensurate with expected risk/reward ratio for the market.	We use active asset allocation and stock volatility to control risk. For fixed income instruments, we	These can be undertaken upon consultation with the Investment Committee and can

MASTER PROSPECTUS

	of KBF is lower than KPF.		monitor the credit risk and duration of the portfolio to ensure that we are positioned correctly.	include high level of cash and/or fixed income instruments over equities. The cash will be place-out into short-term money market instruments and/or deposits.
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Performance benchmark

60% of the NAV - FTSE-Bursa Malaysia 100 Index source from www.bursamalaysia.com.

40% of the NAV - Benchmark 5-year Malaysian Government Securities (MGS) source from www.bnm.gov.my.

The composite benchmark is a reflection of the Fund's asset allocation of 60% of the Fund's NAV in equities and 40% of the Fund's NAV in fixed income instruments.

PERMITTED INVESTMENTS

The Fund may invest in the following investments subject to the relevant laws and in accordance with the Fund's objective:

1. Securities of Malaysian companies listed on an approved stock exchange;
2. Units of unrelated Property Trust Funds listed on an approved stock exchange;
3. Malaysian Government Securities, Treasury Bills, Bank Negara Malaysia Certificates, Government Investment Certificates and any other treasury products guaranteed by the Malaysian Government, Bank Negara Malaysia or other Government or Government related agencies;
4. Fixed deposits, money market instruments and any other treasury products;
5. Cagamas bonds and bankers' acceptances, unlisted loan stocks and corporate bonds which are traded in the money market and which are either bank guaranteed or are rated at least BBB by the RAM Rating Services Berhad (RAM), and private debt securities which carry an equivalent rating by RAM;
6. Securities listed on a foreign stock exchange (with the prior permission from the SC);
7. Securities that are not traded in or under the rules of an eligible market, whether or not approved by the SC for listing and quotation on an approved stock exchange and which are offered directly by the company to the Fund;
8. Futures contracts traded in the futures market of an exchange approved under the Act (for hedging purposes only);
9. Units/shares of other collective investment schemes; and
10. Any other kind of investments as may be agreed upon by the Manager and the Trustees from time to time, and permitted by the SC and/or any other relevant authorities where necessary.

INVESTMENT RESTRICTIONS AND LIMITS

1. The value of the Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV.
2. The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
3. The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.

MASTER PROSPECTUS

4. The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV.
5. For investment in derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV.
6. The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV.
7. The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV.
8. The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.
9. The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer.
10. The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer.
11. The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to money market instruments that do not have a pre-determined issue size.
12. The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no restrictions and limits imposed on securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

BASES FOR VALUATION AND VALUATION FOR THE FUND

Bases for Valuation

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds will be valued appropriately, i.e. at fair market value and at all times in compliance with the Guidelines.

Investment Instruments	Valuation Basis
Securities Listed on Any Exchange	<p>Market price</p> <p>However, if:</p> <ul style="list-style-type: none">➤ a valuation based on the market price does not represent the fair value of the securities, e.g. during abnormal market conditions; or➤ no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees, <p>then the securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustees after appropriate</p>

MASTER PROSPECTUS

	technical consultation.
Securities Not Traded In or Under the Rules of an Eligible Market	Fair value should be determined on methods or bases which have been verified by the auditors of the Funds, approved by the Trustees and adequately disclosed in the prospectus of the Funds.
Fixed Income Securities/Debentures/Sukuk	<p>Unquoted debt securities/sukuk denominated in Ringgit Malaysia will be valued on a daily basis based on fair value prices quoted by a bond pricing agency (BPA) registered with the SC. If the Manager is of the view that the price quoted by the BPA for a specific bond/sukuk differs from the market price by more than 20 basis points, the Manager may use the market price provided that the Manager adheres to the requirements as stipulated in the SC Guidelines.</p> <p>In the absence of reliable market quotation, valuation should be:</p> <ul style="list-style-type: none"> ➤ the average price obtained from at least three (3) independent dealers (eg. Citibank Bhd, AmlInvestment Bank Bhd, CIMB Investment Bank Bhd and etc.). <p>In any case, where the market interest rates of similar class of debt securities have changed materially, cost adjusted value should be marked-to-market.</p>
Malaysian Currency Liquid Assets	Nominal value.
Foreign Currency Liquid Assets	Same basis as Malaysian currency liquid assets of similar type, with such adaptations as are necessary.
Financial Futures	Margin.
Collective Investment Scheme	The value of each interest/profit in any collective investment scheme which is valued as at the same day as the Fund shall be the net asset value per unit, share or other interest/profit in such collective investment scheme calculated as at the day or, if the Manager so determine or if such collective investment scheme is not valued as at the same day as the Fund, the last published net asset value per unit, share or other interest/profit in such collective investment scheme (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other interest/profit.
Financial Options	Premium.
Any Other Instruments	Fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus of the Funds.

Valuation for the Fund

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future, i.e. the next valuation point. The valuation point for the Fund is at 5 p.m. every Business Day.

If the Fund has investments in foreign markets, the valuation of the Fund will be done only on T+1 day due to the different time zones of foreign markets.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangalInvestors.com.my).

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

MASTER PROSPECTUS

Kenanga Islamic Balanced Fund (KIBF)

The approved size of KIBF is two hundred million (200,000,000) Units.

Type of Fund : **Growth & Income**

Category of Fund : **Balanced (Islamic)**

KIBF is targeted more towards investors who prefer investing in a portfolio of investments that strictly adhere to requirements of the Shariah and are prepared to accept moderate risk in order to achieve medium to long-term capital gain.

Objective of KIBF

The investment objective of KIBF is to achieve steady capital growth and income distribution (if any) over the medium to long-term period by investing in a diversified portfolio of authorised investments in accordance with Shariah requirements.

Any material changes to the investment objectives of the Fund would require Unit Holders' approval.

Investors' Profile

KIBF is suitable for investors who want a portfolio of investments that complies with Shariah requirements and at the same time, willing to accept moderate risk in order to achieve a steady capital growth and income distribution (if any) over the medium to long-term period ranging from three (3) to five (5) years. This enables the investors to withstand extended periods of market highs and lows in the pursuit of capital growth as well as distribution of income with KIBF.

The Manager will seek to invest the assets of KIBF in high growth and undervalued Shariah-compliant securities and sukuk which offer good growth potential with an investment time horizon between three (3) to five (5) years.

Specific Benefits of KIBF

Less Volatility KIBF is generally less volatile in nature due to its limited exposure in Shariah-compliant equities (maximum 60% of NAV) and at the same time, investors may have a chance to enjoy stable income stream due to its investments in sukuk.

Performance KIBF may outperform growth funds in a bear market.

Caters to the Needs of Shariah Adherent Investors KIBF provides Shariah-adherent investors as well as all other investors an alternative to invest in Shariah-compliant investments.

Principal Investment Strategies

KIBF seeks to maximise total returns by providing investors with a combination of capital appreciation and income distribution, if any, while reducing risk through diversified investments in Shariah-compliant equities and sukuk which are broadly summarised as follows:

1. to invest in any combination of Shariah-compliant equity and equity-related securities as well as sukuk; and
2. to invest in Shariah-compliant securities, which are readily marketable, although a proportion of KIBF may consist of investments in Shariah-compliant equities and sukuk of smaller quoted companies; and

In selecting investments, emphasis is placed on prospects for significant growth in the long-term and in particular companies, which have strong fundamentals and sound management.

These give opportunities for investors to opt for capital gains and income that comply with Shariah requirements.

The Investment Committee will work closely with the appointed Shariah Adviser to ensure that the investments of the Fund are in compliance with Shariah requirements.

MASTER PROSPECTUS

Accordingly, the indicative **asset allocation** of the Fund shall be as follows:

Maximum 60% of the NAV - Shariah-compliant equities
 Maximum 40% of the NAV - Sukuk
 Minimum 2% of the NAV - Shariah-based liquid assets

Investment Method	Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies	Temporary Defensive Measures
The Fund is managed on an active bottom-up growth strategy, and adopts a moderate trading strategy in line with the Fund's objective.	The Fund's investments focus on growth Shariah-compliant stocks with a reasonable dividend yield. These Shariah-compliant stocks will have strong potential for capital appreciation and yet provide steady dividend income stream though of higher risks. Sukuk will provide more steady income but lower capital appreciation potential due to lower risks.	Asset allocation is actively managed to commensurate with expected risk/reward ratio of the market.	We use active asset allocation and Shariah-compliant stock volatility to control risk. For sukuk, we monitor the credit risk and duration of the portfolio to ensure we are positioned correctly.	These can be undertaken upon consultation with the Investment Committee and can include high level of cash and/or sukuk over Shariah-compliant equities. The cash will be place-out into Islamic money market instruments and/or Shariah-based deposits.

Performance benchmark

60% of the NAV - FTSE-Bursa Malaysia Emas Shariah Index source from www.bursamalaysia.com.

40% of the NAV - Benchmark 5-year Government Investment Issues source from www.bnm.gov.my.

The composite benchmark is a reflection of the Fund's asset allocation of 60% of the Fund's NAV in Shariah-compliant equities and 40% of the Fund's NAV in sukuk.

PERMITTED INVESTMENTS

The Fund may invest in the following investments which have been approved by the Shariah Advisory Council of the SC and/or the Shariah Adviser as permissible instruments that comply with Shariah requirements, subject further to the Guidelines and in accordance with the Fund's objective:

1. Shariah-compliant securities of companies listed on Bursa Malaysia;
2. Shariah-compliant securities not traded that have been approved by the relevant authorities for listing and quotation on Bursa Malaysia, which are offered directly by the company approved for listing by way of private placement or a tender basis and as approved by the Shariah Advisory Council of the SC and/or the Shariah Adviser;
3. Government Investment Issues (GII), Islamic Accepted Bills, Bank Negara Monetary Notes-i, Cagamas Sukuk and other obligations issued or guaranteed by the Malaysian Government, Bank Negara Malaysia and other government-related agencies that comply with Shariah requirements;
4. Shariah-compliant securities traded on eligible markets and/or approved stock exchanges;
5. Tradable Islamic money-market instruments in the money market;

MASTER PROSPECTUS

6. Ringgit-denominated Shariah-based deposits placed with licensed financial institutions and placements of money at call with discount houses that comply with Shariah requirements;
7. Islamic futures contracts and options traded in the futures and options market of and exchange approved under the Act for hedging purposes as approved by the SC's Shariah Advisory Council and/or the Shariah Adviser;
8. Foreign Shariah-compliant securities of an approved foreign markets approved by the SC's Shariah Advisory Council and/or the Shariah Adviser; and
9. Any other forms of Shariah-compliant investments as may be agreed upon by the Manager and the Trustee from time to time and permitted by the relevant authorities, where necessary.

INVESTMENT RESTRICTIONS AND LIMITS

1. The value of the Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV.
2. The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
3. The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
4. The value of the Fund's placement in Shariah-based deposits with any single institution must not exceed 20% of the Fund's NAV.
5. For investment in Islamic derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines and the value of the Fund's over-the-counter (OTC) Islamic derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV.
6. The aggregate value of the Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments, Shariah-based deposits, OTC Islamic derivatives and Islamic structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV.
7. The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.
8. The Fund's investments in transferable Shariah-compliant securities (other than Islamic debentures) must not exceed 10% of the Shariah-compliant securities issued by any single issuer.
9. The Fund's investments in Islamic debentures must not exceed 20% of the Islamic debentures issued by any single issuer.
10. The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.
11. All the Fund's investments have to be Shariah-compliant.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no restrictions and limits imposed on Shariah-compliant securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

MASTER PROSPECTUS

BASES FOR VALUATION AND VALUATION FOR THE FUND

Bases for Valuation

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds will be valued appropriately, i.e. at fair market value and at all times in compliance with the Guidelines.

Investment Instruments	Valuation Basis
Shariah-compliant Securities Listed on Any Exchange	<p>Market price</p> <p>However, if:</p> <ul style="list-style-type: none"> ➤ a valuation based on the market price does not represent the fair value of the Shariah-compliant securities, e.g. during abnormal market conditions; or ➤ no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees, <p>then the Shariah-compliant securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustees after appropriate technical consultation.</p>
Shariah-compliant Securities Not Traded In or Under the Rules of an Eligible Market	<p>Fair value should be determined on methods or bases which have been verified by the auditors of the Funds, approved by the Trustees and adequately disclosed in the prospectus of the Funds.</p>
Islamic Debentures/Sukuk	<p>Unquoted sukuk denominated in Ringgit Malaysia will be valued on a daily basis based on fair value prices quoted by a bond pricing agency (BPA) registered with the SC. If the Manager is of the view that the price quoted by the BPA for a specific sukuk differs from the market price by more than 20 basis points, the Manager may use the market price provided that the Manager adheres to the requirements as stipulated in the SC Guidelines.</p> <p>In the absence of reliable market quotation, valuation should be:</p> <ul style="list-style-type: none"> ➤ the average price obtained from at least three (3) independent dealers (eg. Citibank Bhd, AmInvestment Bank Bhd, CIMB Investment Bank Bhd and etc.). <p>In any case, where the market interest rates of similar class of sukuk have changed materially, cost adjusted value should be marked-to-market.</p>
Shariah-based Liquid Assets (Malaysian Currency)	<p>Nominal value.</p>
Shariah-based Liquid Assets (Foreign Currency)	<p>Same basis as Shariah-based liquid assets (Malaysian currency) of similar type, with such adaptations as are necessary.</p>
Islamic Financial Futures	<p>Margin.</p>
Shariah-based Collective Investment Scheme	<p>The value of each profit in any Shariah-based collective investment scheme which is valued as at the same day as the Fund shall be the net asset value per unit, share or other profit in such Shariah-based collective investment scheme calculated as at the day or, if the Manager so determine or if such Shariah-based collective investment scheme is not valued as at the same day as the Fund, the last published net asset value per unit, share or other profit in such Shariah-based collective investment scheme (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other profit.</p>

MASTER PROSPECTUS

Islamic Financial Options	Premium.
Any Other Instruments	Fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus of the Funds.

Valuation for the Fund

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future, i.e. the next valuation point. The valuation point for the Fund is at 5 p.m. every Business Day.

If the Fund has investments in foreign markets, the valuation of the Fund will be done only on T+1 day due to the different time zones of foreign markets.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangalInvestors.com.my).

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

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MASTER PROSPECTUS

Kenanga Bond Fund (KBNF)

The approved size of the Fund is five hundred million (500,000,000) Units.

Type of Fund : **Income**

Category of Fund : **Fixed Income**

KBNF is suitable for investors who prefer less volatility in their investments. KBNF aims to provide a steady income stream with a lower risk profile compared to Balanced and Growth Funds.

Objective of KBNF

The investment objective of KBNF is to provide investors with a steady income* stream over the medium to long-term period through investments primarily in fixed income instruments.

Any material changes to the investment objectives of the Fund would require the Unit Holders' approval.

Investors' Profile

KBNF is suitable for relatively conservative investors who wish to have more stable income* and returns and have medium to long term investment time horizons ranging from three (3) to five (5) years.

** Note: The primary mode of distribution of income will be done via reinvestment of additional Units. Kindly refer to mode of distributions at page 90 for full details.*

Specific Benefits of KBNF

Consistent Distributions There will be an implied commitment to pay consistent distributions every year, where possible.

Higher Returns Aims to provide a return that is higher than fixed deposits, where possible.

Lower Risk, Less Volatility Lower risk and less volatility due to its high investment in fixed income instruments.

Risk Adverse Investors Suitable for investors with lower risk profiles.

Performance KBNF may outperform equity growth funds and equity income funds in a during a bear equity market.

Principal Investment Strategies

KBNF will invest in a diversified portfolio consisting principally of fixed income securities and other permissible investments.

Investments in fixed income funds are expected to be less volatile and have a lower risk of loss of capital compared to riskier assets such as equities.

Accordingly, the indicative **asset allocation** of the Fund shall be as follows:

70% - 95% of the NAV - Fixed income instruments

Minimum 5% of the NAV - Liquid assets

Investment Method	Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies	Temporary Defensive Measures
The Fund aims to optimize returns through active	Fixed Income Instrument usually provide steady income	Both strategic and tactical asset allocation are	Active risk management is employed through the	These can be undertaken upon consultation with the

MASTER PROSPECTUS

<p>portfolio management and market positioning in the bond market. This includes investments in both sovereign and corporate bond markets.</p> <p><i>Note: The Manager will employ this new investment method from 1 October 2011.</i></p>	<p>stream from their coupon payments although their market value may fluctuate. Risks involved in investing in fixed income instruments include market risk, interest rate risk, credit risk and reinvestment risk.</p>	<p>employed actively, based on the derived short and long-term bond market. Nevertheless, the Fund will maintain a minimum 70% invested in fixed income instruments at all times.</p>	<p>pre-determined investment process that seeks to mitigate credit risk, while active bond management strategies are employed to mitigate duration risk in relation to our prevailing market outlook.</p>	<p>Investment Committee and can include high level of cash over fixed income instruments.</p> <p>The cash will be place-out into short-term money market instruments and/or deposits.</p>
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Performance benchmark

Maybank 12-months fixed deposit rates source from www.maybank2u.com.

PERMITTED INVESTMENTS

The Fund may invest in the following investments subject to the relevant laws and in accordance with the Fund's objective:

1. Fixed income securities/instruments listed on approved stock exchanges, which are either bank-guaranteed or are rated at least BBB or P2 by RAM Rating Services Berhad (RAM) and/or such other recognized rating agencies;
2. Unlisted fixed income securities/instruments, which are either bank-guaranteed or are rated at least BBB or P2 by RAM and/or recognized rating agencies;
3. Malaysian Government Securities, Treasury Bills, Bank Negara Malaysia Certificates, Government Investment Certificates and any other treasury products guaranteed by the Malaysian Government, Bank Negara Malaysia or other Government or Government related agencies;
4. Fixed deposits, money market instruments and any other treasury products;
5. Listed foreign fixed securities and corporate bonds with at least a BBB rating by Standard & Poor or Moody's or its equivalent;
6. Unlisted foreign loan stocks and corporate bonds with at least an AA rating by Standard & Poor or its equivalent;
7. Securities that are not traded in or under the rules of an eligible market, whether or not approved by the SC for listing and quotation on an approved stock exchange and which are offered directly by the company to the Fund;
8. Futures contracts traded in the futures market of an exchange approved under the Act (for hedging purposes only);
9. Units/shares of other collective investment schemes; and
10. Any other kind of investments as may be agreed upon by the Manager and the Trustees from time to time, and permitted by the SC and/or any other relevant authorities where necessary.

INVESTMENT RESTRICTIONS AND LIMITS

1. The value of the Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV.
2. The value of the Fund's investments in debentures issued by any single issuer must not exceed 20% of the Fund's NAV.

MASTER PROSPECTUS

3. The value of the Fund's investments in debentures issued by any single issuer may be increased to 30% of the Fund's NAV if the debentures are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal.
4. The value of the Fund's investments in debentures issued by any one group of companies must not exceed 30% of the Fund's NAV.
5. The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV.
6. The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV. Where the single issuer limit for the Fund's investments in debentures is increased to 30% of the Fund's NAV as explained in point 3 above, the aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 30% of the Fund's NAV.
7. The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV.
8. The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer.
9. The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to money market instruments that do not have a pre-determined issue size.
10. The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no restrictions and limits imposed on securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

BASES FOR VALUATION AND VALUATION FOR THE FUND

Bases for Valuation

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds will be valued appropriately, i.e. at fair market value and at all times in compliance with the Guidelines.

Investment Instruments	Valuation Basis
Securities Listed on Any Exchange	Market price However, if: ➤ a valuation based on the market price does not represent the fair value of the securities, e.g. during abnormal market conditions; or ➤ no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees, then the securities should be valued at fair value, as determined in good faith by the

MASTER PROSPECTUS

	Manager based on the methods or bases approved by the Trustees after appropriate technical consultation.
Securities Not Traded In or Under the Rules of an Eligible Market	Fair value should be determined on methods or bases which have been verified by the auditors of the Funds, approved by the Trustees and adequately disclosed in the prospectus of the Funds.
Fixed Income Securities/ Debentures/Sukuk	<p>Unquoted debt securities/sukuk denominated in Ringgit Malaysia will be valued on a daily basis based on fair value prices quoted by a bond pricing agency (BPA) registered with the SC. If the Manager is of the view that the price quoted by the BPA for a specific bond/sukuk differs from the market price by more than 20 basis points, the Manager may use the market price provided that the Manager adheres to the requirements as stipulated in the SC Guidelines.</p> <p>In the absence of reliable market quotation, valuation should be:</p> <p>➤ the average price obtained from at least three (3) independent dealers (eg. Citibank Bhd, AmlInvestment Bank Bhd, CIMB Investment Bank Bhd and etc.).</p> <p>In any case, where the market interest rates of similar class of debt securities have changed materially, cost adjusted value should be marked-to-market.</p>
Malaysian Currency Liquid Assets	Nominal value.
Foreign Currency Liquid Assets	Same basis as Malaysian currency liquid assets of similar type, with such adaptations as are necessary.
Financial Futures	Margin.
Collective Investment Scheme	The value of each interest/profit in any collective investment scheme which is valued as at the same day as the Fund shall be the net asset value per unit, share or other interest/profit in such collective investment scheme calculated as at the day or, if the Manager so determine or if such collective investment scheme is not valued as at the same day as the Fund, the last published net asset value per unit, share or other interest/profit in such collective investment scheme (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other interest/profit.
Financial Options	Premium.
Any Other Instruments	Fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus of the Funds.

Valuation for the Fund

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future, i.e. the next valuation point. The valuation point for the Fund is at 5 p.m. every Business Day.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangalInvestors.com.my).

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

MASTER PROSPECTUS

Kenanga Asia Pacific Oriental Fund (KAPOF)

The approved size of the Fund is three hundred million (300,000,000) Units.

The Fund operates as a feeder fund that feeds into the Allianz RCM Oriental Income Fund (the “**Target Fund**”). As such, substantially all of the assets of the Fund are invested into the Target Fund. The Target Fund is a separate fund (separate portfolio of securities, money market instruments and other assets permitted by law and managed within specific investment objectives) of the Allianz Global Investors Fund.

Fund Type : **Growth & Income**

Fund Category : **Balanced (Feeder Fund)**

Objective of KAPOF

The investment objective of KAPOF is to invest into Allianz RCM Oriental Income Fund which has an investment objective to provide investors with long-term capital appreciation and income through investment in debt, convertible bonds and high yielding securities of companies in the Asia Pacific region.

Any material changes to the investment objective of the Fund would require Unit Holders' approval.

Investors' Profile

- Investors seeking to diversify their investments into the Asia Pacific region;
- Investors seeking moderate to long-term capital appreciation and income on their investments;
- Investors with moderate to high risk tolerance; and
- Investors with medium to long-term investment horizon ranging from three (3) to five (5) years.

Specific Benefits of the Fund

Less Volatile The Fund is generally less volatile in nature due to the balanced nature of the Target Fund into which it invests, which includes investments in fixed income securities. This reduces the overall risk level of the Fund as compared to a pure equity fund.

Diversification The Fund is an avenue to diversify the investor's portfolio geographically as the Fund will effectively be investing in Allianz RCM Oriental Income Fund, which invests in debt, convertible bonds and high yielding securities of companies in the Asia Pacific region (the main countries invested in Asia Pacific, but not limited to, are Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Taiwan and Thailand).

Principal Investment Strategies

The investment objective, policy and strategy of the Fund will mirror that of the Target Fund into which it invests. The Target Fund aims to provide investors with long-term capital appreciation and income through investment in debt, convertible bonds and high yielding securities of companies in the Asia Pacific region. The Target Fund aims to provide capital appreciation through investment in a diversified and actively managed portfolio of transferable securities. The Target Fund may invest in equities and equity equivalents and such investments will be made within the limits of the laws governing the Target Fund. Warrants on transferable securities may be used on an ancillary basis and the extent of such holdings may vary according to market conditions. Options, futures and swaps may be used for hedging purposes and for efficient portfolio management at the Target Fund level.

At least ninety five percent (95%) of the assets of the Fund will be invested in the Target Fund. Any remaining assets of the Fund will be invested in cash or other liquid assets, as appropriate.

Accordingly, the indicative **asset allocation** of the Fund shall be as follows:

At least 95% of the NAV - Allianz RCM Oriental Income Fund
At least 2% of the NAV - Cash or other liquid assets

MASTER PROSPECTUS

Investment Method	Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies	Temporary Defensive Measures
<p>The Target Fund is managed on an active bottom-up growth strategy, and adopts a moderate trading strategy in line with the Fund's objective.</p>	<p>The Fund is a feeder fund which invests substantially all of its assets in the Target Fund. The Target Fund invests principally in debt instruments, convertible bonds and high yielding securities (including equity and equity equivalents) of companies in the Asia Pacific region. Essentially, equities represent an ownership interest in a company in which shareholders have a claim on assets and are entitled to a portion of the company's profits which are sometimes paid out in the form of dividends. Bonds and other fixed income securities are debt instruments where the borrower is a government, institution or a corporate entity that acquires funds from lenders and will provide a certain amount of returns in the form of interest income or discounts.</p>	<p>The indicative asset allocation of the Fund shall be as follows:</p> <ul style="list-style-type: none"> • At least 95% of the NAV in the Allianz RCM Oriental Income Fund • At least 2% of the NAV in cash or other liquid assets 	<p>The Manager monitors the credit risk and duration of the portfolio to ensure that the Fund is positioned correctly. The Manager reserves the right to seek an alternative collective investment scheme that is consistent with the objective of the Fund.</p>	<p>These can be undertaken upon consultation with the Investment Committee and may include holding a high level of cash over investments in the Target Fund.</p> <p>The cash will be place-out into short-term money market instruments and/or deposits.</p> <p>As KAPOF is a feeder fund, Unit Holders must be aware that the performance of KAPOF is significantly affected by the performance of the Target Fund as it is the primary investment of KAPOF. Therefore, the value of Unit Holders' investments will be exposed and affected accordingly.</p> <p>If the Manager, during adverse market conditions decides to undertake a temporary defensive position and the Target Fund on the other hand manages to weather the adverse market conditions, Unit Holders must be aware that the performance of the Fund may underperform that of the Target Fund.</p>

Performance benchmark

MSCI AC Asia Pacific Index source from www.msicibarra.com.

MASTER PROSPECTUS

FURTHER INFORMATION REGARDING THE TARGET FUND, “ALLIANZ RCM ORIENTAL INCOME FUND”

General Information on the Target Fund

Allianz Global Investors Fund is an open-ended investment company with variable share capital incorporated under the laws of the Grand Duchy of Luxembourg as a Société d'Investissement à Capital Variable (SICAV). The Allianz Global Investors Fund was founded on 9 August 1999 under the name DRESDNER GLOBAL STRATEGIES FUND, with effect from 9 December 2002 the name was changed to Allianz Dresdner Global Strategies Fund and finally with effect from 8 December 2004 the name was changed to the current name, Allianz Global Investors Fund.

Allianz Global Investors Fund is subject to the supervision of the Commission de Surveillance du Secteur Financier of Luxembourg.

The Allianz Global Investors Fund has appointed Allianz Global Investors Luxembourg S. A. to act as its management company, with the responsibility for day-to-day operations and investment management. The management company was incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg on 21 April 1988. Its registered office is located at 6A, route de Trèves, L-2633 Senningerberg. As at 31 December 2009, its fully paid-up capital totaled EUR 15.6 million and its shareholders' equity totaled EUR 70.0 million. The rights and duties of the management company are governed by an agreement which may be terminated by the Allianz Global Investors Fund or the management company on three months' notice.

At its own expense, the management company may, while maintaining its own responsibility, control and coordination, transfer fund management to third parties (fund managers) for the purpose of efficient management or to consult with third parties (investment advisors). The duty of the fund manager is the daily implementation of the investment policy of the Target Fund in accordance with the respective investment objectives, management of day-to-day business of the portfolio management under the supervision, control and responsibility of the management company, and the provision of other related services. The fulfillment of these duties is carried out in observance of the principles of the investment objectives and policy set forth in the sales prospectus for the Target Fund, the investment restrictions, the Articles of Incorporation and legal restrictions.

Specific Information on the Target Fund

The Target Fund is one of the sub-funds under the Allianz Global Investors Fund umbrella (refer to the Allianz Global Investor Singapore Prospectus dated 28 February 2011).

Allianz Global Investors Luxembourg S. A. is the management company of the Target Fund. The management company has appointed RCM Asia Pacific Limited (“RCM AP”) as the investment manager of the Target Fund.

Person in charge of the Target Fund

The designated fund manager for the Target Fund is Stuart Winchester*, CFA whose profile is as set out below:

*Stuart Winchester, CFA, joined Allianz Global Investors in 1992 and is responsible for equities in Hong Kong's global balanced funds. He graduated with a Masters Degree in International Management from the American Graduate School of International Management in 1983. Stuart joined Wood Gundy in 1984 and spent six years in Japan before transferring to Indonesia to run an affiliate joint venture merchant bank. Stuart has spent a total of 20 years in Asia and is a CFA charterholder.

Investment Objective of the Target Fund

The investment objective of the Target Fund is geared towards capital growth in the long term by investing Target Fund's assets on equity and fixed income markets of the Asia Pacific region.

Investment Principles of the Target Fund

- (a) Subject to item (h) below, at least fifty percent (50%) of Target Fund assets are invested in Equities, as well as warrants to subscribe for Equities. Included in this limit, index certificates and other certificates that have a risk profile which typically correlates with the assets listed in the previous sentence or with the investment markets to which these assets can be allocated may also be acquired for the Target Fund.

MASTER PROSPECTUS

- (b) Subject to item (h) below, at least eighty percent (80%) of the Target Fund's equity portion as defined under item (a) sentence 1 are invested in Equities, as well as warrants to subscribe for Equities, of companies which are incorporated in an Asian country, in New Zealand or in Australia. Russia and Turkey are not considered to be Asian countries. Index certificates and other certificates that have a risk profile which typically correlates with the assets listed under item (a) above or with investment markets to which these assets can be allocated are subject to the limit stated in the previous sentence.
- (c) Interest-bearing Securities may be acquired for the Target Fund. Index certificates and other certificates that have a risk profile which typically correlates with Interest-bearing Securities or with the investment markets to which these assets can be allocated may also be acquired for the Target Fund.
- (d) Subject to item (h) below, the acquisition of Interest-bearing Securities, which are High-Yield Investments at the time of acquisition, are not allowed.
- (e) In addition, deposits may be held and money-market instruments may be acquired for the Target Fund.
- (f) Up to ten percent (10%) of the Target Fund's assets may be invested in UCITS or UCI. In addition, the Target Fund is not allowed to invest in any prohibited investments and where the Target Fund's objective is to invest primarily in restricted investments, such holdings must be within the relevant limitations.
- (g) Depending on the market situation, Investment Manager may focus either on companies of a certain size or individually determined sizes, or such companies that have a broad investment focus. In particular, very small cap stocks may also be acquired, some of which are active in niche markets. Investment Manager may acquire Value Stocks and Growth Stocks. Depending on the market situation, Investment Manager may either concentrate on Value Stocks or Growth Stocks, or have a broad investment focus.
- (h) The limits set out under items (a), (b) and (d) above may not be adhered to if it is simultaneously ensured, through the use of techniques and instruments, that the respective market risk potential as a whole adheres to these limits. For this purpose, the technique and instruments are taken into account with the delta-weighted value of the respective underlying in the manner prescribed. Market-contrary techniques and instruments are considered to reduce risk even when their underlying and the assets of the Target Fund are not precisely matched.
- (i) The limits listed in items (a) and (b) are not required to be adhered to in the last two months before liquidation or merger of the Target Fund.
- (j) Due to the Target Fund being marketed in Taiwan and other foreign jurisdictions, the Additional Investment Restrictions as described under No. 16 at page 55 of the Allianz Global Investor Singapore Prospectus dated 28 February 2011 (which may be amended from time to time) apply.

Note: For the purposes of clarity, the words which are capitalized under the Investment Principles of the Target Fund above and the Specific Risks relating to the Target Fund below shall have the following meaning:

Equities: Equities shall include all equities and comparable securities, as referred to and as applicable within the Target Fund's investment policy.

Growth Stocks: Growth stocks shall include Equities which the Investment Manager considers to have growth potential that is not sufficiently taken into account in their current prices.

High-Yield Investments: High-Yield Investments are investments in assets which do not have an investment-grade rating from a recognized rating agency (so-called non investment grade rating) or are not rated at all, but for which, in the consideration of the Investment Manager, it can be assumed that they would be rated non-investment grade if they were to be rated.

Interest-bearing Securities: Interest-bearing Securities as referred to and as applicable within the Target Fund's investment policy, are/is defined as all securities which bear interest, including, but not limited to, zero-coupon bonds, in particular government bonds, mortgage bonds and similar foreign asset-backed securities issued by financial institutions, public-sector bonds, floating-rate notes, convertible bonds and bonds with warrants, corporate bonds, mortgage-backed securities and asset-backed securities, as well as other collateralized bonds.

Target Fund: Allianz RCM Oriental Income Fund.

MASTER PROSPECTUS

UCITS or UCI: Undertakings for collective investments in transferable securities or other undertakings for collective investment.

Value Stocks: Value Stocks shall include Equities which the Investment Manager considers to be undervalued in comparison with the respective sector.

Specific Risks relating to the Target Fund

Considering the above-mentioned circumstances and risks, the Target Fund has such opportunities and risks that are associated with the bond/money-market component of the Target Fund's assets which are increased by the equity component.

To a very high degree, the equity-market orientation of the Target Fund, in particular the general market risk, the company-specific risk, the creditworthiness risk, the country and region risk, the counterparty risk, the risk of settlement default, the emerging markets risks, the custodial risk, the country and transfer risks, and the liquidity risk play a significant role. Among other things, with regards to the equity-market orientation of the Target Fund, it should be stressed that declines in prices, particularly those that affect the overall market and possibly even significantly more persistent ones, can have a negative impact on the Target Fund's assets.

To a high degree, the risks in the bond and money markets, such as the risk of interest rate changes, the creditworthiness risk, the general market risk, the emerging markets risks, the custodial risk, the country and transfer risks, the liquidity risk, the company-specific risk, the counterparty risk, the risk of settlement default and the specific risks of Asset-Backed Securities (ABS) and Mortgage-Backed Securities (MBS) play a significant role.

The currency risk is high with regards to the share classes not specially hedged against a certain currency at the share-class level. There is a high currency risk for an investor who does not operate in the currency against which the share-class he holds is hedged, with regards to the share classes specially hedged against a certain currency at the share-class level; this risk exists to a lesser extent for investors who operate in that currency.

In addition, investors' attention should be drawn to the concentration risk, the specific risks of investing in High-Yield Investments, the Target Fund's capital risk, the risk of restricted flexibility, the inflation risk, the risk of the liabilities of individual share classes affecting other share classes, the risk of changes in underlying conditions, the settlement risk, the risk of transaction costs at the Target Fund level arising from share movements, the risk of changes to the Articles of Incorporation, to the investment policy and to the other basic aspects of the Target Fund, the key personnel risk, the specific risks of an investment in target funds and especially to the sharply increased performance risk.

For further information on the special risks related to the use of techniques and instruments of the Target Fund, please refer to the following sections on pages 23, 24 & 54 of the Allianz Global Investor Singapore Prospectus dated 28 February 2011 (which may be amended from time to time);

- a) Use of Techniques and Instruments and the Special Risks associated with such Use; and
- b) Possible Effects of the Use of Derivatives on the Risk Profile of the Sub-fund.

The volatility (fluctuation) of the value of shares of the Target Fund may be sharply increased.

Possible Effects of the Use of Derivatives on the Risk Profile of the Target Fund

The Target Fund may deviate from the general provisions in the Introduction (page 54 of the Allianz Global Investor Singapore Prospectus dated 28 February 2011) in so far as when the Target Fund employs derivatives to increase the level of investment, it does so in order to achieve a medium to long-term risk profile that offers market risk potential which is somewhat greater than that of a fund with a similar profile that does not invest in derivatives.

Benchmark for the Target Fund

MSCI AC Asia Pacific Total Return (Net) Index.

MASTER PROSPECTUS

Target Fund's Performance

The performance of the Target Fund and its benchmark as at 31 December 2010 are as follows:

	One Year	Three Year	Five Year	Since Inception
Allianz RCM Oriental Income Share Class A (USD)	9.11	-1.70	29.61	35.74
Benchmark: MSCI AC Asia Pacific Total Return (Net)	17.02	-6.37	24.65	38.24

Fees, Charges and Expenses

All initial charges that may be charged on the Target Fund level are waived by the management company of the Target Fund. The annual management fee charged by the management company of the Target Fund will be paid from part of the annual management fee (1.80% of the NAV of the Fund) that is paid by Unit Holders to the Manager of the Fund.

INVESTORS WILL BE SUBJECTED TO HIGHER FEES DUE TO THE LAYERED INVESTMENT STRUCTURE OF THE FUND.

PERMITTED INVESTMENTS

The Fund may invest in the following subject to the relevant laws and in accordance with the Fund's objective:

1. Units or shares in the Target Fund or such other collective investment schemes with a similar objective;
2. Liquid assets; and
3. Any other forms of investments as may be agreed upon by the Manager and the Trustee from time to time and permitted by the relevant authorities, where necessary.

INVESTMENT RESTRICTIONS AND LIMITS

As the Fund is set up as a feeder fund under Schedule A – Appendix III to the Guidelines, it is required to invest all or a substantial amount of the Fund's NAV in one collective investment scheme.

1. The Target Fund must:
 - be regulated by a regulatory authority;
 - (if the target fund is constituted in Malaysia) be approved by the SC;
 - (if the target fund is constituted outside Malaysia) be registered/authorised/approved by the relevant regulatory authority in its home jurisdiction; and
 - operate on the principle of prudent spread of risk and its investments do not diverge from the general investment principles of the Guidelines.
2. The Fund may not invest in:
 - a Fund-of-Funds;
 - a Feeder Fund; and
 - any sub-fund of an umbrella scheme which is a Fund-of-Funds or a Feeder Fund.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

MASTER PROSPECTUS

There are no restrictions and limits imposed on securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

BASES FOR VALUATION AND VALUATION FOR THE FUND

As set out under Clause 10.32 of the SC Guidelines, the Fund's valuation point must be at least once every Business Day. This Fund adopts a forward pricing policy which means that the prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future.

As the value of the Fund's investment i.e., the Target Fund (which is domiciled in Luxembourg), on a Business Day will only be known the following Business Day (the close of business in Luxembourg), the valuation of the Fund in respect of a particular Business Day can only be done at 9 a.m. on the following Business Day (T+1).

Accordingly, if an application for Units or a request for redemption is received before the cut-off time of 3.00 p.m. on the Business Day of, say Monday, the price of Units in respect of that application and request will be calculated based on the valuation of the Fund done at 12 p.m. on Tuesday.

Additionally, in respect of a day which is not a business day in Luxembourg, the valuation of the Fund will be based on the last known prices of the Target Fund.

As the valuation of the Fund is done only on T+1, the daily prices of the Fund will be published on the following day, i.e., T+2; this means that, in respect of the prices of Units calculated on the Business Day of say Monday, such prices will be published the following day, i.e., Wednesday.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangaInvestors.com.my).

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

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MASTER PROSPECTUS

Kenanga Malaysian Inc Fund (KMIF)

The approved fund size of KMIF is four hundred million (400,000,000) Units.

Type of Fund : **Growth**

Category of Fund : **Equity**

Objective of KMIF

The investment objective of KMIF is to provide consistent annual returns and medium to long-term capital appreciation by investing in Malaysian securities with global reach.

Any material changes to the investment objective of the Fund would require the Unit Holders' approval.

Investors' Profile

KMIF is suitable for investors who are seeking medium to long-term capital appreciation ranging from three (3) to five (5) years as well as a diversified investment consisting of Malaysian equities with global exposure.

Specific Benefits of KMIF

Potentially Higher Returns KMIF is generally volatile in nature due to its high investment in securities (maximum 98% of NAV) and thus investors may enjoy potentially higher returns than other types of funds (i.e. balanced funds and/or fixed income funds) during an upward market trend.

Principal Investment Strategies

KMIF seeks to maximise total returns by providing investors with capital appreciation and income (if any), while reducing risk through diversified investments mainly in equities and short-term money market instruments which are broadly summarised as follows:

1. to invest in any combination of equity and equity-related;
2. to invest in securities which are readily marketable, although a proportion of the Fund may consist of investments in equities of smaller quoted companies; and
3. to invest in Malaysian companies that are expanding beyond Malaysia's shore – they have scalable business models in Malaysia that potentially can tap regional and global market bases. Some of these companies are already having presence in the Asian region or planning to go beyond Asian markets with global vision.

Accordingly, the indicative **asset allocation** of KMIF will be as follows:

Up to 98% of the NAV - Malaysian equities
Minimum 2% of the NAV - Liquid assets

Investment Method	Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies	Temporary Defensive Measures
The Fund is managed on an active bottom-up growth strategy, and adopts a moderate trading strategy in line with the Fund's objective.	The Fund invests in growth stocks irrespective of market capitalization, however, smaller market capitalised companies may run higher liquidity risk than normal.	Up to 98% of the NAV in Malaysian equities; Minimum 2% of the NAV in liquid assets; Asset allocation will be actively managed to commensurate with expected risk/reward ratio for the market.	We use active asset allocation and the stock volatility to control risk.	These can be undertaken upon consultation with the Investment Committee and can include holding higher level of cash and/or fixed income instruments over equities.

MASTER PROSPECTUS

				The cash will be place-out into short-term money market instruments and/or deposits.
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Performance benchmark

FTSE-Bursa Malaysia 100 Index source from www.bursamalaysia.com.

PERMITTED INVESTMENTS

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objectives of the Fund, the Fund may invest in the following:

1. Securities of Malaysian companies listed on the Bursa Malaysia;
2. Unlisted securities approved or exempt stock market declared by the Minister under the Act, which are offered directly to the scheme;
3. Banker's Acceptances and other tradable money-market instruments in the money market;
4. Ringgit-denominated deposits placed with financial institutions and placements of money at call with financial institutions;
5. Futures contracts and options traded in the futures and options market of an exchange approved under the Act for hedging purposes;
6. Units or shares in other collective investment schemes; and
7. Any other investments permitted by the relevant authorities from time to time.

INVESTMENT RESTRICTIONS AND LIMITS

1. The value of the Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV.
2. The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
3. The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
4. The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV.
5. For investment in derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV.
6. The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV.
7. The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV.
8. The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.

MASTER PROSPECTUS

9. The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer.
10. The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer.
11. The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to money market instruments that do not have a pre-determined issue size.
12. The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no restrictions and limits imposed on securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

BASES FOR VALUATION AND VALUATION FOR THE FUND

Bases for Valuation

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds will be valued appropriately, i.e. at fair market value and at all times in compliance with the Guidelines.

Investment Instruments	Valuation Basis
Securities Listed on Any Exchange	Market price However, if: <ul style="list-style-type: none"> ➤ a valuation based on the market price does not represent the fair value of the securities, e.g. during abnormal market conditions; or ➤ no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees, then the securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustees after appropriate technical consultation.
Securities Not Traded In or Under the Rules of an Eligible Market	Fair value should be determined on methods or bases which have been verified by the auditors of the Funds, approved by the Trustees and adequately disclosed in the prospectus of the Funds.
Malaysian Currency Liquid Assets	Nominal value.
Foreign Currency Liquid Assets	Same basis as Malaysian currency liquid assets of similar type, with such adaptations as are necessary.
Financial Futures	Margin.

MASTER PROSPECTUS

Collective investment Schemes	The value of each interest/profit in any collective investment scheme which is valued as at the same day as the Fund shall be the net asset value per unit, share or other interest/profit in such collective investment scheme calculated as at the day or, if the Manager so determine or if such collective investment scheme is not valued as at the same day as the Fund, the last published net asset value per unit, share or other interest/profit in such collective investment scheme (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other interest/profit.
Financial Options	Premium.
Any Other Instruments	Fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus of the Funds.

Valuation for the Fund

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future, i.e. the next valuation point. The valuation point for the Fund is at 5 p.m. every Business Day.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangalInvestors.com.my).

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

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MASTER PROSPECTUS

Kenanga Islamic Money Market Fund (KIMMF)

The approved fund size of KIMMF is two hundred million (200,000,000) Units.

Type of Fund : **Income**

Category of Fund : **Money Market (Islamic)**

Objective of KIMMF

The investment objective of the Fund is to provide investors with a regular income* stream that comply with Shariah requirements whilst maintaining capital stability.

Any material changes to the investment objective of the Fund would require the Unit Holders' approval.

Investors' Profile

KIMMF is suitable for investors who seek regular income* that comply with Shariah requirements with capital stability, with low risk tolerance and short to medium-term investment horizon of less than three (3) years.

* Note: The primary mode of distribution of income will be done via reinvestment of additional Units. Kindly refer to mode of distributions at page 90 for full details.

Specific Benefits of KIMMF

- Flexibility of quick access to funds;
- No entry & exit cost;
- Allows excess funds to be invested over the short-term.

Principal Investment Strategies

The Fund will invest in short term Islamic money market instruments and government/government-backed sukuk. The Fund will be actively managed to provide liquidity to meet the short-term cash flow requirements. The investment instruments may include government or government-backed sukuk, corporate sukuk, Islamic Accepted Bills, Islamic Negotiable Instruments, Islamic Promissory Notes, Shariah-based call deposits and other short-term corporate sukuk, Islamic money market instruments and any other permitted Shariah-compliant investments.

The Manager intends to invest in investment instruments with a minimum credit rating of BBB or P2 by RAM or an equivalent credit rating by MARC. Should any of the investment instruments of the Fund fall below the aforementioned credit ratings, the Manager will seek to dispose of the said investment instruments and replace them with those which are of a minimum credit rating of BBB or P2 by RAM or an equivalent credit rating by MARC.

Accordingly, the indicative **asset allocation** of KIMMF will be as follows:

Up to 100% of the NAV of the Fund in Islamic money market instruments and government/government-backed/corporate sukuk.

Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies
Government/government-backed sukuk, corporate sukuk, Islamic Accepted Bills, Islamic Negotiable Instruments, Islamic Promissory Notes, Shariah-based call deposits, Islamic money market instruments and any other permitted Shariah-compliant investments.	Up to 100% of NAV in Islamic money market instruments and government / government-backed/corporate sukuk.	The Fund has been structured as such that it adheres to Shariah requirements related to liquid instruments while credit & interest rate risks are mitigated through duration and credit assessments.

MASTER PROSPECTUS

Performance benchmark

Maybank 1-month GIA* rate sourced from www.maybank2u.com.

** With effect from 1 July 2011, the Manager intends to change the performance benchmark for the Fund to Maybank Overnight Islamic Repo Rate source from www.maybank2u.com.*

PERMITTED INVESTMENTS

The Fund may invest in the following investments, subject to the SC Guidelines, Shariah requirements, the Fund's objective and as approved by the SACSC and/or the Shariah Adviser:

1. Islamic debentures;
2. Islamic money market instruments;
3. Sukuk; and
4. Any other Shariah-compliant investments permitted by the relevant authorities from time to time.

INVESTMENT RESTRICTIONS AND LIMITS

1. The value of the Fund's investments in permitted investments must not be less than 90% of the Fund's NAV.
2. The value of the Fund's investments in permitted investments which have a remaining maturity period of not more than 365 days must not be less than 90% of the Fund's NAV.
3. The value of the Fund's investments in permitted investments which have a remaining maturity period of more than 365 days but fewer than 732 days must not exceed 10% of the Fund's NAV.
4. The value of the Fund's investments in Islamic debentures and Islamic money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV.
5. The value of the Fund's investments in Islamic debentures and Islamic money market instruments issued by any single issuer may be increased to 30% if the Islamic debentures are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of profit and principal.
6. The value of the Fund's placement in Shariah-based deposits with any single financial institution must not exceed 20% of the Fund's NAV.
7. The value of the Fund's investments in Islamic debentures and Islamic money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV.
8. The Fund's investments in Islamic debentures must not exceed 20% of the securities issued by any single issuer.
9. The Fund's investments in Islamic money market instruments must not exceed 20% of the instruments issued by any single issuer.
10. Shariah-based liquid assets must be held in the form of cash, Shariah-based deposits with financial institutions or any other instrument capable of being converted into cash within 7 days (as may be approved by the Trustee).

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

MASTER PROSPECTUS

There are no restrictions and limits imposed on Shariah-compliant securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

BASES FOR VALUATION AND VALUATION FOR THE FUND

Bases for Valuation

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds will be valued appropriately, i.e. at fair market value and at all times in compliance with the Guidelines.

Investment Instruments	Valuation Basis
Shariah-compliant Securities Listed on Any Exchange	<p>Market price</p> <p>However, if:</p> <ul style="list-style-type: none"> ➤ a valuation based on the market price does not represent the fair value of the Shariah-compliant securities, e.g. during abnormal market conditions; or ➤ no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees, <p>then the Shariah-compliant securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustees after appropriate consultation.</p>
Shariah-compliant Securities Not Traded In or Under the Rules of an Eligible Market	Fair value should be determined on methods or bases which have been verified by the auditors of the Funds, approved by the Trustees and adequately disclosed in the prospectus of the Funds.
Islamic Debentures/Sukuk	<p>Unquoted sukuk denominated in Ringgit Malaysia will be valued on a daily basis based on fair value prices quoted by a bond pricing agency (BPA) registered with the SC. If the Manager is of the view that the price quoted by the BPA for a specific sukuk differs from the market price by more than 20 basis points, the Manager may use the market price provided that the Manager adheres to the requirements as stipulated in the SC Guidelines.</p> <p>In the absence of reliable market quotation, valuation should be:</p> <ul style="list-style-type: none"> ➤ the average price obtained from at least three (3) independent dealers (eg. Citibank Bhd, AmlInvestment Bank Bhd, CIMB Investment Bank Bhd and etc.). <p>In any case, where the market interest rates of similar class of sukuk have changed materially, cost adjusted value should be marked-to-market.</p>
Shariah-based Liquid Assets (Malaysian Currency)	Nominal value.
Shariah-based Liquid Assets (Foreign Currency)	Same basis as Shariah-based liquid assets (Malaysian currency) of similar type, with such adaptations as are necessary.
Islamic Financial Futures	Margin.
Islamic Financial Options	Premium.
Any Other Instruments	Fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus of the Funds.

MASTER PROSPECTUS

Valuation for the Fund

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future, i.e. the next valuation point. The valuation point for the Fund is at 5 p.m. every Business Day.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangalInvestors.com.my).

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

INVESTMENT IN THE FUND IS NOT THE SAME AS PLACEMENT IN A DEPOSIT WITH A FINANCIAL INSTITUTION. THERE ARE RISKS INVOLVED AND INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS WHEN INVESTING IN THE FUND.

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MASTER PROSPECTUS

Kenanga Money Market Fund (KMMF)

The approved fund size of KMMF is two hundred million (200,000,000) Units.

Type of Fund : **Income**

Category of Fund : **Money Market**

Objective of KMMF

The investment objective of the Fund is to provide investors with a regular income* stream while maintaining capital stability.

Any material changes to the investment objective of the Fund would require the Unit Holders' approval.

Investors' Profile

KMMF is suitable for investors who seek regular income* with capital stability, with low risk tolerance and short to medium-term investment horizon of less than three (3) years.

* Note: The primary mode of distribution of income will be done via reinvestment of additional Units. Kindly refer to mode of distributions at page 90 for full details.

Specific Benefits of KMMF

- Flexible or quick access to funds;
- No entry & exit fee;
- Allows excess funds to be invested over short term.

Principal Investment Strategies

The Fund will invest in short-term money market instruments, government/government-backed securities and corporate bonds. The Fund will be actively managed to provide liquidity to meet the short-term cash flow requirements. The Fund may also invest in bills of exchange, negotiable instruments of deposits, promissory notes, call deposits and other short-term government/corporate bonds and money market instruments and any other permitted instruments.

The Manager intends to invest in investment instruments with a minimum credit rating of BBB or P2 by RAM or an equivalent credit rating by MARC. Should any of the investment instruments of the Fund fall below the aforementioned credit ratings, the Manager will seek to dispose of the said investment instruments and replace them with those which are of a minimum credit rating of BBB or P2 by RAM or an equivalent credit rating by MARC.

Accordingly, the indicative **asset allocation** of KMMF will be as follows:

Up to 100% of the NAV of the Fund in money market instruments and government/government-backed/corporate bonds.

Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies
Government or government-backed securities, corporate bonds, bills of exchange, negotiable instruments of deposits, promissory notes, call deposits, money market instruments and any other permitted investments.	Up to 100% of NAV in money market instruments and government/government-backed/corporate bonds.	The Fund has been structured as such that it is invested in highly liquid permitted instruments while credit and interest rate risks it may face are mitigated through duration and credit assessments.

Performance benchmark

Maybank Overnight Rate source from www.maybank2u.com.

MASTER PROSPECTUS

PERMITTED INVESTMENTS

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objectives of the Fund, the Fund may invest in the following:

1. Debentures;
2. Money market instruments;
3. Private debt securities;
4. Placements of deposits with financial institutions; and
5. Any other investments permitted by the relevant authorities from time to time.

INVESTMENT RESTRICTIONS AND LIMITS

1. The value of the Fund's investments in permitted investments must not be less than 90% of the Fund's NAV.
2. The value of the Fund's investments in permitted investments which have a remaining maturity period of not more than 365 days must not be less than 90% of the Fund's NAV.
3. The value of the Fund's investments in permitted investments which have a remaining maturity period of more than 365 days but fewer than 732 days must not exceed 10% of the Fund's NAV.
4. The value of the Fund's investments in debentures and money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV.
5. The value of the Fund's investments in debentures and money market instruments issued by any single issuer may be increased to 30% if the debentures are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal.
6. The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV.
7. The value of the Fund's investments in debentures and money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV.
8. The Fund's investments in debentures must not exceed 20% of the securities issued by any single issuer.
9. The Fund's investments in money market instruments must not exceed 20% of the instruments issued by any single issuer.
10. Liquid assets must be held in the form of cash, deposits with financial institutions or any other instrument capable of being converted into cash within 7 days (as may be approved by the Trustee).

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no restrictions and limits imposed on securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

MASTER PROSPECTUS

BASES FOR VALUATION AND VALUATION FOR THE FUND

Bases for Valuation

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds will be valued appropriately, i.e. at fair market value and at all times in compliance with the Guidelines.

Investment Instruments	Valuation Basis
Securities Listed on Any Exchange	<p>Market price</p> <p>However, if:</p> <ul style="list-style-type: none"> ➤ a valuation based on the market price does not represent the fair value of the securities, e.g. during abnormal market conditions; or ➤ no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees, <p>then the securities should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustees after appropriate technical consultation.</p>
Securities Not Traded In or Under the Rules of an Eligible Market	<p>Fair value should be determined on methods or bases which have been verified by the auditors of the Funds, approved by the Trustees and adequately disclosed in the prospectus of the Funds.</p>
Fixed Income Securities/ Debentures/Sukuk	<p>Unquoted debt securities/sukuk denominated in Ringgit Malaysia will be valued on a daily basis based on fair value prices quoted by a bond pricing agency (BPA) registered with the SC. If the Manager is of the view that the price quoted by the BPA for a specific bond/sukuk differs from the market price by more than 20 basis points, the Manager may use the market price provided that the Manager adheres to the requirements as stipulated in the SC Guidelines.</p> <p>In the absence of reliable market quotation, valuation should be:</p> <ul style="list-style-type: none"> ➤ the average price obtained from at least three (3) independent dealers (eg. Citibank Bhd, AmInvestment Bank Bhd, CIMB Investment Bank Bhd and etc.). <p>In any case, where the market interest rates of similar class of debt securities have changed materially, cost adjusted value should be marked-to-market.</p>
Malaysian Currency Liquid Assets	<p>Nominal value.</p>
Foreign Currency Liquid Assets	<p>Same basis as Malaysian currency liquid assets of similar type, with such adaptations as are necessary.</p>
Financial Futures	<p>Margin.</p>
Financial Options	<p>Premium.</p>
Any Other Instruments	<p>Fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditors of the Funds and approved by the Trustees and adequately disclosed in the prospectus of the Funds.</p>

MASTER PROSPECTUS

Valuation for the Fund

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at a valuation point in the future, i.e. the next valuation point. The valuation point for the Fund is at 5 p.m. every Business Day.

If you want to know the latest prices of the Units, please contact us directly (for contact details, please refer to the *Directory of the Manager's Offices and List of IUTA* at page 6 or refer to our website www.KenangalInvestors.com.my).

Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

INVESTMENT IN THE FUND IS NOT THE SAME AS PLACEMENT IN A DEPOSIT WITH A FINANCIAL INSTITUTION. THERE ARE RISKS INVOLVED AND INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS WHEN INVESTING IN THE FUND.

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MASTER PROSPECTUS

7. ADDITIONAL INFORMATION RELATING TO SHARIAH-BASED FUNDS (KIF, KSGF, KIBF AND KIMMF)

Shariah Investment Guidelines

The following matters are adopted by IBFIM in determining the Shariah status of investments of the Shariah-based funds.

Local Securities:

Reference for investment in local securities is based on the list of Shariah-compliant securities issued by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC") twice yearly on the last Friday of May and November which is readily available at the Securities Commission Malaysia's website. However, for Initial Public Offering ("IPO") company that has yet to be determined the Shariah status by the SACSC, IBFIM adopted the following qualitative and quantitative analysis in determining its Shariah status.¹

Quantitative Analysis

- 1) Based on the opinions of the SC and most International Shariah Advisory Boards, IBFIM excludes companies which main business activities involve the following:
 - a) Conventional financial services;
 - b) Gambling and gaming;
 - c) Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
 - d) Manufacture or sale of tobacco-based products or related products;
 - e) Pornography;
 - f) Weaponry;
 - g) Entertainment activities that are not permitted by the Shariah; and
 - h) Other activities deemed non-permissible according to the Shariah.
- 2) IBFIM deduces the following to ensure that they do not exceed the Shariah tolerable benchmarks:
 - a) Interest incomes over total incomes and interest incomes over profit before tax not exceeding 5%;
 - b) Income contribution from mixed activities which involve Shariah-prohibited elements such as interest-based businesses, conventional banks, insurance, gambling, liquor and pork over total incomes and profit before tax not exceeding 5%;
 - c) Income contribution from mixed activities which involve tobacco and tobacco-related businesses over total incomes and profit before tax not exceeding 10%;
 - d) Mixed rental income contribution from Shariah non-compliant activities over total incomes and profit before tax not exceeding 20%; and
 - e) Income contribution from mixed activities which involve businesses such as hotels and resorts, share trading and stock broking over total incomes and profit before tax not exceeding 25%.

Should any of the above deductions fail to meet the benchmarks, IBFIM will not accord a Shariah-compliant status for the companies.

Qualitative Analysis

IBFIM will look into aspects of general public perception of the companies' images, core businesses which are considered important and *maslahah* (beneficial) to the Muslim ummah and the country, the non-permissible elements are very small and involve matters like *umumbalwa* (common plight and difficult to avoid), *'uruf* (custom) and rights of the non-Muslim community which are accepted by the Shariah.

¹This criteria is adopted by IBFIM as a temporary measure until the SACSC releases the Shariah status of that particular IPO company.

MASTER PROSPECTUS

Foreign Securities:

Quantitative Analysis

- 1) Similar to the opinions of most Shariah Advisory Boards, IBFIM excludes companies with the following business activities:
 - a) Conventional financial services;
 - b) Gambling and gaming;
 - c) Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
 - d) Manufacture or sale of tobacco-based products or related products;
 - e) Pornography;
 - f) Weaponry;
 - g) Entertainment activities that are not permitted by the Shariah; and
 - h) Other activities deemed non-permissible according to the Shariah.

- 2) IBFIM deduces financial ratios of the following to ensure that they do not exceed the benchmarks*:
 - a) Interest incomes over total incomes;
 - b) Total debts including all interest-bearing loans/debentures and their respective payables such as short term/long term debts, short term/long term debentures and all debentures payables divided by total assets;
 - c) Total sum of company's cash divided by total assets; and
 - d) Total account receivables including trade receivables divided by total assets.

* These benchmarks are set in accordance with the opinions of majority Shariah scholars and may vary in accordance with the development of Islamic finance. Should any of the calculations fail to satisfy the benchmarks, IBFIM will not accord a Shariah-compliant status for the company.

Qualitative Analysis

IBFIM will look into the aspects of general public perception of the companies' images, core businesses which are considered important and *maslahah* (beneficial) to the Muslim ummah and the country, the non-permissible elements are very small and involve matters like *umumbalwa* (common plight and difficult to avoid), *'uruf* (custom) and rights of the non-Muslim community which are accepted by the Shariah.

Local Sukuk:

IBFIM will review the local sukuk based on the list of sukuk readily available at the Securities Commission Malaysia website.

Foreign sukuk:

IBFIM will review the information memoranda or prospectuses of the sukuk, its structure, utilisation of proceeds, Shariah contracts, etc.

Islamic money market instruments:

IBFIM will review the Islamic Money Market Instruments based on the list of readily available at the BNM and SC website.

Cleansing/purification process for Kenanga Islamic Fund, Kenanga Syariah Growth Fund, Kenanga Islamic Balanced Fund and Kenanga Islamic Money Market Fund

1. Cleansing process for the Shariah-based Funds

a) Wrong Investment

Refers to Shariah non-compliant investment made by the Fund Manager. The said investment will be disposed/withdrawn of with immediate effect. In the event of the investment resulted in gain (through capital gain and/or dividend), the gain is to be channelled to *baitulmal* or any other charitable bodies as advised by

MASTER PROSPECTUS

the Shariah Adviser. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Fund Manager.

All costs incurred during the acquisition and disposal process, either the investment resulted in either gain or losses, are to be borne by the Fund Manager.

b) Reclassification of Shariah Status of the Shariah-based Funds' Investment

A security which was reclassified as Shariah non-compliant by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC"). As per the SACSC's advice, the said security will be disposed soonest practical, once the total amount of dividends received and the market value held equal the original investment costs.

Any capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement can be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day is to be channelled to *baitulmal* or any charitable bodies as advised by the Shariah Adviser.

2. Purification process for the Shariah-based Funds

a) Zakat

The funds do not pay zakat on behalf of Muslim individuals and Islamic legal entities who are investors of the Fund. Thus, investors are advised to pay zakat on their own.

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MASTER PROSPECTUS

8. DISTRIBUTION POLICY FOR THE FUNDS

Fund Name	Distribution Policy
KPF	The Fund intends to pay income by way of distributions or by the creation of additional units after the end of each Accrual Period or any specified period, where possible.
KGF	The Fund may distribute income to the Unit Holders at the discretion of the Manager. However, distribution is incidental as the Fund is a growth fund.
KIF	The Fund intends to pay income by way of distributions or by the creation of additional units after the end of each Accrual Period or any specified period, where possible.
KSGF	The Fund may distribute income to the Unit Holders at the discretion of the Manager. However, distribution is incidental as the Fund is a growth fund.
KBF	The Fund aims to pay a regular distribution annually, where possible.
KIBF	The Fund intends to pay income by way of distributions after the end of each Accrual Period or any specified period, where possible.
KBNF	The Fund aims to pay a regular distribution annually, where possible.
KAPOF	The Fund intends to distribute income at least once every financial year on a best effort basis.
KMIF	The Fund intends to pay income by way of distribution or by the creation of additional units after the end of each Accrual Period or any specified period, where applicable.
KIMMF	Distribution of income will be incidental.
KMMF	Distribution of income will be incidental.

Distribution Reinvestment Option for KPF, KGF, KIF, KSGF, KBF, KIBF, KBNF, KAPOF, KMIF, KIMMF and KMMF

In the absence of instructions from a Unit Holder, distributions from the Fund are automatically reinvested into additional Units of that Fund with NO sales charge based on the NAV per Unit on the next Business Day after the distribution date.

If there is any change to the distribution instructions, Unit Holders need to notify the Manager within fourteen (14) days prior to each date fixed for the distribution for income.

Any distribution amounting to less than RM50 shall be automatically reinvested.

In the event that cheques for distribution are not presented within six (6) months from the date of payment, the Manager shall retain the moneys for a further six (6) months and if still unclaimed, shall deal with those moneys in accordance with the Unclaimed Moneys Act 1965.

Illustration

Total returns comprise both the capital (reflected in the price) and income (reflected in the distributions) portions of each Fund.

Capital gains represent the appreciation in the unit price as compared to the original purchase price per unit for a particular period.

Distributions represent income distributed by each Fund to Unit Holders for current and past profits made.

MASTER PROSPECTUS

When each Fund is making a distribution, the unit price will automatically adjust itself on the ex-date, whereby the unit price will be reduced by an equal ratio (assumption: no distribution related expenses involved) to that of the distribution ratio. This is due to outflow of money from each Fund back to the Unit Holders. Therefore, there is no point in buying unit trusts in anticipation of distributions. Distribution of income is usually expressed in sen per unit and is approved by the Trustees of the Funds.

Example:

If a fund declares a distribution of 6 sen per unit to all its Unit Holders as at 31 December 20XX, the unit price before and after distribution will also be reduced by 6 sen per unit as follows:

Price Before and After Income Distribution

	Before Distribution RM	After Distribution RM
NAV/unit	0.8300	0.7700
Buying Price/unit	0.8300	0.7700
Selling Price/unit	0.8300	0.7700

Distribution and Unit Split History

Fund Name	Distribution and Unit Split History
KPF	<p><u>Year Ended 31 Dec 2010</u> KPF declared a gross final distribution of 4.41 sen (3.60 sen net) per unit on 31 December 2010 (33% from dividend and interest income and 67% from capital gain).</p> <p><u>Year Ended 31 Dec 2009</u> KPF declared a gross final distribution of 5.38 sen (4.50 sen net) per unit on 31 December 2009 (36% from dividend and interest income and 64% from capital gain).</p> <p><u>Year Ended 31 Dec 2008</u> KPF declared a gross final distribution of 5.40 sen (3.40 sen net) per unit on 31 December 2008 (61% from dividend and interest income and 39% from capital gain).</p>
KGF	<p><u>Year Ended 31 Dec 2010</u> None</p> <p><u>Year Ended 31 Dec 2009</u> None</p> <p><u>Year Ended 31 Dec 2008</u> None</p>
KIF	<p><u>Year Ended 31 Dec 2010</u> KIF declared a gross final distribution of 5.81 sen (4.70 sen net) per unit on 31 December 2010 (27% from dividend and profit income and 73% from capital gain).</p> <p><u>Year Ended 31 Dec 2009</u> KIF declared a gross final distribution of 6.70 sen (5.50 sen net) per unit on 31 December 2009 (36% from dividend and profit income and 64% from capital gain).</p> <p><u>Year Ended 31 Dec 2008</u> KIF declared a gross final distribution of 6.73 sen (4.40 sen net) per unit on 31 December 2008 (43% from dividend and profit income and 57% from capital gain and dividend equalisation).</p>
KSGF	<p><u>Year Ended 31 Dec 2010</u> None</p>

MASTER PROSPECTUS

	<p><u>Year Ended 31 Dec 2009</u> None</p> <p><u>Year Ended 31 Dec 2008</u> None</p>
KBF	<p><u>Year Ended 31 Dec 2010</u> KBF declared a gross final distribution of 3.64 sen (2.90 sen net) per unit on 31 December 2010 (51% from dividend and interest income and 49% from capital gain).</p> <p><u>Year Ended 31 Dec 2009</u> KBF declared a gross final distribution of 5.26 sen (4.50 sen net) per unit on 31 December 2009 (34% from dividend and interest income and 66% from capital gain).</p> <p><u>Year Ended 31 Dec 2008</u> KBF declared a gross final distribution of 6.18 sen (3.90 sen net) per unit on 31 December 2008 (70% from dividend and interest income and 30% from capital gain).</p>
KIBF	<p><u>Year Ended 31 Dec 2010</u> KIBF declared a gross final distribution of 3.88 sen (3.00 sen net) per unit on 31 December 2010 (51% from dividend and profit income and 49% from capital gain).</p> <p><u>Year Ended 31 Dec 2009</u> KIBF declared a gross final distribution of 5.64 sen (4.70 sen net) per unit on 31 December 2009 (74% from dividend and profit income and 26% from capital gain).</p> <p><u>Year Ended 31 Dec 2008</u> KIBF declared a gross final distribution of 11.75 sen (4.40 sen net) per unit on 31 December 2008 (97% from dividend and profit income and 3% from capital gain and dividend equalisation).</p>
KBNF	<p><u>Year Ended 31 Dec 2010</u> None</p> <p><u>Year Ended 31 Dec 2009</u> None</p> <p><u>Year Ended 31 Dec 2008</u> None</p>
KAPOF	<p><u>Year Ended 31 Dec 2010</u> None</p> <p><u>Year Ended 31 Dec 2009</u> None</p> <p><u>Year Ended 31 Dec 2008</u> None</p>
KMIF	<p><u>Year Ended 31 Dec 2010</u> None</p> <p><u>Year Ended 31 Dec 2009</u> None</p> <p><u>Year Ended 31 Dec 2008</u> None</p>
KIMMF	<p><u>Year Ended 31 Dec 2010</u> None</p>

MASTER PROSPECTUS

	<u>Year Ended 31 Dec 2009</u> None <u>Year Ended 31 Dec 2008</u> None
KMMF	<u>Year Ended 31 Dec 2010</u> None <u>Year Ended 31 Dec 2009</u> None <u>Year Ended 31 Dec 2008</u> None

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MASTER PROSPECTUS

9. PERFORMANCE AND HISTORICAL HIGHLIGHTS OF THE FUNDS

Kenanga Premier Fund (KPF)

Financial performance of the Fund

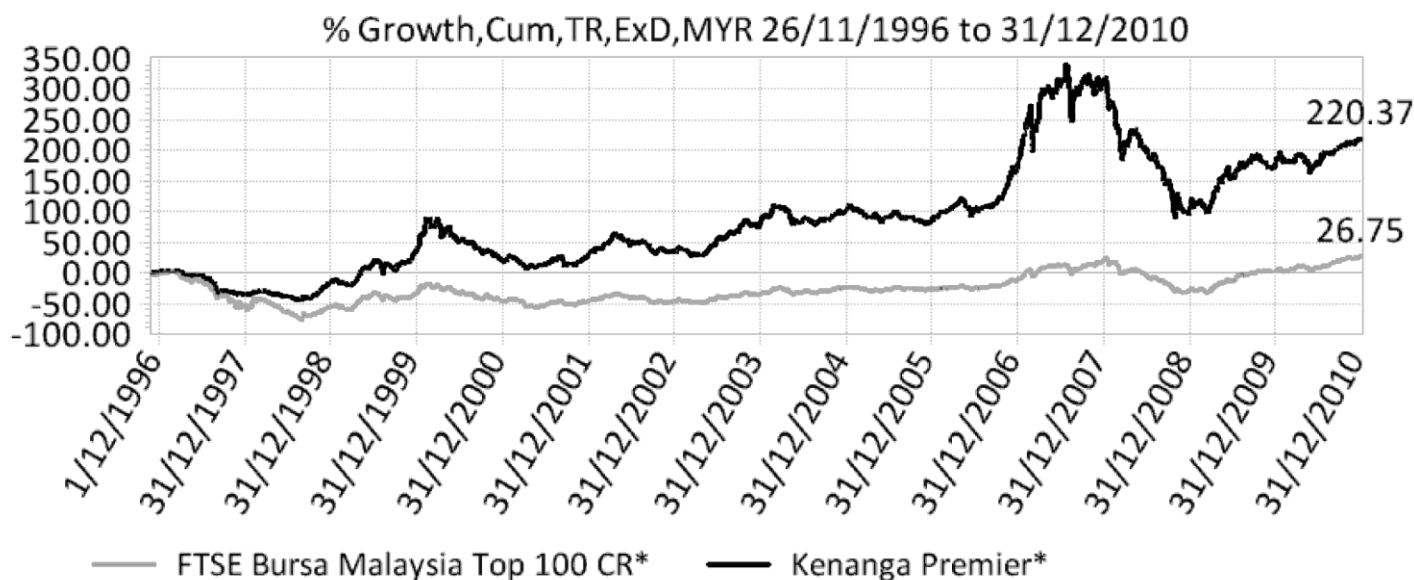
YEAR	2010 RM	2009 RM	2008 RM
INCOME	19,066,534	36,353,926	(122,666,837)
EXPENDITURE	2,239,042	2,155,575	2,770,082
NET INCOME BEFORE TAX	16,827,492	34,198,351	(125,436,919)
NET INCOME AFTER TAX	16,441,992	33,438,815	(127,253,677)
TOTAL INVESTMENTS	135,026,318	133,833,623	108,620,290
TOTAL ASSETS	135,488,511	138,348,623	113,621,596
TOTAL LIABILITIES	10,827,943	14,141,971	11,282,517
NAV	124,660,568	124,206,652	102,339,079
UNITHOLDERS CAPITAL	78,527,330	83,776,063	84,772,460

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		5 years 31/12/05 - 31/12/10		10 years 31/12/00 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KPF (NAV)	14.84	69/77	-22.80	73/73	71.61	44/66	162.09	22/42
Benchmark (%)	21.76		6.46		74.76		133.28	

Performance Chart Since Inception

KPF vs. FTSE-Bursa Malaysia 100 Index



* Contains estimated data.

Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has appreciated by 14.84%*, compared with the 21.76%* increase in the FTSE-Bursa Malaysia 100 Index over the same period. Although the Fund underperformed its benchmark for the period under review, since launch date, the fund has appreciated by 220.37%* in Net Asset Value terms, thus achieving the Fund's stated objective of medium to long term capital appreciation.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years and 5 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

*Source: Lipper IM

Distribution

Year Ended 31 Dec 2010 RM	Year Ended 31 Dec 2009 RM	Year Ended 31 Dec 2008 RM
The Manager, after consultation with the Trustee, declared its final distribution of 3.6 sen per unit (Net) (Gross – 4.41 sen) on 31 December 2010 of which 24% was paid out in cash & 76% was reinvested into the Fund.	The Manager, after consultation with the Trustee, declared its final distribution of 4.5 sen per unit (Net) (Gross – 5.38 sen) on 31 December 2009 of which 24% was paid out in cash & 76% was reinvested into the Fund.	The Manager, after consultation with the Trustee, declared its final distribution of 3.4 sen per unit (Net) (Gross – 5.40 sen) on 31 December 2008 of which 24% was paid out in cash and 76% was reinvested into the Fund.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Securities - Top 5 Investments		Listed Securities - Top 5 Investments		Listed Securities - Top 5 Investments	
➤ CIMB	10.57	➤ NAIM	10.95	➤ ENKKAH	15.35
➤ MAYBANK	10.43	➤ QSR	10.32	➤ HEXAGON	13.92
➤ ENKKAH	9.82	➤ ENKKAH	10.15	➤ PUNCAK	12.77
➤ PBBANK-01	9.70	➤ WASEONG	9.58	➤ UBG	10.92
➤ NAIM	7.87	➤ IJM	7.78	➤ DRBHCOM	10.91
Unlisted Securities		Unlisted Securities		Unlisted Securities	
➤ Nil		➤ Nil		➤ Nil	

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

MASTER PROSPECTUS

Kenanga Growth Fund (KGF)

Financial performance of the Fund

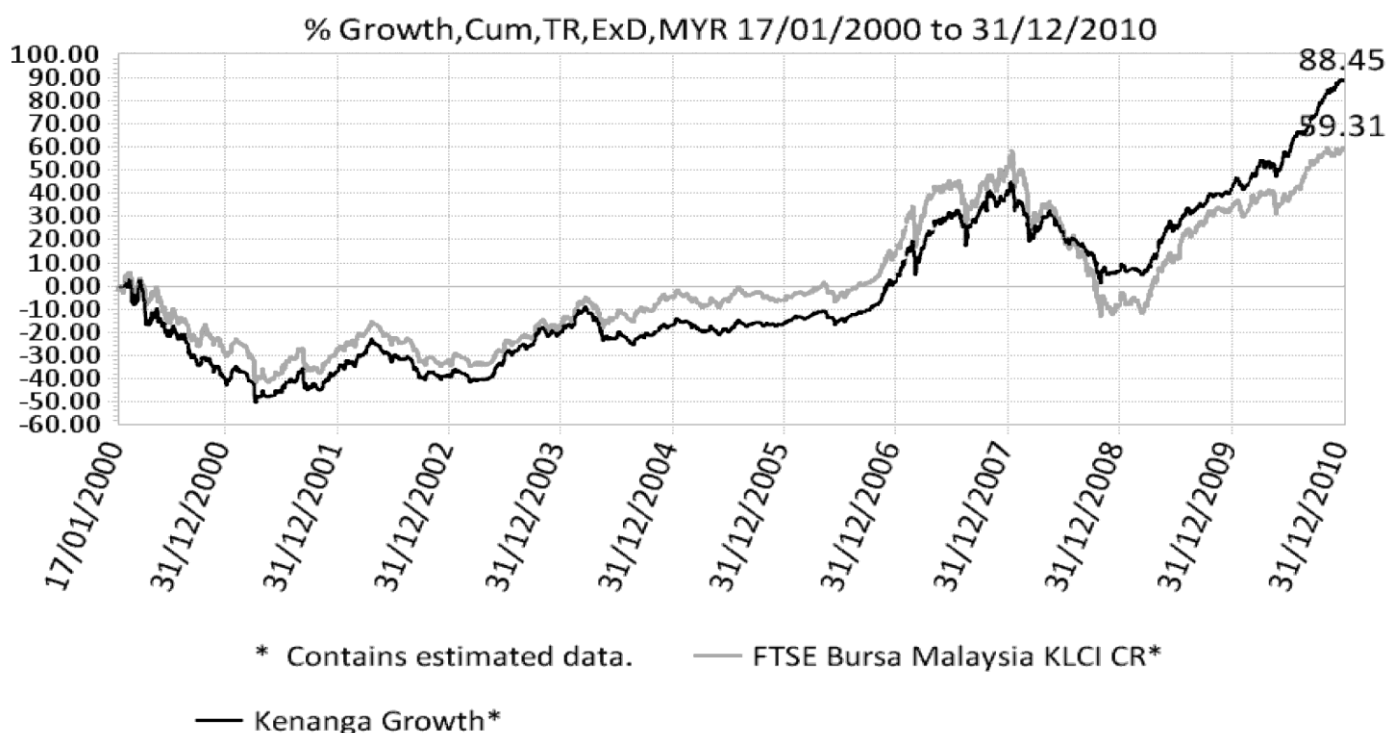
YEAR	2010 RM	2009 RM	2008 RM
INCOME	5,910,515	4,514,276	1,253,162
EXPENDITURE	308,328	247,217	249,543
NET INCOME BEFORE TAX	5,602,187	4,267,059	1,003,619
NET INCOME AFTER TAX	5,491,523	4,198,059	925,994
TOTAL INVESTMENTS	28,715,114	15,384,581	12,241,519
TOTAL ASSETS	31,253,345	16,480,418	12,507,917
TOTAL LIABILITIES	4,539,984	47,301	37,309
NAV	26,713,361	16,433,117	12,470,608
UNITHOLDERS CAPITAL	14,991,124	10,202,403	10,437,953

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		5 years 31/12/05 - 31/12/10		10 years 31/12/00 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KGF (NAV)	32.71	1/77	33.18	7/73	124.43	8/66	214.09	10/42
Benchmark (%)	19.34		5.11		68.81		123.49	

Performance Chart Since Inception

KGF vs. FTSE-Bursa Malaysia Kuala Lumpur Composite Index



Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has appreciated by 32.71%*, compared with the 19.34%* increase in the FTSE-Bursa Malaysia Kuala Lumpur Composite Index over the same period. Since inception, the Fund has appreciated by 88.45%* compared to the gain of 59.31%* on the FTSE-Bursa Malaysia Kuala Lumpur Composite Index. Hence, the Fund has outperformed its benchmark in the financial year under review and since inception.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

*Source: Lipper IM

Distribution

Year Ended 31 Dec 2010 RM	Year Ended 31 Dec 2009 RM	Year Ended 31 Dec 2008 RM
No distribution has been made during the period.	No distribution has been made during the period.	No distribution has been made during the period.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Securities - Top 5 Investments		Listed Securities - Top 5 Investments		Listed Securities - Top 5 Investments	
➤ PLUS	4.90	➤ TANJONG	6.15	➤ TANJONG	6.36
➤ MAYBANK	4.13	➤ AXREIT	5.18	➤ YTL POWER	4.97
➤ AXIATA	4.01	➤ NESTLE	4.63	➤ PETDAGANG	4.54
➤ BKAWAN	4.00	➤ KFC	4.50	➤ DLADY	3.75
➤ DLADY	3.97	➤ DLADY	4.38	➤ BOUSTEAD	3.65
Unlisted Securities		Unlisted Securities		Unlisted Securities	
➤ Nil		➤ Nil		➤ Nil	

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

MASTER PROSPECTUS

Kenanga Islamic Fund (KIF)

Financial Performance of the Fund

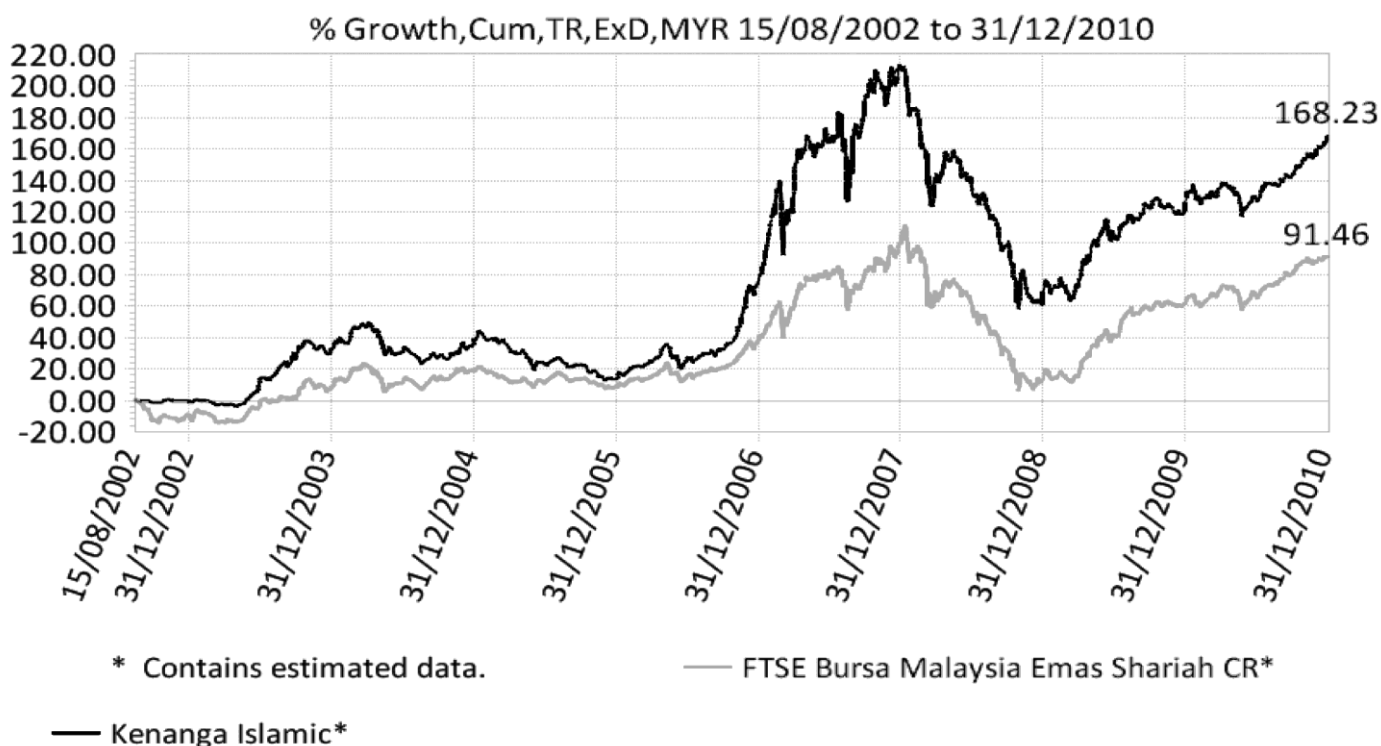
YEAR	2010 RM	2009 RM	2008 RM
INCOME	5,627,007	7,206,608	(18,286,868)
EXPENDITURE	659,989	541,225	598,025
NET INCOME BEFORE TAX	4,967,018	6,665,383	(18,884,893)
NET INCOME AFTER TAX	4,901,018	6,555,034	(19,061,633)
TOTAL SHARIAH-COMPLIANT INVESTMENTS	34,954,081	28,249,422	13,469,460
TOTAL ASSETS	35,929,652	28,571,569	21,044,267
TOTAL LIABILITIES	2,810,747	2,766,672	1,947,305
NAV	33,118,905	25,804,897	19,096,962
UNITHOLDERS CAPITAL	17,242,890	13,444,164	11,374,622

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		5 years 31/12/05 - 31/12/10		Since Inception 15/08/02 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KIF (NAV)	18.49	22/44	-14.30	36/37	135.84	1/33	168.23	8/43
Benchmark (%)	18.20		-4.51		75.86		91.46	

Performance Chart Since Inception

KIF vs. FTSE-Bursa Malaysia Emas Shariah Index



Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has appreciated by 18.49%*, compared with the 18.20%* increase in the FTSE-Bursa Malaysia Emas Shariah Index over the same period. Since launch date, the Fund has appreciated by 168.23%* in Net Asset Value terms, thus achieving the Fund's stated objective of medium to long term capital appreciation.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

*Source: Lipper IM

Distribution

Year Ended 31 Dec 2010 RM	Year Ended 31 Dec 2009 RM	Year Ended 31 Dec 2008 RM
The Manager, after consultation with the Trustee, declared its final distribution of 4.7 sen per unit (Net) (Gross – 5.81 sen) on 31 December 2010 of which 24% was paid out in cash and 76% was reinvested into the Fund.	The Manager, after consultation with the Trustee, declared its final distribution of 5.5 sen per unit (Net) (Gross – 6.70 sen) on 31 December 2009 of which 21% was paid out in cash and 79% was reinvested into the Fund.	The Manager, after consultation with the Trustee, declared its final distribution of 4.4 sen per unit (Net) (Gross – 6.73 sen) on 31 December 2008 of which 24% was paid out in cash and 76% was reinvested into the Fund.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Shariah-compliant Securities - Top 5 Investments		Listed Shariah-compliant Securities - Top 5 Investments		Listed Shariah-compliant Securities - Top 5 Investments	
➤ KLK	9.01	➤ QSR	8.21	➤ PUNCAK	10.85
➤ DIALOG	8.29	➤ NAIM	7.98	➤ ENGKAH	10.81
➤ SIME	6.96	➤ PARKSON	7.58	➤ HEXAGON	10.72
➤ TENAGA	6.42	➤ IJM	7.29	➤ WASEONG	8.86
➤ AXIATA	6.31	➤ ENGKAH	7.01	➤ DIALOG	8.33
Unlisted Sukuk		Unlisted Sukuk		Unlisted Sukuk	
➤ Nil		➤ Nil		➤ Nil	

Note: The Shariah Adviser confirms that the investment portfolio of KIF comprises securities which have been classified as Shariah-compliant by the SACSC. As for the securities which are not certified by the SACSC, they have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

MASTER PROSPECTUS

Kenanga Syariah Growth Fund (KSGF)

Financial Performance of the Fund

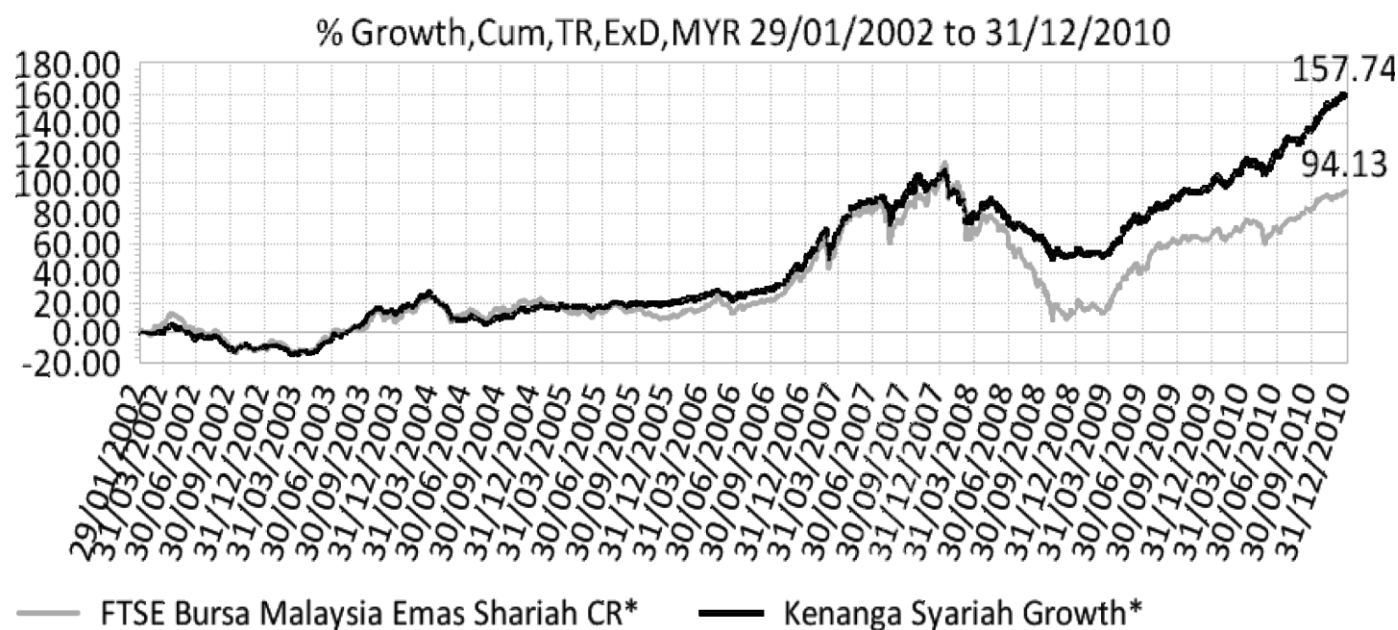
YEAR	2010 RM	2009 RM	2008 RM
INCOME	853,690	690,544	196,709
EXPENDITURE	58,910	63,293	66,669
NET INCOME BEFORE TAX	794,780	627,251	130,040
NET INCOME AFTER TAX	784,007	619,651	123,113
TOTAL SHARIAH-COMPLIANT INVESTMENTS	3,861,911	2,310,878	1,945,402
TOTAL ASSETS	5,462,713	2,655,205	2,085,539
TOTAL LIABILITIES	1,003,141	29,678	81,641
NAV	4,459,572	2,625,527	2,003,898
UNITHOLDERS CAPITAL	1,586,958	536,920	534,942

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		5 years 31/12/05 - 31/12/10		Since Inception 29/01/02 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KSGF (NAV)	29.70	2/44	25.15	2/37	115.25	2/33	157.74	10/43
Benchmark (%)	18.20		-4.51		75.86		94.13	

Performance Chart Since Inception

KSGF vs. FTSE-Bursa Malaysia Emas Shariah Index



* Contains estimated data.

Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has appreciated by 29.70%*, compared with the 18.20%* increase in the FTSE-Bursa Malaysia Emas Shariah Index over the same period. Since inception, the Fund has appreciated by 157.74%* compared to the gain of 94.13%* on the FTSE-Bursa Malaysia Emas Shariah Index. Hence, the Fund has outperformed its benchmark in the financial year under review and since inception.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

*Source: Lipper IM

Distribution

Year Ended 31 Dec 2010 RM	Year Ended 31 Dec 2009 RM	Year Ended 31 Dec 2008 RM
No distribution has been made during the period.	No distribution has been made during the period.	No distribution has been made during the period.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Shariah-compliant Securities - Top 5 Investments		Listed Shariah-compliant Securities - Top 5 Investments		Listed Shariah-compliant Securities - Top 5 Investments	
➤ AXIATA	5.12	➤ ALAM	6.39	➤ YTL POWER	5.08
➤ BKAWAN	5.09	➤ AEON	6.05	➤ PET DAGANG	4.30
➤ DLADY	5.05	➤ QSR	5.55	➤ DLADY	4.03
➤ UTDPLT	5.07	➤ FABER	5.40	➤ LCL CORP	3.89
➤ DIALOG	5.03	➤ LITRAK	5.31	➤ BATU KAWAN	3.54
Unlisted Sukuk		Unlisted Sukuk		Unlisted Sukuk	
➤ Nil		➤ Nil		➤ Nil	

Note: The Shariah Adviser confirms that the investment portfolio of KSGF comprises securities which have been classified as Shariah-compliant by the SACSC. As for the securities which are not certified by the SACSC, they have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

MASTER PROSPECTUS

Kenanga Balanced Fund (KBF)

Financial Performance of the Fund

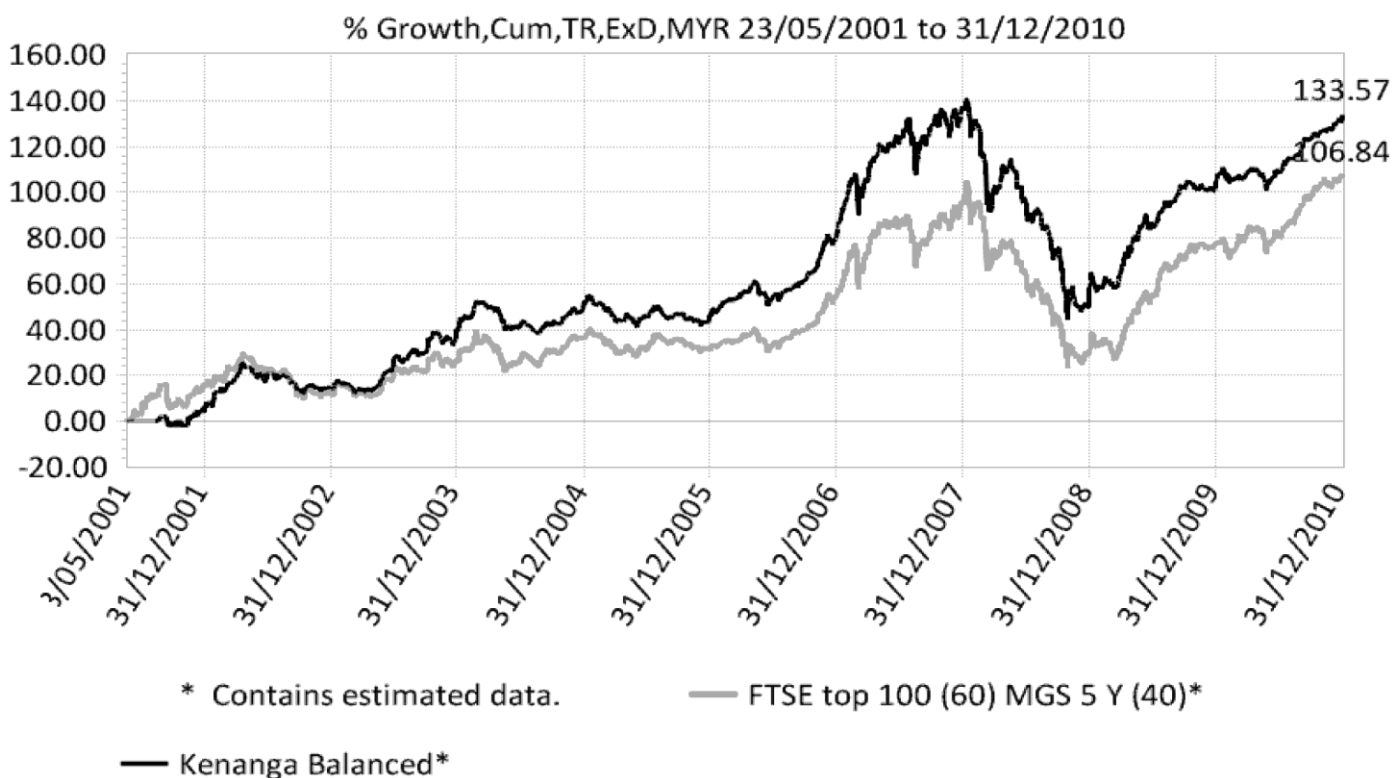
YEAR	2010 RM	2009 RM	2008 RM
INCOME	3,697,450	6,800,534	(14,037,945)
EXPENDITURE	475,667	453,007	542,977
NET INCOME BEFORE TAX	3,221,783	6,347,527	(14,580,922)
NET INCOME AFTER TAX	3,172,283	6,256,987	(14,708,966)
TOTAL INVESTMENTS	28,301,828	28,583,635	24,536,853
TOTAL ASSETS	28,498,475	29,279,972	24,825,123
TOTAL LIABILITIES	1,899,402	3,012,511	2,575,691
NAV	26,599,073	26,267,461	22,249,432
UNITHOLDERS CAPITAL	17,936,580	18,924,648	18,192,301

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		5 years 31/12/05 - 31/12/10		Since Inception 23/05/01 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KBF (NAV)	13.80	12/25	-1.20	22/25	59.33	13/25	133.57	9/23
Benchmark (%)	16.56		5.65		56.28		106.84	

Performance Chart Since Inception

KBF vs. FTSE-Bursa Malaysia 100 Index/5-Years Malaysian Government Securities ("MGS") (60:40)



Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has appreciated by 13.80%*, compared with the 16.56%* increase in the Benchmark** over the same period. Since launch date, the Fund has appreciated by 133.57%* in Net Asset Value terms, thus achieving the Fund's states objective of medium to long term capital appreciation.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

*Source: Lipper IM

** 60% on FTSE-Bursa Malaysia 100 Index: 40% on MGS Price 1/87 (MGS 1/2004 w.e.f 27/02/2004)

Distribution

Year Ended 31 Dec 2010 RM	Year Ended 31 Dec 2009 RM	Year Ended 31 Dec 2008 RM
The Manager, after consultation with the Trustee, declared its final distribution of 2.9 sen per unit (Net) (Gross – 3.64 sen) on 31 December 2010 of which 60% was paid out in cash and 40% was reinvested into the Fund.	The Manager, after consultation with the Trustee, declared its final distribution of 4.5 sen per unit (Net) (Gross – 5.26 sen) on 31 December 2009 of which 57% was paid out in cash and 43% was reinvested into the Fund.	The Manager, after consultation with the Trustee, declared its final distribution of 3.9 sen per unit (Net) (Gross – 6.18 sen) on 31 December 2008 of which 55% was paid out in cash and 45% was reinvested into the Fund.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Securities - Top 5 Investments		Listed Securities - Top 5 Investments		Listed Securities - Top 5 Investments	
➤ ENKKAH	8.10	➤ ENKKAH	7.78	➤ ENKKAH	7.47
➤ AMMB	6.61	➤ WCT	5.13	➤ HEXAGON	6.29
➤ MAYBANK	5.55	➤ QSR	5.08	➤ WASEONG	5.65
➤ PBBANK-01	5.13	➤ MAXIS	4.99	➤ PUNCAK	5.46
➤ CIMB	4.09	➤ TM	3.84	➤ AMMB	5.40
Unlisted Securities		Unlisted Securities		Unlisted Securities	
➤ MALAKOFF (bonds)	14.36	➤ SILVER BIRD (bonds)	18.98	➤ SILVER BIRD (bonds)	21.57
➤ JIMAH (sukuk)	14.24	➤ JIMAH (sukuk)	14.51	➤ JIMAH (sukuk)	14.02
		➤ MALAKOFF (bonds)	14.20	➤ MALAKOFF (bonds)	13.28

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

MASTER PROSPECTUS

Kenanga Islamic Balanced Fund (KIBF)

Financial Performance of the Fund

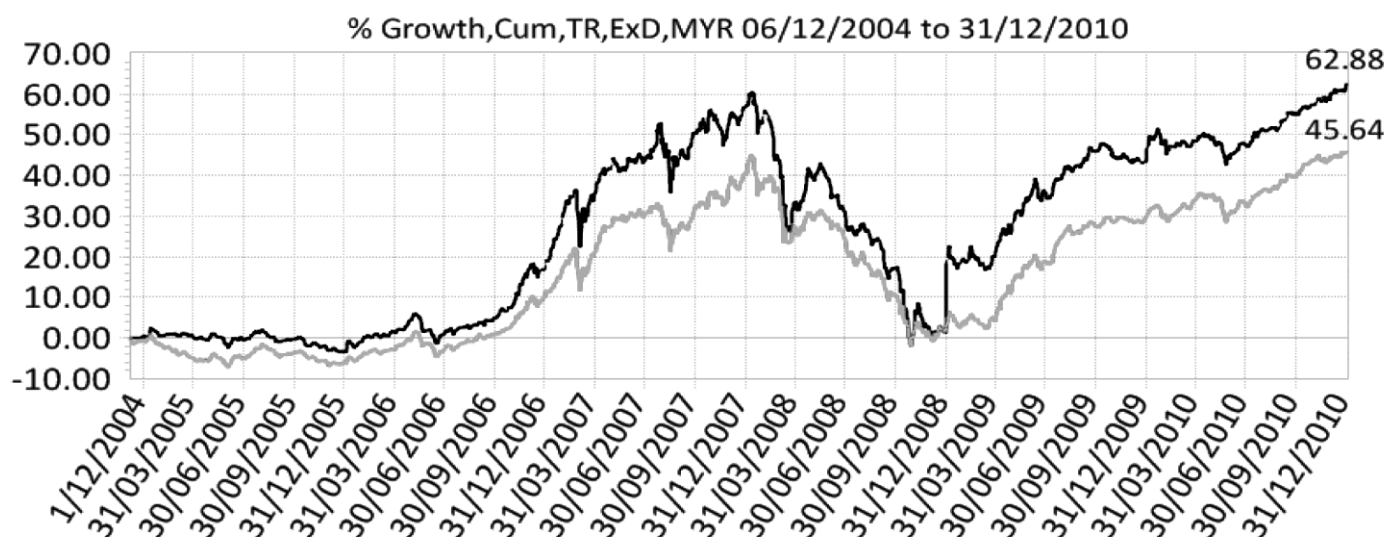
YEAR	2010 RM	2009 RM	2008 RM
INCOME	1,223,446	2,129,847	(4,926,269)
EXPENDITURE	215,192	195,513	221,737
NET INCOME BEFORE TAX	1,008,254	1,934,334	(5,148,006)
NET INCOME AFTER TAX	990,554	1,894,554	(5,200,168)
TOTAL SHARIAH-COMPLIANT INVESTMENTS	10,985,741	10,591,144	8,764,403
TOTAL ASSETS	11,309,700	10,958,908	9,106,449
TOTAL LIABILITIES	746,307	1,104,545	950,429
NAV	10,563,393	9,854,363	8,156,020
UNITHOLDERS CAPITAL	8,423,229	7,977,193	7,106,509

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		5 years 31/12/05 - 31/12/10		Since Inception 06/12/04 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KIBF (NAV)	11.00	8/19	3.94	11/19	68.08	5/17	62.88	12/19
Benchmark (%)	12.06		3.56		54.80		45.64	

Performance Chart Since Inception

KIBF vs. FTSE Bursa Malaysia Emas Index/5-Years Malaysian Government Investment Issues ("GII") (60:40)



* Contains estimated data.

— Kenanga Islamic Balanced*

— LCI FTSE BM Emas Shariah/RAM QS GII 0-5 Y(60:40)

Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has appreciated by 11.00%*, compared with the 12.06%* increase in the Benchmark** over the same period. Since launch date, the Fund has appreciated by 62.88%* in Net Asset Value terms, thus achieving the Fund's states objective of medium to long term capital appreciation.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

*Source: Lipper IM

** 60% on FTSE Bursa Malaysia Emas Index & 40% on 5-year GII

Distribution

Year Ended 31 Dec 2010 RM	Year Ended 31 Dec 2009 RM	Year Ended 31 Dec 2008 RM
The Manager, after consultation with the Trustee, declared its final distribution of 3.00 sen per unit (Net) (Gross – 3.88 sen) on 31 December 2010 of which 38% was paid out in cash and 62% was reinvested into the Fund.	The Manager, after consultation with the Trustee, declared its final distribution of 4.70 sen per unit (Net) (Gross – 5.64 sen) on 31 December 2009 of which 11% was paid out in cash and 89% was reinvested into the Fund.	The Manager, after consultation with the Trustee, declared its final distribution of 4.4 sen per unit (Net) (Gross – 11.75 sen) on 31 December 2008 of which 12% was paid out in cash and 88% was reinvested into the Fund.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Shariah-compliant Securities - Top 5 Investments		Listed Shariah-compliant Securities - Top 5 Investments		Listed Shariah-compliant Securities - Top 5 Investments	
➤ ENKKAH	7.57	➤ ENKKAH	7.63	➤ ENKKAH	10.51
➤ KLK	5.02	➤ MAXIS	5.72	➤ PUNCAK	8.74
➤ AXIATA	4.99	➤ QSR	5.61	➤ HEXAGON	7.76
➤ YTLPOWR	4.85	➤ WCT	5.36	➤ WASEONG	5.60
➤ SIME	4.33	➤ IJM	4.65	➤ DIALOG	5.12
Unlisted Sukuk		Unlisted Sukuk		Unlisted Sukuk	
• JIMAH	14.64	➤ JIMAH	15.80	➤ JIMAH	25.50
• MALAKOFF	12.71	➤ MALAKOFF	13.30	➤ MALAKOFF	24.15

Note: The Shariah Adviser confirms that the investment portfolio of KIBF comprises securities which have been classified as Shariah-compliant by the SACSC. As for the securities which are not certified by the SACSC, they have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

MASTER PROSPECTUS

Kenanga Bond Fund (KBNF)

Financial Performance of the Fund

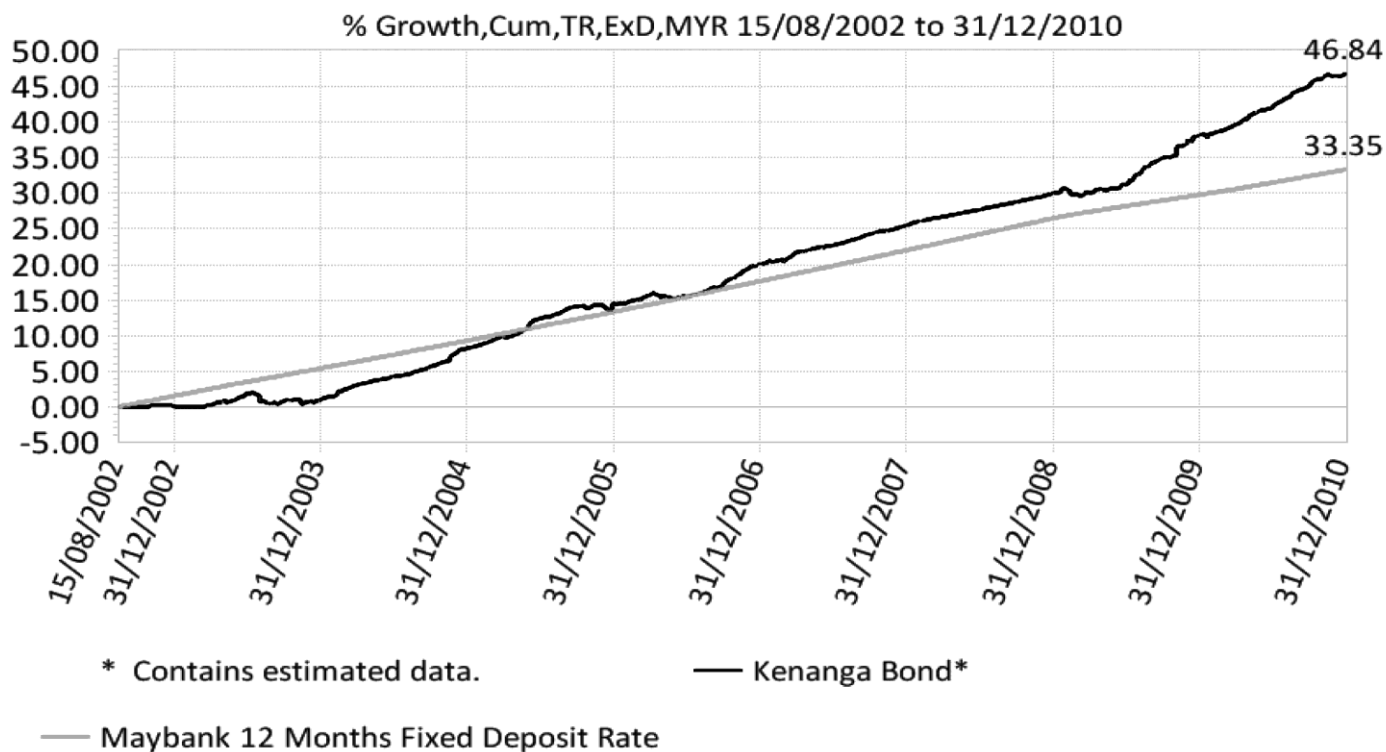
YEAR	2010 RM	2009 RM	2008 RM
INCOME	307,984	434,971	188,795
EXPENDITURE	76,301	99,344	6,673
NET INCOME BEFORE TAX	231,683	335,627	182,122
NET INCOME AFTER TAX	231,683	335,627	182,122
TOTAL INVESTMENTS	3,684,296	5,033,797	5,890,948
TOTAL ASSETS	3,755,524	5,128,950	5,925,248
TOTAL LIABILITIES	440,925	24,631	5,961
NAV	3,314,599	5,104,319	5,919,287
UNITHOLDERS CAPITAL	874,533	2,895,936	4,046,531

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		5 years 31/12/05 - 31/12/10		Since Inception 15/08/02 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KBNF (NAV)	6.24	18/38	17.00	7/30	28.31	11/24	46.84	13/42
Benchmark (%)	2.74		9.31		17.67		33.35	

Performance Chart Since Inception

KBNF vs. Maybank 12-months fixed deposit rates



Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has appreciated by 6.24%*, compared with the Maybank 12-months fixed deposit rate of 2.74%* over the same period. Since launch date, the Fund has appreciated by 46.84%* in Net Asset Value terms. The Fund has shown capital appreciation since its launch date. It has also achieved its objective of maintaining capital stability throughout the period. Although the Fund has not distributed any income, Unit Holders are getting the benefit by way of capital appreciation.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

*Source: Lipper IM

Distribution

Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
No distribution has been made during the period.	No distribution has been made during the period.	No distribution has been made during the period.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Securities		Listed Securities		Listed Securities	
➤ Nil		➤ Nil		➤ Nil	
Unlisted Securities		Unlisted Securities		Unlisted Securities	
➤ Sabah Credit	15.37	➤ EON Bank	16.85	➤ MGS 2/2004	9.33
➤ AmBank	12.28	➤ AmBank	16.24	➤ AmBank	6.20
➤ UOB	10.10	➤ RHB Bank	15.03	➤ MGS 3/2004	5.19
➤ GB Services	9.48	➤ Sabah Credit (UF080031)	14.96	➤ Petra Perdana	2.15
➤ RHB Bank	8.85	➤ GB Services	5.86	➤ Sabah Credit (UF080031)	2.13

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

MASTER PROSPECTUS

Kenanga Asia Pacific Oriental Fund (KAPOF)

Financial Performance of the Fund

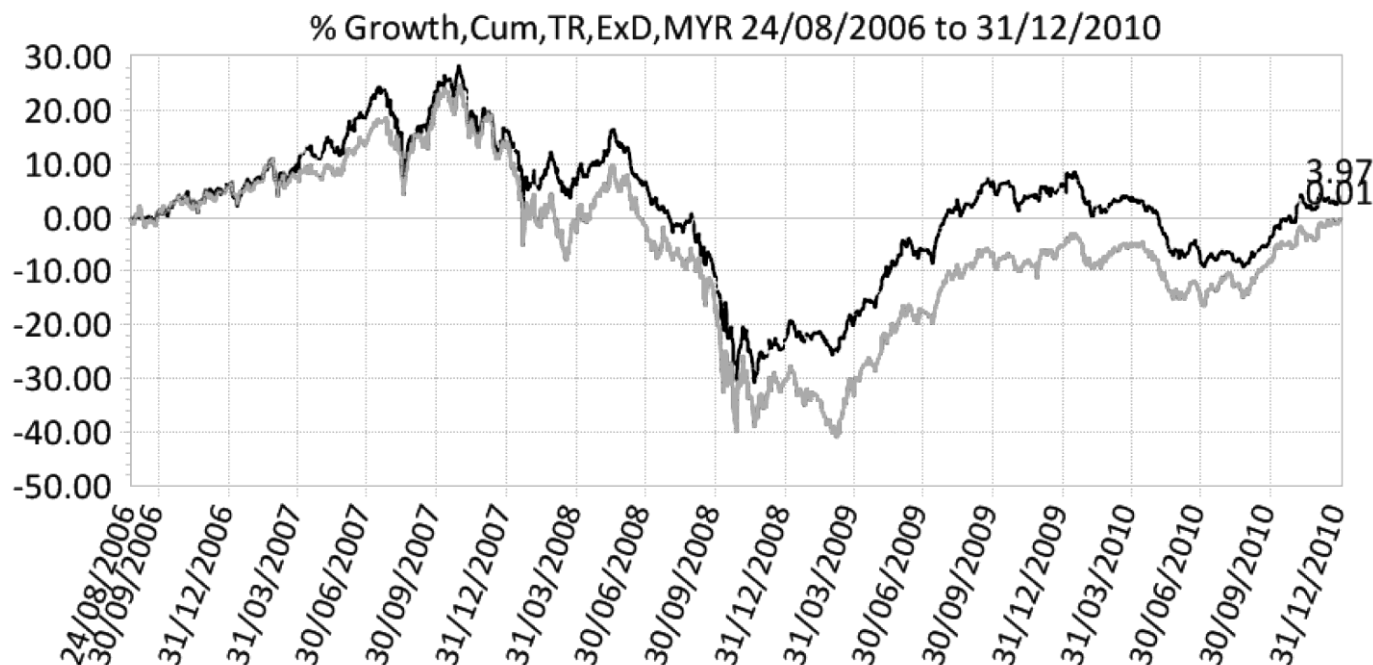
YEAR	2010 RM	2009 RM	2008 RM
INCOME	(559,882)	9,832,318	(13,347,106)
EXPENDITURE	601,098	583,235	754,127
NET INCOME BEFORE TAX	(1,160,980)	9,249,083	(14,101,233)
NET INCOME AFTER TAX	(1,160,980)	9,249,083	(14,101,233)
TOTAL INVESTMENTS	28,507,179	34,837,513	22,862,530
TOTAL ASSETS	28,882,464	34,912,862	24,151,393
TOTAL LIABILITIES	255,672	166,715	388,684
NAV	28,626,792	34,746,147	23,762,709
UNITHOLDERS CAPITAL	21,822,095	26,780,470	25,046,115

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		Since Inception 24/08/06 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KAPOF (NAV)	-2.45	11/12	-10.69	10/10	3.97	8/12
Benchmark (%)	5.59		-12.01		0.01	

Performance Chart Since Inception

KAPOF vs. MSCI AC Asia Pacific Index



* Contains estimated data.

— Kenanga Asia Pacific Oriental*

— MSCI AC Asia Pacific TR USD

Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has depreciated by 2.45%*, compared with the 5.59%* increase in the MSCI AC Asia Pacific Index over the same period. Since launch date, the Fund has appreciated by 3.97%* in Net Asset Value terms. Although this appreciation is small, the Fund managed to add positive value to its Unit Holders since inception despite the regional market uncertainties and current volatilities, outperforming its benchmark which has appreciated by 0.01%* during the same period.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

*Source: Lipper IM

Distribution

Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
No distribution has been made during the period.	No distribution has been made during the period.	No distribution has been made during the period.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Securities		Listed Securities		Listed Securities	
➤ Nil		➤ Nil		➤ Nil	
Unlisted Securities		Unlisted Securities		Unlisted Securities	
ALLIANZ RCM ORIENTAL INCOME FUND	99.58	ALLIANZ RCM ORIENTAL INCOME FUND	98.36	ALLIANZ GIS RCM ORIENTAL INCOME FUND	96.21

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

MASTER PROSPECTUS

Kenanga Malaysian Inc Fund (KMIF)

Financial Performance of the Fund

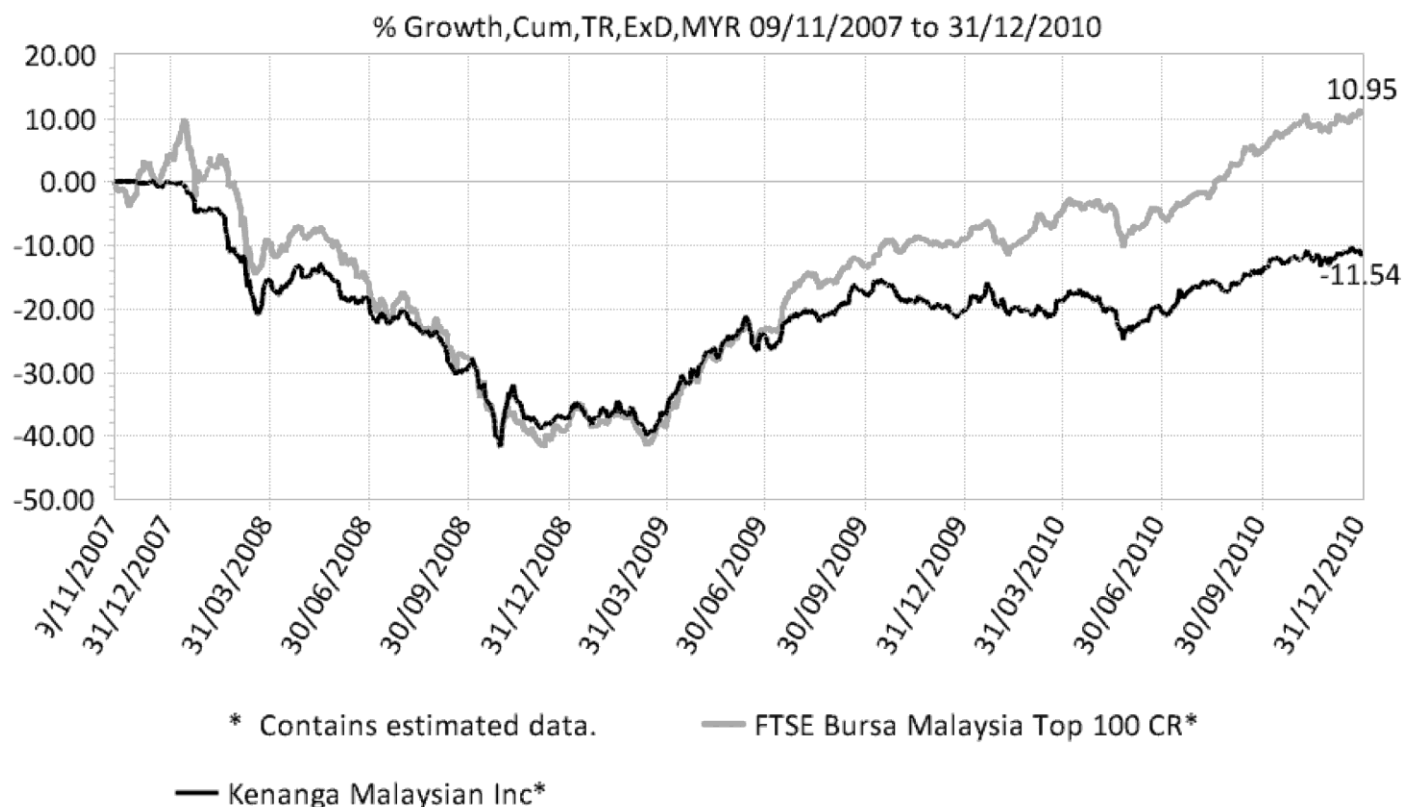
YEAR	2010 RM	2009 RM	2008 RM
INCOME	5,064,852	14,939,156	(30,558,111)
EXPENDITURE	979,693	1,167,277	1,432,906
NET INCOME BEFORE TAX	4,085,159	13,771,879	(31,991,017)
NET INCOME AFTER TAX	3,942,159	13,436,879	(32,407,017)
TOTAL INVESTMENTS	36,826,410	61,010,979	53,854,873
TOTAL ASSETS	36,980,343	61,289,012	53,991,917
TOTAL LIABILITIES	69,565	211,280	878,485
NAV	36,910,778	61,077,732	53,113,432
UNITHOLDERS CAPITAL	51,938,757	80,047,870	85,520,449

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		Since Inception 09/11/07 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KMIF (NAV)	10.66	76/77	-11.33	71/73	-11.54	72/74
Benchmark (%)	21.76		6.46		10.95	

Performance Chart Since Inception

KMIF vs. FTSE-Bursa Malaysia 100 Index



Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has appreciated by 10.66%*, compared with the 21.76%* increase in the FTSE-Busa Malaysia 100 index over the same period. Since launch date, the Fund has depreciated by 11.54%* in Net Asset Value terms. While the Fund had under-performed its benchmark in FY2009 and FY2010, it has managed to add positive returns to its Unit Holders during those 2 financial years respectively. Nonetheless, for the medium-term (3 years) period, it has not achieved its stated objective as the result of the large negative return in FY 2008.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

*Source: Lipper IM

Distribution

Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
No distribution has been made during the period.	No distribution has been made during the period.	No distribution has been made during the period.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Securities - Top 5 Investments		Listed Securities - Top 5 Investments		Listed Securities - Top 5 Investments	
➤ CIMB	10.36	➤ DIALOG	9.81	➤ HEXAGON	10.16
➤ MAYBANK	10.12	➤ IJM	9.50	➤ ENKKAH	10.13
➤ ENKKAH	9.65	➤ PUNCAK	8.56	➤ PUNCAK	9.93
➤ PBBANK-01	7.96	➤ WASEONG	7.17	➤ UBG	8.52
➤ AXIATA	7.72	➤ QSR	6.96	➤ DIALOG	7.65
Unlisted Securities		Unlisted Securities		Unlisted Securities	
➤ Nil		➤ Nil		➤ Nil	

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MASTER PROSPECTUS

Kenanga Islamic Money Market Fund (KIMMF)

Financial Performance of the Fund

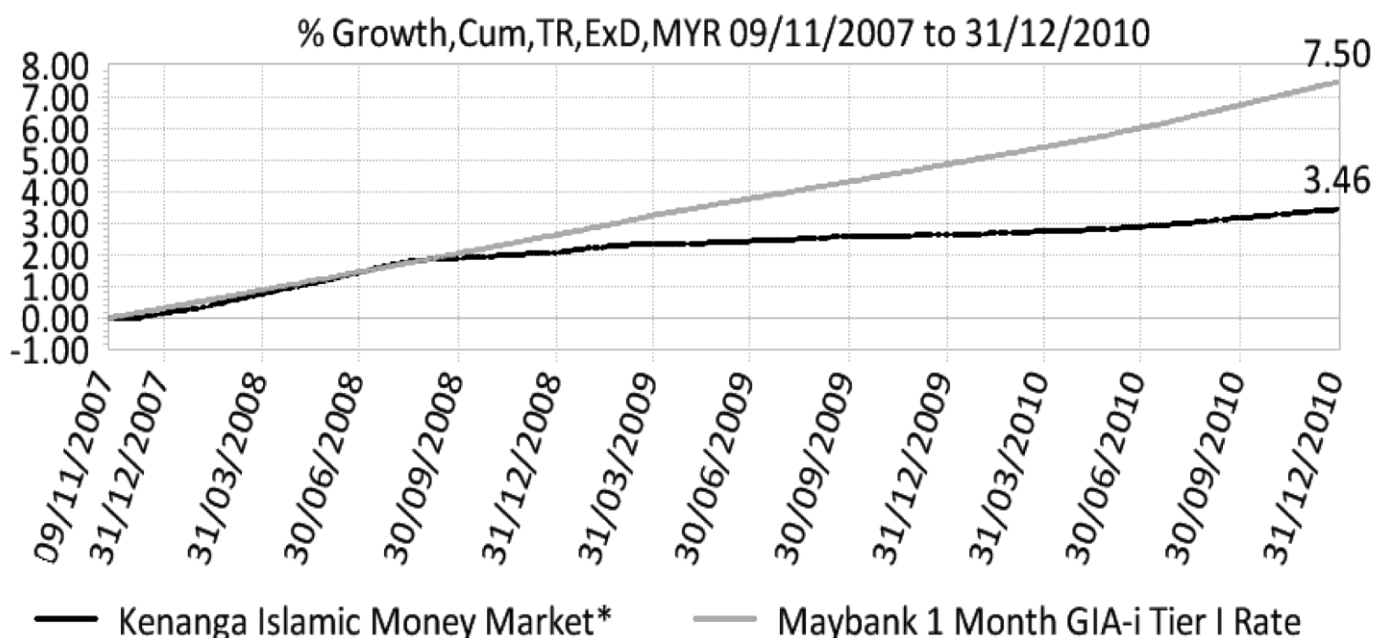
YEAR	2010 RM	2009 RM	2008 RM
INCOME	78,879	71,972	110,168
EXPENDITURE	51,391	52,885	47,200
NET INCOME BEFORE TAX	27,488	19,087	62,968
NET INCOME AFTER TAX	27,488	19,087	62,968
TOTAL SHARIAH-COMPLIANT INVESTMENTS	3,337,733	3,244,186	3,687,917
TOTAL ASSETS	3,438,748	3,278,961	3,696,519
TOTAL LIABILITIES	26,510	26,251	29,067
NAV	3,412,238	3,252,710	3,667,452
UNITHOLDERS CAPITAL	3,302,695	3,170,655	3,604,484

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		Since Inception 09/11/07 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KIMMF (NAV)	0.82	23/24	3.29	14/15	3.46	20/25
Benchmark (%)	2.50		7.15		7.50	

Performance Chart Since Inception

KIMMF vs. Maybank 1-month GIA Rate



* Contains estimated data.

Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has appreciated by 0.82%*, compared with the Maybank 1 month GIA rate of 2.50%* over the same period. Since launch date, the Fund has appreciated by 3.46%* in Net Asset Value terms. The Fund has shown capital appreciation since its launch date. It has also achieved its objective of maintaining capital stability throughout the period. Although the Fund has not distributed any income, Unit Holders are getting the benefit by way of capital appreciation.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

With effect from 1 July 2011, the performance benchmark for the Fund will be changed to Maybank Overnight Islamic Repo rate.

*Source: Lipper IM

Distribution

Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
No distribution has been made during the period.	No distribution has been made during the period.	No distribution has been made during the period.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Shariah-compliant Securities - Top 5 Investments	-	Listed Shariah-compliant Securities - Top 5 Investments	-	Listed Shariah-compliant Securities - Top 5 Investments	-
➤ Nil		➤ Nil		➤ Nil	
Unlisted Sukuk	-	Unlisted Sukuk	-	Unlisted Sukuk	-
➤ Nil		➤ Nil		➤ Nil	

Note: The Shariah Adviser confirms that the investment portfolio of KIMMF comprises securities which have been classified as Shariah-compliant by the SACSC. As for the securities which are not certified by the SACSC, they have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

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MASTER PROSPECTUS

Kenanga Money Market Fund (KMMF)

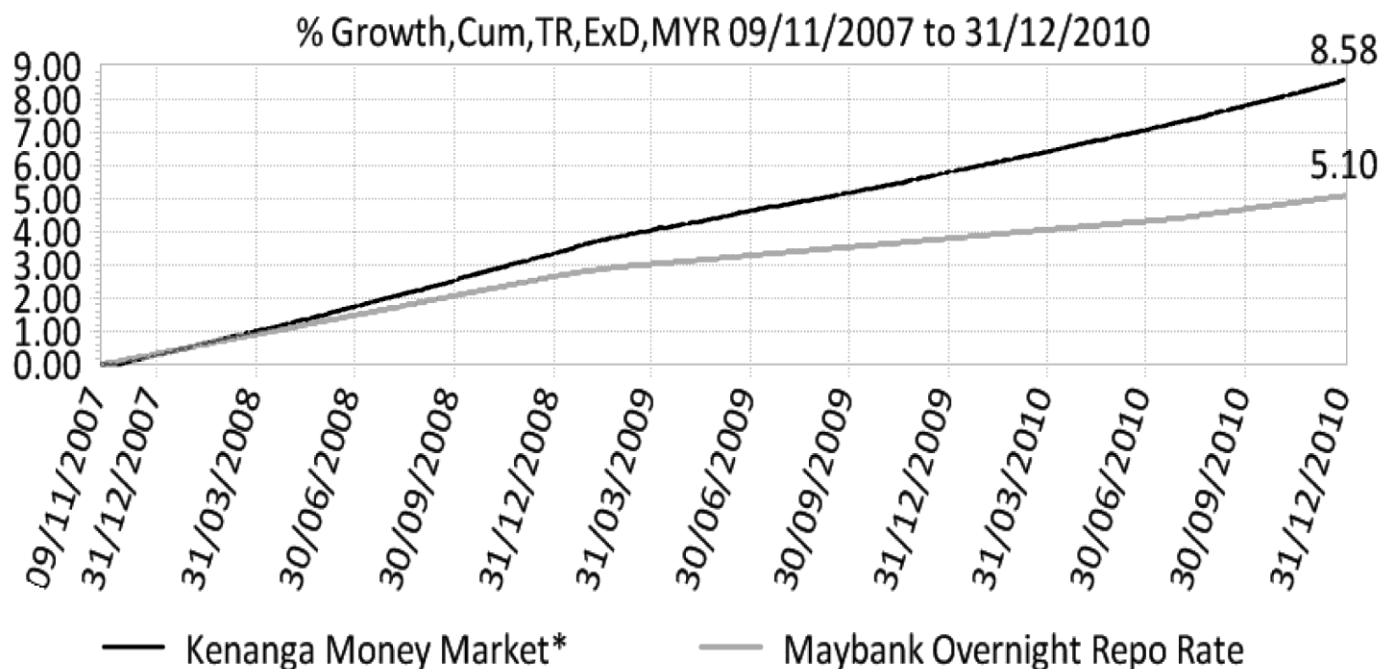
Financial Performance of the Fund

YEAR	2010 RM	2009 RM	2008 RM
INCOME	1,066,203	853,337	1,190,520
EXPENDITURE	212,585	188,845	202,247
NET INCOME BEFORE TAX	853,618	664,492	988,273
NET INCOME AFTER TAX	853,618	664,492	988,273
TOTAL INVESTMENTS	32,993,042	32,261,101	25,899,539
TOTAL ASSETS	33,150,115	32,410,080	26,031,476
TOTAL LIABILITIES	56,106	25,423	24,771
NAV	33,094,009	32,384,657	26,006,705
UNITHOLDERS CAPITAL	30,587,626	30,731,892	25,018,432

Average total returns of the Fund

	1 year 31/12/09 - 31/12/10		3 years 31/12/07 - 31/12/10		Since Inception 09/11/07 - 31/12/10	
	(%) Return	Rank	(%) Return	Rank	(%) Return	Rank
KMMF (NAV)	2.63	13/40	8.26	14/27	8.58	25/43
Benchmark (%)	1.24		4.75		5.10	

Performance Chart Since Inception KMMF vs. Maybank Overnight Rate



* Contains estimated data.

Source : Lipper IM

MASTER PROSPECTUS

From January to December 2010, the Fund has appreciated by 2.63%*, compared with the 1.24%* increase in the Maybank Overnight Rate of over the same period. Since launch date, the Fund has appreciated by 8.58%* in Net Asset Value terms. The Fund has shown capital appreciation since its launch date. It has also achieved its objective of maintaining capital stability throughout the period. Although the Fund has not distributed any income, Unit Holders are getting the benefit by way of capital appreciation.

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

*Source: Lipper IM

Distribution

Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
No distribution has been made during the period.	No distribution has been made during the period.	No distribution has been made during the period.

Investment Highlights

As at 31 Dec 2010	% of NAV	As at 31 Dec 2009	% of NAV	As at 31 Dec 2008	% of NAV
Listed Securities - Top 5 Investments		Listed Securities - Top 5 Investments		Listed Securities - Top 5 Investments	
➤ Nil		➤ Nil		➤ Nil	
Unlisted Securities		Unlisted Securities		Unlisted Securities	
➤ MBF	17.69	➤ MBF	18.29	➤ AMMB	11.96
➤ Pengurusan Air SPV	15.16	➤ Pengurusan Air SPV	15.44	➤ HLFNG	7.68
➤ BBN Development	15.00	➤ Sabah Dev	15.42	➤ MBK	18.97

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MASTER PROSPECTUS
Annual Total Return of the Fund for the last 10 financial years (or since establishment)

FUND	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
KPF	14.84	33.56	-49.67	48.53	49.67	-8.70	11.08	35.15	4.57	6.52
FTSE BM 100 Index	21.76	48.00	-40.84	33.41	23.04	-3.16	14.87	21.4	-2.48	1.32
KGF	32.71	33.31	-24.67	38.09	22.04	0.91	3.57	30.86	-2.80	5.26
FTSE BM KLCI Index	19.34	45.17	-39.24	31.82	21.83	-0.84	14.25	22.84	-7.15	2.42
KIF	18.49	33.59	-45.77	78.99	53.75	-18.74	5.16	33.81		
FTSE BM Emas Shariah Index	18.20	43.03	-43.43	45.57	26.52	-8.73	9.16	19.92		
KSGF	29.70	30.42	-25.95	40.8	22.14	1.91	2.57	25.01		
FTSE BM Emas Shariah Index	18.20	43.03	-43.43	45.57	26.52	-8.73	9.16	19.92		
KBF	13.80	29.28	-32.77	28.62	25.38	-3.69	8.39	21.95	8.23	
FTSE BM 100 Index/5-Year MGS (60:40)	16.56	36.07	-33.31	26.08	17.33	-3.15	7.69	11.51	-2.17	
KIBF	11.00	23.87	-24.35	33.78	20.88	-3.71				
FTSE BM Emas Shariah Index/5-Year Malaysian GII (60:40)	12.06	26.46	-26.86	27.77	16.99	-5.41				
KBNF	6.24	6.32	3.57	4.46	4.99	5.75	7.04	1.16		
Maybank 12-Months Fixed Deposit Rate	2.74	2.62	3.67	3.70	3.80	3.70	3.69	3.82		
KAPOF	-2.45	38.08	-33.62	9.99						
MSCI AC Asia Pacific	5.59	36.42	-38.83	7.46						
KMIF	10.66	26.25	-36.45							
FTSE BM 100 Index	21.76	48.00	-40.84							
KIMMF	0.82	0.53	1.91							
Maybank 1-Month GIA Rate	2.50	2.18	2.31							
KMMF	2.63	2.36	3.04							
Maybank Overnight Repo Rate	1.24	1.13	2.31							

Source: Lipper IM

MASTER PROSPECTUS

Portfolio Turnover Ratio (PTR) and Management Expense Ratio (MER) for the Funds for the 3 most recent financial years

Portfolio Turnover Ratio

The PTR refers to the measure of trading activity or how frequently assets within a fund are bought and sold by the managers. A fund with a 50 percent portfolio turnover ratio, for example, replaces half of its holdings during the period under review. A fund with a high portfolio turnover rate will typically incur more transaction costs than one with a low portfolio turnover rate.

The computation of PTR is as follows:

$$\text{PTR} = \frac{(\text{Total acquisition of the Fund} + \text{Total disposal of the Fund}) \text{ divided by } 2}{\text{Average value of the Fund calculated on a daily basis}}$$

Management Expense Ratio

The MER is a ratio of the sum of the fees and the recoverable expenses of the Fund to the average value of the Fund calculated on a daily basis. It represents the inherent costs of operating a unit trust fund, which comprises management fee, trustee's fee and expenses incurred in administering the Fund. It provides a measure by which an investor can assess and compare the expenses incurred by the Fund to other funds.

The ratio obtained is to be compared to that of other funds of the same category when selecting a fund for investment. In comparison of a fund's expenses the lower the ratio the better. MER is usually expressed as an annual percentage of a fund's average net assets and referred to as an "expense ratio".

The computation of MER is as follows:

$$\text{MER} = \frac{\text{Management fee} + \text{Trustee fee} + \text{Fund's Administrative fees}}{\text{Average value of the Fund calculated on a daily basis}} \times 100$$

Kenanga Premier Fund

For the past 3 years	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM2,040,439 (91%)	RM1,964,774 (91%)	RM2,535,172 (92%)
Actual Trustee's fee	RM95,221 (4%)	RM91,689 (4%)	RM118,308 (4%)
Expenses of the Fund (excluding Management and Trustee's fees)	RM103,382 (5%)	99,112 (5%)	RM116,602 (4%)
Management Expense Ratio (MER) (%)	1.65#	1.65	1.64
Portfolio Turnover Ratio (PTR) (times)	0.50*	0.41	0.52

Management Expense Ratio

MER of 1.65% indicates an expense of RM0.0165 for every RM1.00 of the average net assets of KPF during the financial year ended 31 December 2010 (previous year, 1.65%). The MER has remained the same when compared to previous year because the Manager has exercised good control over the Fund's expenses.

MASTER PROSPECTUS

Portfolio Turnover Ratio

* PTR of the Fund has increased to 0.50 times in comparison to 0.41 times previously. This indicated a higher level of trading activities (both buying and selling of assets) during the period under review).

Kenanga Growth Fund

For the past 3 years	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM291,811 (95%)	RM216,649 (88%)	RM216,878 (87%)
Actual Trustee's fee	RM18,207 (6%)	RM18,002 (7%)	RM18,051 (7%)
Expenses of the Fund (excluding Management and Trustee's fees)	(RM1,690) (-1%)	RM12,566 (5%)	RM14,614 (6%)
Management Expense Ratio (MER) (%)	1.58#	1.71	1.73
Portfolio Turnover Ratio (PTR) (times)	0.67*	0.88	0.54

Management Expense Ratio

MER of 1.58% indicates an expense of RM0.0158 for every RM1.00 of the average net assets of KGF during the financial year ended 31 December 2010 (previous year, 1.71%). The MER has decreased compared to previous year due to higher Net Asset Value.

Portfolio Turnover Ratio

* PTR of the portfolio of KGF has turned-around 0.67 times compared to 0.88 times in the previous year. The decrease was due to higher Net Asset Value.

Kenanga Islamic Fund

For the past 3 years/period since inception	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM589,850 (89%)	RM484,853 (89%)	RM537,864 (90%)
Actual Trustee's fee	RM24,836 (4%)	RM20,414 (4%)	RM22,647 (4%)
Expenses of the Fund (excluding management and Trustee's fees)	RM45,303 (7%)	RM35,958 (7%)	RM37,514 (6%)
Management Expense Ratio (MER) (%)	2.13#	2.12	2.11
Portfolio Turnover Ratio (PTR) (times)	0.71*	0.42	0.27

MASTER PROSPECTUS

Management Expense Ratio

MER ratio of 2.13% indicates an expense of RM0.0213 for every RM1.00 of the average net asset of KIF during the financial year ended 31 December 2010 (previous year, 2.12%). The MER has increased slightly compared to the previous year due to increase in Fund's expenses.

Portfolio Turnover Ratio

* PTR of the Fund has increased to 0.71 times in comparison to 0.42 times previously. This indicated a higher level of trading activities (both buying and selling of assets) during the period under review..

Kenanga Syariah Growth Fund

For the past 3 years/period since inception	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM44,661 (76%)	RM34,740 (55%)	RM34,926 (52%)
Actual Trustee's fee	RM18,002 (30%)	RM18,150 (29%)	RM17,903 (27%)
Expenses of the Fund (excluding management and Trustee's fees)	(RM3,753) (-6%)	RM10,403 (16%)	RM13,840 (21%)
Management Expense Ratio (MER) (%)	1.97#	2.73	2.87
Portfolio Turnover Ratio (PTR) (times)	0.71*	0.73	0.56

Management Expense Ratio

MER ratio of 1.97% indicates an expense of RM0.0197 for every RM1.00 of the average net asset of KSGF during the financial year ended 31 December 2010 (previous year, 2.73%). The MER has decreased slightly compared to the previous year due to decrease in Fund's expenses.

Portfolio Turnover Ratio

* PTR of the portfolio of KSGF has turned-around 0.71 times compared to 0.73 times in the previous year. The decrease was due to higher Net Asset Value.

Kenanga Balanced Fund

For the past 3 years	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM419,276 (88%)	RM401,090 (88%)	RM488,720 (90%)
Actual Trustee's fee	RM22,362 (5%)	RM21,392 (5%)	RM26,065 (5%)
Expenses of the Fund (excluding management and Trustee's fees)	RM34,029 (7%)	RM30,525 (7%)	RM28,192 (5%)

MASTER PROSPECTUS

Management Expense Ratio (MER) (%)	1.53#	1.69	1.67
Portfolio Turnover Ratio (PTR) (times)	0.50*	0.47	0.29

Management Expense Ratio

MER ratio of 1.53% indicates an expense of RM0.0153 for every RM1.00 of the average net assets of KBF during the financial year ended 31 December 2010 (previous year, 1.69%). The MER has decreased slightly in 2010 compared to the previous year due to decrease in Fund's expenses.

Portfolio Turnover Ratio

* PTR of the Fund has increased to 0.50 times in comparison to 0.47 times previously. This indicated a higher level of trading activities (both buying and selling of assets) during the period under review.

Kenanga Islamic Balanced Fund

For the period since inception	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM170,203 (79%)	RM152,116 (78%)	RM176,542 (80%)
Actual Trustee's fee	RM18,000 (8%)	RM18,000 (9%)	RM18,000 (8%)
Expenses of the Fund (excluding management and Trustee's fees)	RM26,989 (13%)	RM25,397 (13%)	RM27,195 (12%)
Management Expense Ratio (MER) (%)	1.90#	1.93	1.88
Portfolio Turnover Ratio (PTR) (times)	0.57*	0.49	0.43

Management Expense Ratio

MER ratio of 1.90% indicates an expense of RM0.0190 for every RM1.00 of the average net asset of KIBF during the financial year ended 31 December 2010 (previous year, 1.93%). The MER has decreased slightly compared to the previous year due to slight reduce in Fund's expenses.

Portfolio Turnover Ratio

* PTR of the Fund has increased to 0.57 times in comparison to 0.49 times previously. This indicated a higher level of trading activities (both buying and selling of assets) during the period under review.

Kenanga Bond Fund

For the past 3 years	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM38,620 (51%)	RM57,384 (58%)	RM5,004 (75%)

MASTER PROSPECTUS

Actual Trustee's fee	RM18,000 (23%)	RM18,000 (18%)	RM1,500 (22%)
Expenses of the Fund (excluding management and Trustee's fees)	RM19,681 (26%)	RM23,960 (24%)	RM169 (3%)
Management Expense Ratio (MER) (%)	1.98#	1.73	0.13
Portfolio Turnover Ratio (PTR) (times)	0.55*	0.56	0.26

Management Expense Ratio

MER ratio of 1.98% indicates an expense of RM0.0198 for every RM1.00 of the average net asset of KBNF during the financial year ended 31 December 2010 (previous year, 1.73%). The MER has increased compared to the previous year due to increase in the Fund's expenses (prior to December 2008, the Manager had absorbed all the expenses of the Fund, i.e. Trustee Fee, audit fee, Management Fee, etc).

Portfolio Turnover Ratio

* PTR ratio of the portfolio of KBNF has turned-around 0.55 times compared to 0.56 times in the previous year. The slight decrease was due to less active trading by the Manager.

Kenanga Asia Pacific Oriental Fund

For the past 3 years	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM546,991 (91%)	RM530,228 (91%)	RM691,564 (92%)
Actual Trustee's fee	RM21,272 (4%)	RM20,620 (3%)	RM26,894 (4%)
Expenses of the Fund (excluding management and Trustee's fees)	RM32,835 (5%)	RM32,387 (6%)	RM35,669 (4%)
Management Expense Ratio (MER) (%)	1.98#	1.98	1.96
Portfolio Turnover Ratio (PTR) (times)	0.09*	0.04	0.31

Management Expense Ratio

MER ratio of 1.98% indicates an expense of RM0.0198 for every RM1.00 of the average net asset of KAPOF during the financial year ended 31 December 2009 (previous year, 1.96%). The MER has increased slightly compared to the previous year due to increase in Fund's expenses.

Portfolio Turnover Ratio

* PTR of the Fund has increased slightly to 0.09 times in comparison to 0.04 times previously. Being a feeder fund that buys into an identified underlying fund, it is natural that the PTR is very low.

MASTER PROSPECTUS

Kenanga Malaysian Inc Fund

For the past 3 years	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM894,510 (91%)	RM1,065,877 (91%)	RM1,357,792 (95%)
Actual Trustee's fee	RM39,756 (4%)	RM47,372 (4%)	RM60,346 (4%)
Expenses of the Fund (excluding management and Trustee's fees)	RM45,427 (5%)	RM54,028 (5%)	RM14,768 (1%)
Management Expense Ratio (MER) (%)	1.97#	1.97	2.22
Portfolio Turnover Ratio (PTR) (times)	0.57*	0.59	0.75

Management Expense Ratio

MER ratio of 1.97% indicates an expense of RM0.0197 for every RM1.00 of the average net asset of KMIF during the financial year ended 31 December 201 (previous year, 1.97%). The MER has remained the same as previous year because there is no increase in Fund's expenses compare to previous year.

Portfolio Turnover Ratio

* PTR of the Fund has increased to 0.57 times in comparison to 0.59 times previously. This indicated a slightly lower level of trading activities (both buying and selling of assets) during the period under review.

Kenanga Islamic Money Market Fund

For the past 3 years	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM16,688 (32%)	RM17,819 (34%)	RM17,085 (36%)
Actual Trustee's fee	RM18,000 (35%)	RM18,000 (34%)	RM18,000 (38%)
Expenses of the Fund (excluding management and Trustee's fees)	RM16,703 (33%)	RM17,066 (32%)	RM12,115 (26%)
Management Expense Ratio (MER) (%)	1.54#	1.48	1.61
Portfolio Turnover Ratio (PTR) (times)	0*	0	0

Management Expense Ratio

MER ratio of 1.54% indicates an expense of RM0.0154 for every RM1.00 of the average net asset of KIMMF during the financial year ended 31 December 2010 (previous year, 1.48%). The MER has increased slightly compared to the previous year due to slight increase in Fund's expenses.

MASTER PROSPECTUS

Portfolio Turnover Ratio

* The portfolio of KIMMF has turned-around 0 times (previous year, Nil). This means the fund manager had no trades for the year.

Kenanga Money Market Fund

For the past 3 years	Year Ended 31 Dec 2010	Year Ended 31 Dec 2009	Year Ended 31 Dec 2008
Actual management fee	RM164,517 (78%)	RM142,834 (76%)	RM163,640 (81%)
Actual Trustee's fee	RM26,323 (12%)	RM22,853 (12%)	RM26,182 (13%)
Expenses of the Fund (excluding management and Trustee's fees)	RM21,745 (10%)	RM22,991 (12%)	RM12,425 (6%)
Management Expense Ratio (MER) (%)	0.63#	0.66	0.72
Portfolio Turnover Ratio (PTR) (times)	3.03*	2.30	0.94

Management Expense Ratio

MER ratio of 0.63% indicates an expense of RM0.0063 for every RM1.00 of the average net asset of KMMF during the financial year ended 31 December 2010 (previous year, 0.66%). The MER has decreased slightly compared to the previous year due to a decrease in Fund's expenses.

Portfolio Turnover Ratio

* PTR ratio of the portfolio of KMMF has turned-around 3.03 times compared to 2.30 times in the previous year. This increase is due to active trading by the Manager.

THE AUDITED FINANCIAL STATEMENTS FOR THE FUNDS ARE DISCLOSED IN THE FUNDS' ANNUAL REPORT AND THE ANNUAL REPORT IS AVAILABLE UPON REQUEST.

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MASTER PROSPECTUS

Asset Allocation of the Funds for the 3 most recent financial years

The Funds investments in any sectors (e.g. finance, trading and services, construction and etc.) of securities shall not be more than 40% * (excluding KBNF) of the NAV of the respective Funds.

The Manager shall seek to invest the assets of each Fund in high growth and undervalued companies, which offer good growth potential on a three (3) to five (5) years time view.

* The Manager has the sole discretion to increase or decrease the asset allocation as and when it deems necessary to the best interest of Unit Holders.

The Funds Asset Allocation as at 31 December 2010:

Fund	Equities	Bonds / Sukuk	Cash & Cash Equivalents	Total
KPF (% of Total Investment)	98.99	0.00	1.01	100
KGF (% of Total Investment)	86.56	0.00	13.44	100
KIF (% of Total Investment) *	93.75	0.00	6.25	100
KSGF (% of Total Investment)	75.47	0.00	24.53	100
KBF (% of Total Investment)	62.86	28.60	8.54	100
KIBF (% of Total Investment) *	61.52	27.35	11.13	100
KBNF (% of Total Investment)	0.00	105.71	(5.71)	100
KAPOF (% of Total Investment)	99.58	0.00	0.42	100
KMIF (% of Total Investment)	91.35	0.00	8.65	100
KIMMF (% of Total Investment) *	0.00	0.00	100.00	100
KMMF (% of Total Investment)	0.00	0.00	100.00	100

* for KIF, KSGF, KIBF and KIMMF, all investments are made in accordance with Shariah requirements.

The Funds Asset Allocation as at 31 December 2009:

Fund	Equities	Bonds / Sukuk	Cash & Cash Equivalents	Total
KPF (% of Total Investment)	107.75	0.00	(7.75)	100
KGF (% of Total Investment)	79.70	0.00	20.30	100
KIF (% of Total Investment) *	99.68	0.00	0.32	100
KSGF (% of Total Investment)	80.50	0.00	19.50	100
KBF (% of Total Investment)	55.42	47.69	(3.11)	100
KIBF (% of Total Investment) *	65.21	29.10	5.69	100
KBNF (% of Total Investment)	0.00	90.15	9.85	100
KAPOF (% of Total Investment)	98.36	0.00	1.64	100

MASTER PROSPECTUS

KMIF (% of Total Investment)	95.89	0.00	4.11	100
KIMMF (% of Total Investment) *	0.00	0.00	100.00	100
KMMF (% of Total Investment)	0.00	0.00	100.00	100

* for KIF, KSGF, KIBF and KIMMF, all investments are made in accordance with Shariah requirements.

The Funds Asset Allocation as at 31 December 2008:

Fund	Equities	Bonds / Sukuk	Cash & Cash Equivalents	Total
KPF (% of Total Investment)	106.13	0.00	(6.13)	100
KGF (% of Total Investment)	53.10	0.00	46.90	100
KIF (% of Total Investment) *	70.54	0.00	29.46	100
KSGF (% of Total Investment)	43.10	0.00	56.90	100
KBF (% of Total Investment)	61.41	48.87	(10.28)	100
KIBF (% of Total Investment) *	57.81	49.65	(7.46)	100
KBNF (% of Total Investment)	0.00	26.76	73.24	100
KAPOF (% of Total Investment)	96.21	0.00	3.79	100
KMIF (% of Total Investment)	66.90	0.00	33.10	100
KIMMF (% of Total Investment) *	0.00	0.00	100.00	100
KMMF (% of Total Investment)	0.00	0.00	100.00	100

* for KIF, KSGF, KIBF and KIMMF, all investments are made in accordance with Shariah requirements.

PAST PERFORMANCES OF THE FUNDS ARE NOT INDICATIVE OF THEIR FUTURE PERFORMANCES.

THE FUNDS' ANNUAL REPORT IS AVAILABLE UPON REQUEST.

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MASTER PROSPECTUS

10. FEES, CHARGES, EXPENSES AND TRANSACTION DETAILS

Single Pricing

With effect from 1st July 2007, the Manager has implemented the single pricing regime in line with the SC's requirement for the Malaysian unit trust industry. Under this regime, both the selling and buying price of units will be quoted based on a single price i.e. the NAV per unit of a Fund.

Note:

NAV per Unit will be rounded to four (4) decimal places for the purposes of publication of the NAV per Unit.

Incorrect Pricing

Subject to any relevant law, if there is an error in the pricing of the NAV per Unit of the Fund; the Manager will take immediate remedial action to correct the error. Rectification shall, where necessary, extend to the reimbursements of money as follows if the error is at or above the significant threshold of 0.5% of the NAV per Unit:

- (a) if there is an over pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holder;
- (b) if there is an over pricing in relation to the repurchase of Units, the Manager shall reimburse the Fund;
- (c) if there is an under pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
- (d) if there is an under pricing in relation to the repurchase of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

The Manager retains the discretion whether or not to reimburse if the error is below 0.5% of the NAV per Unit or where the total impact on an individual account is less than RM10.00 in absolute amount. This is because the reprocessing costs may be greater than the amount of the adjustment.

Selling Price of Units (For all 11 Funds)

The sales charge is a fee levied on the purchase of units of a Fund, and is used to pay for marketing, advertising and distribution expenses of the Fund. The fee is deducted upfront from the purchase amount, leaving only the net amount invested in a Fund.

The sales charge is calculated based on the Selling Price of the Funds as at the next valuation point after the application is received ("forward pricing").

The following table sets out the amount of sales charge that will be imposed by each of our distributors in respect of the Funds.

Fund Name	Sales Charge per Unit
KPF	<ul style="list-style-type: none">• Direct sales staff of company and walk-in customers: up to 6.50% of the NAV per Unit• Agency sales: up to 6.50% of the NAV per Unit• IUTA: up to 6.50% of the NAV per Unit• Financial Planners: up to 6.50% of the NAV per Unit
KGF	<ul style="list-style-type: none">• Direct sales staff of company and walk-in customers: up to 5.00% of the NAV per Unit• Agency sales: up to 5.00% of the NAV per Unit• IUTA: up to 5.00% of the NAV per Unit• Financial Planners: up to 5.00% of the NAV per Unit
KIF	<ul style="list-style-type: none">• Direct sales staff of company and walk-in customers: up to 6.50% of the NAV per Unit• Agency sales: up to 6.50% of the NAV per Unit• IUTA: up to 6.50% of the NAV per Unit

MASTER PROSPECTUS

	<ul style="list-style-type: none"> Financial Planners: 	up to 6.50% of the NAV per Unit
KSGF	<ul style="list-style-type: none"> Direct sales staff of company and walk-in customers: Agency sales: IUTA: Financial Planners: 	up to 5.00% of the NAV per Unit up to 5.00% of the NAV per Unit up to 5.00% of the NAV per Unit up to 5.00% of the NAV per Unit
KBF	<ul style="list-style-type: none"> Direct sales staff of company and walk-in customers: Agency sales: IUTA: Financial Planners: 	up to 5.99% of the NAV per Unit up to 5.99% of the NAV per Unit up to 5.99% of the NAV per Unit up to 5.99% of the NAV per Unit
KIBF	<ul style="list-style-type: none"> Direct sales staff of company and walk-in customers: Agency sales: IUTA: Financial Planners: 	up to 5.99% of the NAV per Unit up to 5.99% of the NAV per Unit up to 5.99% of the NAV per Unit up to 5.99% of the NAV per Unit
KBNF	The Manager does not intend to impose any Sales Charge as this is a fixed income fund.	
KAPOF	<ul style="list-style-type: none"> Direct sales staff of company and walk-in customers: Agency sales: IUTA: Financial Planners: 	up to 5.50% of the NAV per Unit up to 5.50% of the NAV per Unit up to 5.50% of the NAV per Unit up to 5.50% of the NAV per Unit
KMIF	<ul style="list-style-type: none"> Direct sales staff of company and walk-in customers: Agency sales: IUTA: Financial Planners: 	up to 6.50% of the NAV per Unit up to 6.50% of the NAV per Unit up to 6.50% of the NAV per Unit up to 6.50% of the NAV per Unit
KIMMF	The Manager does not intend to impose any Sales Charge as this is a money market fund.	
KMMF	The Manager does not intend to impose any Sales Charge as this is a money market fund.	

Notes:

Investors who invest in any funds through the EPF Members' Investment Scheme pay a lower Sales Charge which is 3% of the MAV per Unit (or such other maximum rate that may be allowed by the EPF from time to time).

The Manager may waive or reduce the sales charge imposed. Investors may also negotiate for a lower sales charge with their preferred distributor, subject to the respective channels' qualifying criterion.

Illustration

Assuming:

Fund
Day

Kenanga Premier Fund
31 March 20XX

NAV (before deducting management fee and trustee fee)	RM276,094,332.47
NAV of the Fund (after deducting management fee and trustee fee)	RM276,082,456.63
Units in Circulation (Units)	<u>552,164,913.26</u>
NAV per Unit	<u>RM0.50000000</u>

MASTER PROSPECTUS

The NAV per Unit of the Fund is the Selling Price. Assuming the Manager is charging a sales charge of 6.50% of the Selling Price for all transactions:

NAV per Unit	RM0.5000
Sales charge	6.50% of the Selling Price

If you make a payment of RM10,000, the amount to be invested in a Fund and the sales charge to be paid by you are calculated as follows:

Amount to be invested in a Fund:	$RM10,000 / (1 + 0.065) = RM9,389.67$
Units issued to you:	$RM9,389.67 / RM0.5000 = 18,779.34$ Units
Sales Charge to be paid by you:	$RM10,000 - RM9,389.67 = RM610.33$

Note: the Manager reserves the right to accept or reject any application in whole or part thereof without assigning any reason.

Repurchase Price of Units (For all 11 Funds)

Fund Name	Repurchase Charge
KPF, KGF, KIF, KSGF, KBF, KIBF, KBNF, KAPOF, KMIF, KIMMF & KMMF	<p>The buying (or repurchase) price of a unit is calculated by dividing the NAV of the Fund at the end of the Business Day (forward price) on which the written request to repurchase the units is received by the Manager by the total number of units in issue on that day.</p> <p>There is NO repurchase charge levied on the repurchase request.</p>

Buying Transaction

If a Registered Holder redeems RM10,000.00, and the Buying Price is RM0.5000 per Unit he would receive 20,000 Units. Please refer to the illustration below as to how the above is calculated.

NAV per Unit	RM0.5000
Repurchase charge	0% of the NAV per Unit

If you decide to redeem an amount of RM10,000, the Units to be redeemed shall be calculated as follows:

Amount to be redeemed from the Fund:	$RM10,000 / (1 + 0) = RM10,000$
Units redeemed by you:	$RM10,000 / RM0.5000 = 20,000$ Units
Repurchase Charge to be paid by you:	None as there is no repurchase charge.

Commission

The Manager may, at its sole discretion, give the benefit of the whole or part of the sales charge as selling commission to its distribution agents.

MASTER PROSPECTUS

Where Units can be Bought and Sold

Investors are required to complete application forms, which are available at:

- (a) Business office of the Manager (refer to Corporate/Offices' Directory);
- (b) Agency Offices (refer to Offices' Directory);
- (c) Approved Institutional Unit Trust Advisers (IUTAs)
 - HSBC Bank Malaysia Berhad;
 - RHB Bank Berhad;
 - Standard Chartered Bank Malaysia Berhad;
 - Standard Chartered Saadiq Berhad;
 - OCBC Bank Malaysia Berhad;
 - Alliance Bank (Malaysia) Berhad;
 - HSBC Amanah Malaysia Berhad;
 - CIMB Bank Berhad;
 - RHB Investment Management Sdn Bhd;
 - CIMB Investment Bank Berhad;
 - Apex Investment Services Berhad;
 - Kuwait Finance House (Malaysia) Berhad;
 - Philip Mutual Berhad;
 - iFast Capital Sdn Bhd;
 - Malacca Securities Sdn Bhd; and
 - Any other appointed IUTAs from time to time.
- (d) Tied agents of the Manager throughout Malaysia.

For the convenience of applicants, all approved IUTAs and other appointed agents in Malaysia are authorised to accept the application forms accompanied by the necessary remittance for onward transmission to the Manager (*refer to Directory of the Manager's Offices and List of IUTA, page 6*).

The Funds may offer the following plans:

- (a) “**Cash Plan**” whereby an investor invests on a lump sum basis;
- (b) “**Financing Plan**” which is a personalised financial borrowing plan;
- (c) “**EPF Plan**” whereby an eligible EPF member can withdraw his/her EPF (Account 1) to invest in the Funds;
- (d) “**Easy Saver Plan**” which is a monthly regular saving plan.

INVESTORS ARE ADVISED NOT TO MAKE PAYMENT IN CASH WHEN PURCHASING UNITS OF A FUND VIA INSTITUTIONAL OR RETAIL AGENTS.

Minimum Initial and Additional Investment

Fund Name	Minimum Initial and Additional Investment
KPF, KGF, KIF, KSGF, KBF, KIBF, KBNF, KAPOF, KMIF, KIMMF & KMMF	<p>An investor may begin investment in the Fund with a minimum purchase of One Thousand Ringgit Malaysia (RM1,000)* at the prevailing Manager's selling price per unit (forward price). The Manager may, at its sole discretion, limit the number of units that any one investor can invest in; the limits of investment imposed by the Manager may differ from investor to investor arising from unavailability of units.</p> <p>Additional investments can be made with a minimum of One Hundred Ringgit Malaysia (RM100)* at the then prevailing Manager's selling price. This is again subject to a limit which may be placed at the sole discretion of the Manager.</p> <p>* please note that the RM1,000 and RM100 are inclusive of the amount invested into the Fund and the sales charge retained by the Manager. The Manager reserves the right to allow for such other lower amount of minimum initial and additional investment.</p>

MASTER PROSPECTUS

* Investors who invest through the EPF Members' Investment Scheme is required to invest a minimum of **One Thousand Ringgit Malaysia (RM1,000)**.

Redeeming Your Investment

The Funds do not have any restriction on the frequency of redemption. You may request the Manager to repurchase all or a minimum of 500 units per transaction (*a minimum of 500 units to remain in account at any time*) at any time by simply completing the repurchase form and returning it to the Manager through our appointed agents or direct to our business office. The Manager will repurchase the units at the repurchase price which is the NAV at the end of the Dealing Hours of the Business Day (forward price) of the Manager's receipt of such request. Payment for such repurchase will be made within ten (10) days of receiving the repurchase request.

However, if the redemption request leaves a Unit Holder with less than 500 Units (Minimum Holdings), the Unit Holder may be required to make an application for the Manager to liquidate all the Unit Holder's holding in the Funds.

Switching Option

The switching facility is to assist Unit Holders in moving their investment between funds in response to a change in their investment goals and/or the market conditions. Unit Holders may switch into or out of any of the Funds which are managed by the Manager.

The minimum number of Units for each switching transaction is 500 Units.

In executing his/her transaction, the Unit Holder must ensure that he/she maintains a minimum of 500 Units in his/her account with the respective Funds if he/she intends to stay invested with the Funds.

1. Unit Holders who originally purchased Units of a Fund with a "Sales Charge" imposed will switch into any of the other Funds at the NAV per Unit of that Fund.
2. Unit Holders who originally purchased Units of a Fund with NO "Sales Charge" imposed who switches into any other Funds with NO "Sales Charge" imposed will switch at the NAV per Unit of that Fund.
3. However, if a Unit Holder who originally purchased Units of a Fund with NO "Sales Charge" imposed decides to switch into a Fund with a "Sales Charge" imposed, the Unit Holder will switch at the NAV per Unit of that Fund and will incur the Sales Charge imposed by the Fund they intend to switch into. Thereafter, any subsequent switches into any of the other Funds will be at the NAV per Unit of that Fund.

Please refer to the table below for an illustration on how the switching facility works:

SWITCHING FROM	SWITCHING TO	
CURRENT FUND	INTENDED FUND	
*Fund with "Sales Charge"	*Fund with NO "Sales Charge"	*Fund with "Sales Charge"
	Switch at the NAV per Unit of the Fund.	Switch at the NAV per Unit of the Fund.
*Fund with NO "Sales Charge"	Switch at the NAV per Unit of the Fund.	Switch at the NAV per Unit of the Fund, however, the Unit Holder will have to incur the Sales Charge imposed by the Fund they intend to switch into.

* Note for your ease of reference

Fund with "Sales Charge"

Kenanga Premier Fund
Kenanga Growth Fund
Kenanga Islamic Fund

MASTER PROSPECTUS

Kenanga Syariah Growth Fund
Kenanga Balanced Fund
Kenanga Islamic Balanced Fund
Kenanga Asia Pacific Oriental Fund
Kenanga Malaysia Inc Fund

Fund with NO “Sales Charge” Kenanga Bond Fund
Kenanga Islamic Money Market Fund
Kenanga Money Market Fund

Switching from Shariah-based fund to a conventional fund is discouraged especially for Muslim Unit Holders.

Transfer of Units

Units of any of the Funds are transferable without any fee and restrictions. A copy of the “Transfer Form” can be obtained from the Manager’s office.

Cooling-Off Right

A cooling-off right refers to the right of the investor to obtain a refund of his/her investment if he/she so requests within the cooling-off period (***within six (6) Business Days from the date of receipt of application***). This is to allow investors the opportunity to reverse their investment decision that could have been unduly influenced by certain external elements or factors (EPF investors are subject to EPF’s terms and conditions). The cooling-off right is only given to an investor, other than those listed below, who is investing for the first time in any unit trust Funds managed by the Manager:

- (i) a corporation or institution;
- (ii) a staff of the Manager; and
- (iii) persons registered to deal in unit trust funds of the Manager.

Within the cooling-off period, the refund to the investors shall not be less than the sum of:

- (a) the NAV of the units on the day the units were purchased; and
- (b) the sales charge originally imposed on the day the units were purchased.

In other words, the investors shall be refunded their “original investment proceeds”, within ten (10) days (from the date of receipt of the cooling-off notice by the investors). EPF investors are subject to the terms and conditions of the EPF.

Illustration

A first time investor invests RM10,000.00 on 31 March 20XX at the following prices:

Amount Paid by Investor:	RM10,000.00
Less Sales Charge (6.50% of Selling Price):	RM 610.33
Amount Invested into the Fund:	RM 9,389.67
Add Sales Charge:	<u>RM 610.33</u>
Total Refunded Amount:	<u>RM10,000.00</u>

Annual Management Fee

Fund Name	Annual Management Fee
KPF	An annual management fee of 1.50 per centum (%) of the NAV of the Fund per annum.
KGF	An annual management fee of 1.50 per centum (%) of the NAV of the Fund per annum.
KIF	An annual management fee of 1.90 per centum (%) of the NAV of the Fund per annum.

MASTER PROSPECTUS

KSGF	An annual management fee of 1.50 per centum (%) of the NAV of the Fund per annum.
KBF	An annual management fee of 1.50 per centum (%) of the NAV of the Fund per annum.
KIBF	An annual management fee of 1.50 per centum (%) of the NAV of the Fund per annum.
KBNF	An annual management fee of 1.00 per centum (%) of the NAV of the Fund per annum.
KAPOF	An annual management fee of 1.80 per centum (%) of the NAV of the Fund per annum.
	<i>*Please note that no additional management fee will be charged to the investor or the Fund by the Target Fund.</i>
KMIF	An annual management fee of 1.80 per centum (%) of the NAV of the Fund per annum.
KIMMF	An annual management fee of up to 0.50 per centum (%) of the NAV of the Fund per annum.
KMMF	An annual management fee of up to 0.50 per centum (%) of the NAV of the Fund per annum.

The management fee is computed and accrued on a daily basis and payable monthly.

Annual Trustee's Fee

Fund Name	Annual Trustee Fee
KPF	0.07 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis (excluding foreign sub-custodian fee and charges).
KGF	0.08 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.
KIF	0.08 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis (excluding foreign sub-custodian fee and charges).
KSGF	0.08 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.
KBF	0.08 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis (excluding foreign sub-custodian fee and charges).
KIBF	0.07 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis (excluding foreign sub-custodian fee and charges).
KBNF	0.08 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.
KAPOF	0.07 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis (excluding foreign sub-custodian fee and charges).
KMIF	0.08 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis .
KIMMF	0.08 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.
KMMF	0.08 per centum (%) of the NAV of the Fund per annum, subject to a minimum of RM18,000 per annum, calculated on a daily basis.

The trustee fee is computed and accrued on a daily basis and payable monthly.

MASTER PROSPECTUS

Funds' Expenses

These include the following:

- (a) all fees authorised by the respective Deeds to be paid out of the Funds to the Manager and the Trustees;
- (b) all fees and disbursements of the Shariah Adviser;
- (c) all fees and disbursements of the Auditors;
- (d) accounting and other professional fees and disbursements approved by the Trustees;
- (e) valuation fees payable in respect of the Funds;
- (f) duties and taxes payable in respect of the Funds;
- (g) all expenses incurred by the Trustees in effecting registration, insurance or safe custody of the documents of title to all investments held upon the trusts of the respective Deeds; and
- (h) all expenses that are directly related to and necessary for the business of the Funds as set out in the respective Deeds will be paid out of the Funds.

Policy on Stockbroking, Rebates and Soft Commissions

It is the policy of the Manager to credit all stockbroking, rebates on account of each Fund into the accounts of the respective Funds. Soft commissions received from brokers will be retained by the Manager as goods and services, such as research materials, data and quotation services, computer hardware and software incidental to the investment management of the Funds and investment related publications which are of demonstrable benefit to the Unit Holders.

Soft commissions are retained by the Manager for purchasing goods and services that are of demonstrable benefit to the Unit Holders of the Fund and are in the form of research and advisory services that assist in the decision making process relating to the investment of the Funds (i.e. research materials, data and quotation services, computer software and investment advisory services).

THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THE FEES AND CHARGES BEFORE INVESTING IN THE FUNDS.

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MASTER PROSPECTUS

11. SALIENT TERMS OF THE DEEDS

This section of the Master Prospectus provides an extract of the salient terms of the deeds governing the Funds.

a) Rights and Liabilities of Unit Holders

A Unit Holder has the right, amongst others, to the following:

- (a) To receive distribution of income (if any), to participate in any increase in the value of the Units and to enjoy such other rights and privileges as are provided for in the Deed for the Fund;
- (b) To call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a special resolution;
- (c) To exercise cooling-off rights (if applicable); and
- (d) To receive annual and interim reports.

However, no Unit Holder shall be entitled to require the transfer to him of any of the investments or assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such investments and assets.

b) Liabilities of Unit Holders

- (a) No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased; and
- (b) A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of this Deed exceed the value of the assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

c) Provisions regarding Unit Holders Meetings

(i) Quorum Required for Convening a Unit Holders' Meeting

(For KPF, KIF, KBF, KIBF, KBNF, KAPOF, KMIF, KIMMF and KMMF)

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided always that the quorum for a meeting of the Unit Holders convened for the purpose of voting on a special resolution shall be five (5) Unit Holders, whether present in person or by proxy, who must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting, and provided further that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of removing the Manager and/or the Trustee, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting.

(For KGF and KSGF)

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting.

(ii) Unit Holders' Meeting convened by Unit Holders

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, summon a meeting of the Unit Holders by:

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders;

MASTER PROSPECTUS

- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed.

provided always that the Manager shall not be obliged to summon such a meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders.

(iii) Unit Holders' Meeting convened by Manager

Unless otherwise required or allowed by the relevant laws, the Manager may convene a Unit Holders' meeting by giving Unit Holders' a 14 day written notice specifying the place, time and terms of the resolutions to be proposed.

(iv) Unit Holders meeting convened by the Trustee

The Trustee may convene a Unit Holders' meeting by giving Unit Holders' a 14 day written notice specifying the place, time and terms of the resolutions to be proposed for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- (c) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (d) deciding on the next course of action after the Trustee has suspended the sale and redemption of Units; and
- (e) deciding on the reasonableness of the annual management fee charged to the Fund.

In the circumstances where:

- (a) the Manager is in liquidation,
- (b) in the opinion of the Trustee, the Manager has ceased to carry on business, or
- (c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with this Deed or contravened any of the provisions of the Act,

the Trustee shall summon a Unit Holders' meeting by sending by post a notice of the proposed meeting to the Unit Holders at least 21 day before the date of the proposed meeting; and publishing at least 21 days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper permitted by the relevant authorities.

d) Termination of the Fund

(i) Circumstances that may lead to the termination of the Fund

- The SC's approval is revoked under section 212(7)(A) of the Act;
- A special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund, following occurrence of events stipulated under section 301(1) of the Act and the Court has confirmed the resolution, as required under section 301(2) of the Act;
- A special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund;
- The Fund has reached its maturity date as specified in the Deed (if applicable); and

MASTER PROSPECTUS

- The effective date of an approved transfer scheme (if any) has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

Upon the termination of the Fund, the Trustee shall:

- (a) sell all the assets of the Fund then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and
- (b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:
 - i) the net cash proceeds available for the purpose of such distribution and derived from the sale of the investments and assets of the Fund less any payments for liabilities of the Fund; and
 - ii) any available Cash Produce;

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of Fifty (50) sen in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

In the event Fund is terminated, the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of the Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by the Deed and all relevant laws.

The Trustee shall, as soon as it becomes aware that the Fund is to be terminated and wound-up, inform the relevant authorities of the same.

Where the termination of the Fund and the winding-up of the Fund has been occasioned by any of the events set out herein;

- (a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- (b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law;

the Trustee shall summon for a Unit Holders meeting to get directions from the Unit Holders and also arrange for a final review and audit of the final accounts of the Fund by the Auditor of the Fund; in all other cases of termination of the trust and winding-up of the Fund, such final review and audit by the Auditor of the Fund shall be arranged by the Manager.

e) **The maximum fees and charges that may be imposed by the Manager and the steps to be taken by the Manager to increase such fees and charges**

i) **Maximum Rate of Direct Fees and Charges allowable by the Deed.**

Fund Name	Maximum Sale Charge	Maximum Repurchase Charge
KPF	10% of the NAV per Unit of the Fund	10% of the NAV per Unit of the Fund
KGF	10% of the NAV per Unit of the Fund	Nil

MASTER PROSPECTUS

KIF	10% of the NAV per Unit of the Fund	Nil
KSGF	10% of the NAV per Unit of the Fund	Nil
KBF	10% of the NAV per Unit of the Fund	Nil
KIBF	10% of the NAV per Unit of the Fund	10% of the NAV per Unit of the Fund
KBNF	5% of the NAV per Unit of the Fund	Nil
KAPOF	5.5% of the NAV per Unit of the Fund	3% of the NAV per Unit of the Fund
KMIF	6.50% of the NAV per Unit of the Fund	Nil
KIMMF	Nil	Nil
KMMF	Nil	Nil

ii) Maximum Rate of Indirect Fees and Charges allowable by the Deed.

Fund Name	Maximum Annual Management Fee	Maximum Trustee Fee
KPF	2.0% of the NAV of the Fund	0.15% of the NAV of the Fund per annum
KGF	1.5% of the NAV of the Fund	First RM50 million – 0.1% Next RM50 million – 0.09%, Above RM100 million – 0.08% of the NAV of the Fund, subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges)
KIF	2.5% of the NAV of the Fund	0.1% of the NAV of the Fund subject to a minimum of RM18,000 per annum
KSGF	1.5% of the NAV of the Fund	First RM50 million – 0.1% Next RM50 million – 0.09%, Above RM100 million – 0.08% of the NAV of the Fund, subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges)
KBF	2.0% of the NAV of the Fund	0.5% of the NAV of the Fund subject to a minimum of RM35,000 per annum
KIBF	2.5% of the NAV of the Fund	0.25% of the NAV of the Fund subject to a minimum of RM18,000 per annum

MASTER PROSPECTUS

KBNF	2.5% of the NAV of the Fund	0.1% of the NAV of the Fund subject to a minimum of RM18,000 per annum
KAPOF	3.0% of the NAV of the Fund	0.5% of the NAV of the Fund subject to a minimum of RM18,000 per annum
KMIF	2.0% of the NAV of the Fund	1.0% of the NAV of the Fund subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges)
KIMMF	1.0% of the NAV of the Fund	1.0% of the NAV of the Fund subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges)
KMMF	1.0% of the NAV of the Fund	1.0% of the NAV of the Fund subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges)

iii) Procedures to be taken to increase the Direct Charges and Indirect Fees from the current amount stipulated in the Prospectus

Sales Charge

The Manager may not charge a sales charge at a rate higher than that disclosed in a prospectus unless:

- (a) the Manager has notified the Trustee in writing of the higher rate and the date on which such higher rate is to become effective;
- (b) a supplemental prospectus stating the higher rate is issued thereafter; and
- (c) such time as may be prescribed by any relevant law shall have elapsed since the supplemental prospectus is issued.

Repurchase Charge

The Manager may not charge a repurchase charge at a rate higher than that disclosed in a prospectus unless:

- (a) the Manager has notified the Trustee in writing of the higher rate and the date on which such higher rate is to become effective;
- (b) a supplemental prospectus stating the higher rate is issued thereafter; and
- (c) such time as may be prescribed by any relevant law shall have elapsed since the supplemental prospectus is issued.

Annual Management Fee

The Manager may not charge an annual management fee at a rate higher than that disclosed in a prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective;
- (c) a supplemental prospectus stating the higher rate is issued thereafter; and

MASTER PROSPECTUS

- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental prospectus is issued.

Annual Trustee Fee

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in a Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective;
- (c) a supplemental prospectus stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental prospectus is issued.

iv) Procedures to be taken to increase the Direct Charges and Indirect Fees from the Maximum Rate provided in the Deed

The maximum sales charge, repurchase charge, annual management fee or annual trustee fee set out in the Deed can only be increased if a Unit Holders' meeting has been held in accordance with the Deed. Thereafter, a supplemental deed proposing a modification to the Deed to increase the aforesaid maximum charges and fees is required to be submitted for registration with the SC accompanied by a resolution of not less than two-thirds (2/3) of all Unit Holders present and voting at the Unit Holders' Meeting sanctioning the proposed modification to the Deed.

f) Circumstances that may Lead Towards the Retirement, Removal or Replacement of the Manager

Subject to the approval of the relevant authorities, the Manager has the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee three (3) months' notice in writing of the Manager's desire so to do, or such lesser time as the Manager and the Trustee may agree upon, and subject to the fulfilment of the following conditions:

- the retiring Manager shall appoint such corporation by writing under its seal as the management company of the Fund in its stead and assign and transfer to such corporation all its rights and duties as management company of the Fund;
- such corporation shall enter into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund;
- upon the payment to the Trustee of all sums due from the retiring Manager to the Trustee at the date of such retirement, the retiring Manager shall be absolved and released from all further obligations hereunder but without prejudice to the rights of the Trustee or any Unit Holder or other person in respect of any act or omission on the retiring Manager's part prior to such retirement and the new management company may and shall thereafter exercise all the powers and enjoy all the rights and shall be subject to all the duties and obligations as fully as though such new management company had been originally a party to the Deed;

g) Powers of the Manager to Remove the Trustee

The Manager is obliged to give the Unit Holders notice in writing to consider the removal of the Trustee if the Trustee fails or neglects to carry out its duties as stipulated in the Deed and under the Act. The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:

- the Trustee has ceased to exist;
- the Trustee has not been validly appointed;
- the Trustee is not eligible to be appointed or act as a trustee under any relevant law;
- the Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- a receiver is appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under the appointment,
- a petition is presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent); or

MASTER PROSPECTUS

- the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any relevant law.

The Trustee may be removed and another trustee may be appointed by Special Resolution of the Unit Holders at a duly convened meeting of which notice has been given to the Unit Holders in accordance with the Deed.

h) Retirement or Removal or Replacement of the Trustee

Provided always that the Manager has in place a corporation approved by the relevant authorities to act as the trustee of the Fund, the Trustee may retire upon the expiration of three (3) months' (or such other period as the Manager and the Trustee may agree upon), notice in writing to the Manager of its desire so to do.

The Trustee may be removed and another trustee may be appointed by way of a Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed or as stipulated under the Act.

i) Power of Trustee to Remove or Replace the Manager

The Manager may be removed by the Trustee on the following grounds:

- if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the Unit holders' interest to do so after the Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business.

If any of the events set out above occurs, the Manager shall upon receipt of a written notice from the Trustee cease to be the management company of the Fund by the mere fact that the Manager has received the notice. The Trustee shall, at the same time, by writing appoint some other corporation already approved by the relevant authorities to be the management company of the Fund; such corporation shall have entered into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund.

j) Permitted Expenses Payable Out of the Fund

Only the expenses (or part thereof) which are directly related and necessary to the business of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- (a) commissions/fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the Government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor appointed for the Fund;
- (d) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of this Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;

MASTER PROSPECTUS

- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the independent members of the Investment Committee of the Fund, unless the Manager decides otherwise; and
- (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority; and
- (o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians (*applicable to KGF and KSGF only*).

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MASTER PROSPECTUS

12. MANAGEMENT AND ADMINISTRATION OF THE FUNDS

Name and Office

The Manager of the Funds is Kenanga Investors Berhad (“KIB”), which has its principal place of business at Suite 12.02, 12th Floor, Kenanga International, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

Background Information

The Manager of the Funds, Kenanga Investors Berhad (“KIB”) (formerly known as CMS Trust Management Berhad), was incorporated as a public limited company on 2nd August 1995 under the Companies Act 1965 with an authorized share capital of RM20,000,000.00 comprising 20,000,000 ordinary shares of RM1.00 each of which 6,765,300 are issued and fully paid-up. KIB is 100% owned by Kenanga Investment Bank Berhad which is a wholly-own subsidiary of K & N Kenanga Holdings Berhad.

KIB is licensed and authorised to conduct business in distributing unit trust and fund management on behalf of corporate, institutional and individual clients under the CMSA 2007 by the SC on 15th May 2008. As at 20 May 2011, KIB manages 11 unit trust funds and other funds from government agencies, pension funds, insurance, corporate and individual clients with a total fund size of RM2.680 billion. KIB has the services of 54 experienced personnel (37 executives & 17 non-executives) to guide them in the management of the funds as at 20 May 2011.

Financial Highlights of the Management Company

The audited financial results of KIB for the financial years ended 31 December 2008 to 31 December 2010 are summarized below:

	Year ended 31 Dec 2010 RM'000	Year ended 31 Dec 2009 RM'000	Year ended 31 Dec 2008 RM'000
Paid-up capital	6,765	6,765	6,765
Shareholders' funds	14,067	13,627	13,629
Revenue	10,790	9,161	9,378
Profit before taxation	875	(21)	(220)
Profit after taxation	439	(1)	(262)

Functions of the Board of Directors

The functions of the Board of Directors are to elaborate, decide, endorse or resolve all matters pertaining to the Management Company and the Funds at the Board meetings that are held formally four times yearly or as circumstances require.

The Board of Directors

Datuk Syed Ahmad Alwee Alsree (Chairman)
ate of Appointment: 11 October 2006

Datuk Syed Ahmad Alwee Alsree was appointed as a Director of Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad) on 11 October 2006.

Datuk Syed Ahmad Alwee Alsree was appointed Chairman of Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad) on 1 January 2008 after having been appointed to the Board in October 2006. He was appointed as a Non-Executive Director of K&N Kenanga Holdings Berhad on 28 August 2009. Datuk Syed Ahmad Alwee Alsree is also the Group Executive Director of Cahya Mata Sarawak Berhad (CMSB). He had earlier joined CMS in February 2004 as Group General Manager – Human Resources where he was responsible for the smooth

MASTER PROSPECTUS

operations and integration of the various human resource departments within CMS Group. He was appointed as Deputy Group Managing Director of CMSB in September 2006 and subsequently re-designated as Group Executive Director in August 2008. Datuk Syed Ahmad graduated with a Bachelor of Law (LL.B.) from the National University of Singapore, and practised law in Singapore for over 10 years prior to joining CMS Group. Apart from K&N Kenanga Holdings Berhad and CMSB, Datuk Syed Ahmad is a director of KKB Engineering Berhad, Kenanga Investment Bank Berhad and SIG Gases Berhad. He is Chairman of Samalaju Aluminium Industries Sdn Bhd (formerly known as Similajau Aluminium Industries Sdn Bhd) and a director of several CMS subsidiaries in financial services, property development and education

Syed Zafilen Syed Alwee (Independent Director)

Date of Appointment: 12 May 2008

Syed Zafilen Syed Alwee has spent his career in managing various sectors of operations of companies such as sales, marketing, technical, management, finance in local listed companies as well as multinational including Patimas, Lityan, Cahya Mata Sarawak, Lucent Technologies, Motorola, Mobil and others as well as being ownership of two other companies. He is currently undergoing an MBA programme in Finance at the University of Manchester.

Bruce Kho Yaw Huat (Independent Director)

Date of Appointment: 29 June 2010

Bruce Kho Yaw Huat was appointed as the Director of Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad) on 29 June 2010. Bruce has significant experience in building and leading financial management firms. His experience spans 34 years within the fields of finance and management, 21 of which were in Hong Kong where he became the Chief Executive Officer, and later Chairman, of the Allianz Group's Asian asset management business, a market leader in the provision of asset management services. After effecting prudent succession planning, he retired from the Allianz Group at the end of 2008. He is also a qualified Chartered Accountant in the United Kingdom in 1979.

Lee Kok Khee

Date of Appointment: 30 June 2010

Lee Kok Khee was appointed as the Director of Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad) on 30 June 2010. Lee Kok Khee joined K & N Kenanga Bhd in Oct 2003 to set up and head the Corporate Finance Unit. In May 2006, he was appointed as the Deputy Chief Executive Officer and later in June 2009, as the Chief Executive Officer of Kenanga Investment Bank Berhad ("KIBB"). Kok Khee is a Certified Public Accountant and started his career with Ernst and Young in 1989 where he was responsible for various audit functions. In 1992, he joined Arab-Malaysian Merchant Bank Berhad (now known as AmMerchant Bank Berhad) as the Senior Manager in Corporate Finance. He was responsible for the execution and marketing of corporate finance services. He joined Tokyo-Mitsubishi International (Singapore) Limited as Vice President of the Asia Pacific region in 1999. Prior to KIBB, he joined a private-owned investment holding company in 2001 as the Corporate Director.

Abdul Razak Bin Ahmad

Chief Executive Officer/ Executive Director

Date of Appointment: 19 July 2010

Abdul Razak Bin Ahmad was appointed as Chief Executive Office / Executive Director of Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad) on 19 July 2010. He has more than 20 years of experience in the financial industry; mainly Asset Management, Unit Trust Business, Corporate Banking and Treasury, business development and transformation management. He had held Senior Management positions and directorship in three Investment Management Organizations in Malaysia. He holds a Bachelor Degree of Science majoring in Business Administration (Finance) Magna Cum Laude from University of Southwestern Louisiana, USA. Abdul Razak is a holder of the Capital Markets and Services Representative License and a Certified Financial Planner.

Peter John Rayner

Date of Appointment: 11 November 2011

Peter was appointed a Director (and Investment Committee member) of Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad) on 11 November 2010. He has over 30 years successful experience in building & leading businesses in the fields of Chartered Accounting, Stock Broking, Private Equity and Asset Management. He has held many senior positions including as Chief Executive Officer of both Allianz Global Investors & Saltbush Funds Management in Australia, Executive Director of private equity firm Audant Capital, Head of Institutional Investment at Perpetual Investments (one of Australia's largest & most successful fund managers) and National Chief Financial

MASTER PROSPECTUS

Officer of a major Australian hospital group. He is currently a Director of two Australian private family companies. He holds a business degree (majoring in Accounting & Finance) from Charles Sturt University in Australia, and is a CPA.

Functions of the Investment Committee

The Investment Committee's functions are to:

- (a) plan and decide on long-term strategies and asset allocation of the Fund;
- (b) review the current economic scenario, market outlook and determine sectorial weightings;
- (c) review the performance of the respective Fund's portfolio; and
- (d) review and approve new investments.

The Committee meets four times yearly or as circumstances require.

The Investment Committee

The members of Investment Committee for the Funds consist of:

- Bruce Kho Yaw Huat (**Chairman & Independent Member**)
 - Datuk Syed Ahmad Alwee Alsree
 - Syed Zafilen Syed Alwee (**Independent Member**)
 - Abdul Razak bin Ahmad
 - Peter John Rayner
- * please refer to "The Board of Director" section for details of their profiles.*

Functions of the Manager

The Manager is responsible for the day-to-day management of the Fund in accordance with the provisions of the Deed and for the development and implementation of appropriate investment strategies. The main tasks to be performed by the Manager include:

- (a) managing funds received from the investors;
- (b) valuation and pricing of units;
- (c) arrangement for the sale and repurchase of units;
- (d) keeping of proper records of the Funds; and
- (e) maintaining the register of Unit Holders.

The Management Team

Abdul Razak Bin Ahmad
Chief Executive Officer/ Executive Director

Abdul Razak Bin Ahmad's biography has been mention under "The Board of Directors".

Philip Tan
Director of Investment/ Deputy Chief Executive Officer

Philip Tan joined the Manager in May 2005. He is the Deputy Chief Executive Officer and Director of Investment at KIB. Prior to this, he was with MBf Unit Trust Management as the Head of Investments and subsequently he was attached to a regional boutique asset management house as a Senior Vice President of Investment. He graduated with Bachelors of Business in Accounting & Finance from University of Technology, Sydney. He has a total of more than 15 years in the industry.

MASTER PROSPECTUS

Chen Fan Fai **Director of Investment/ Deputy Chief Executive Officer**

Chen Fan Fai was appointed as the Director of Investment/Deputy CEO of Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad) on 1 November 2010. Fan Fai joined the Kenanga Group in March 2007 bringing with him more than 16 years experience managing portfolios invested in regional equities and bonds. On 1st November 2010, he was transferred to his current position in KIB. Prior to joining the Kenanga Group, he was the Chief Investment Officer of Allianz Life Insurance Malaysia Berhad. He has also held senior investment positions with UOB Asset Management Limited, OCBC Asset Management Limited and Singapore Unit Trust Limited. Fan Fai holds a bachelor degree in engineering (Royal Melbourne Institute of Technology), an MBA (Loyola University of Chicago) and an MSc in Accounting (University of Illinois).

Wong Yew Joe **Director of Investment, Fixed Income**

Wong Yew Joe was appointed as the Director of Investment, Fixed Income in Kenanga Investors Berhad (formerly known as CMS Trust Management Berhad) in April 2011, bringing with him more than 11 years of experience in the fund management industry. Prior to this, he has been in RHB Investment Management Sdn Bhd (RHBIM) for a total of 7 years. As the Head of Fixed Income in RHBIM, he was responsible for all fixed income investments, totalling about RM 9 billion worth of funds managed by RHBIM. Over the same period, some of the funds under his management were conferred with some fixed income fund awards from Lipper and Failaka. He was also voted as one of the most astute investors in the Malaysian Bond market under the Asset Benchmark survey for several years. He has also been with SBB Asset Management Sdn Bhd for a year as a Credit Analyst. Before that, he was with BHLB Asset Management Sdn Bhd, with principal involvement in business development and corporate marketing. Yew Joe is a graduate from the University of Southern Queensland with a Bachelor's Degree, majoring in Accounting and Finance.

Syhiful Zamri Bin Abdul Azid **Director of Investment, Research and Advisory**

Syhiful Zamri Bin Abdul Azid joined the Manager in April 2011. Prior to this, he was with RHB Investment Management Sdn Bhd (RHBIM) as Head of Fund Management Research for more than 3 years. He has also been with KAF Investment Bank for more than 5 years before joining RHBIM. He has wide experience in both equity and fixed income research and had exposures doing financial analysis and marketing of unit trust funds. He graduated with an Honours Degree from De Montfort University (UK) with Bachelor in Accounting and Finance. He has more than 10 years experience in the industry.

Shahariah Binti Shaharudin **Head, Business Development**

Shahariah joined the Manager in April 2011 as Head of Business Development overseeing both wholesale and unit trust businesses. Shahariah brings with her 20 years of experience in the financial services industry. She began her career in a local bank and has extensive experience in both Retail and Corporate Banking. Subsequently she joined a stock broking company as Head of Dealing managing Institutional Trade. In 2006, she joined RHB Investment Management Sdn Bhd under Strategic Business and Market Development Division where her core responsibility is sourcing business and servicing both retail and wholesale clients ranging from unit trust, corporate and government agencies to insurance companies. She graduated with Bachelor of Arts Degree in Business Studies from Knox College, Illinois and Master of Arts in Economics from University of Illinois, Springfield, USA. She holds Capital Market Services Representatives License.

Noor Aini Shaik Awab **Head, Operations**

Noor Aini Shaik Awab joined the Kenanga Group in 2006, as Head of Operations of Kenanga Asset Management Sdn Berhad and subsequently was transferred to Kenanga Fund Management Berhad. Started her career with Schrodgers Investment Management (Singapore) Limited; and brings with her more than 20 years of experience in securities administration operations, local and regional settlements, and had spearheaded the implementation of various back-office systems. She holds a Diploma in Business Administration and Diploma in National Computer Studies. She was appointed as the Head of Operations of Kenanga Investors Berhad on 13th October 2010.

MASTER PROSPECTUS

Francis Lou **Head, Finance**

Francis Lou joined the Manager in August 2002 as the Assistant Manager - Finance. He holds a Bachelor of Management Studies in Finance and Accounting from the University of Waikato, New Zealand. He is in charge of the financial accounts of the Company. He brings with him over 19 years of experience in audit, finance company, commercial banking, merchant banking and treasury. Prior to joining the Manager, he was with an established merchant bank as a licensed treasury dealer.

Aida Zurina **Head, Legal & Compliance**

Aida Zurina joined the Manager in January 2007 as the Compliance & Legal Executive. She has 8 years of legal experience having worked with Messrs. Nik Hisham & Co. and Satriadesa Corporation Sdn Bhd as a paralegal and Legal Officer respectively. She subsequently joined the MUI Group as the Legal Officer in the Group Legal Affairs Department prior to joining the Manager. She read law in Coventry University, United Kingdom and holds a Bachelor of Art Degree in Law.

Eugene Liew **Head, Compliance**

Eugene Liew joined the Manager in July 1997 as the Senior Compliance Officer. He carries with him 14 years of valuable experience in the unit trust industry, particularly in the area of compliance, marketing support and administration. He is an Associate Member of The Association of International Accountants of United Kingdom (AIA.UK). Prior to joining the Manager, he was an auditor with an international accounting firm specializing in auditing, accounting and consulting services where he gained valuable experience in various fields of auditing and accounting. He also has qualifications in Insurance, Options & Futures and is a member of the Federation of Investment Managers Malaysia (FiMM). He has also passed Module 9, 10 & 11 of Securities Industry Development Corporation (SIDC) examinations. He is the registered Compliance Officer for the Manager with the Securities Commission Malaysia. He is responsible for the compliance function of the Manager.

Milo Lo **Head, Information Technology**

Milo Lo joined the Manager in March 2001. He is responsible for managing the IT and communications infrastructure as well as identifying, selecting, implementing and maintaining of company's technology system in line with its business direction and operational requirements. Milo has more than 26 years working experience in financial services and the unit trust industry. Prior to joining the Manager, he worked in a listed financial institution from 1986 to 2001. He had been one of the pioneer staff in the previous company's IT department and was responsible for setting-up and implementing the financial institution's Full-Fledged Banking System and Regional Computer Centers.

The Investment Team

The designated fund managers for the respective Funds are as follows:

- (a) KPF, KIF, KBF, KIBF, KAPOF and KMIF - Mr Philip Tan;
- (b) KGF and KSGF - Mr Chen Fan Fai; and
- (c) KBNF, KIMMF and KMMF - Mr Wong Yew Joe.

The particulars of the Investment Team are as follow:

Philip Tan **Director of Investment/Deputy Chief Executive Officer**

Philip Tan's biography has been mention under "The Management Team".

Chen Fan Fai **Director of Investment/Deputy Chief Executive Officer**

Chen Fan Fai's biography has been mention under "The Management Team".

MASTER PROSPECTUS

Wong Yew Joe
Director of Investment, Fixed Income

Wong Yew Joe's biography has been mention under "The Management Team".

Syhiful Zamri Bin Abdul Azid
Director of Investment, Research and Advisory

Syhiful's biography has been mention under "The Management Team".

Nik Hazim Nik Mohamed
Senior Portfolio Manager

Nik Hazim Nik Mohamed joined the Manager in April 2009 as a Senior Portfolio Manager. 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 equity mandates for proprietary accounts and later for publicly offered unit trust funds in Singapore. Later with PNB, he co-managed the Amanah Saham Bumiputera, Malaysia's largest publicly offered fund. Whilst as PNB, he conducted equity research and was also involved in product development. He graduated with a Bachelor's Degree with Honours from Universiti Utara Malaysia in Bachelor in Business Administration majoring in Finance. He is also a holder of the Capital Markets Services Representative Licence.

Mohd Ezani Bin Abu Yazid
Senior Portfolio Manager

Ezani joined the Manager in March 2011. Ezani has 18 years experience in the disciplines of Treasury & Money Market management. In 1993, he began his career in the Treasury Department of Bank Utama (M) Berhad and in 1996, joined Bolton Finance Berhad (later known as Alliance Finance Berhad). He moved into the funds management industry in 2001 when he joined BHLB Asset Management Sdn Bhd (BAM). BAM later merged with Southern Bank Berhad Asset Management (SBBAM) (later known as SBB Investment Management Sdn Bhd) and Ezani retained his position until he joined RHB Investment Management Sdn Bhd (RHBIM) in May 2006. During his tenure in RHBIM he managed wholesale and retail cash funds. His other wide experience includes central dealing of equity, fixed income and foreign exchange. He has a Diploma in AgriBusiness from University Putra Malaysia. Ezani is a holder of the Capital Markets Services Representatives License.

Tan Lip Kwang
Portfolio Manager

Tan Lip Kwang joined Kenanga Group in May 2007. He started as an analyst in Kenanga Fund Management Berhad and trained as a generalist specializing in Malaysia market. He was promoted as a Portfolio Manager in August 2009 after obtaining his Capital Markets and Services Representative license in July 2009. Prior to Kenanga Fund Management Berhad, he was an internal auditor with Public Bank for one and a half year. Lip Kwang holds a Bachelor Degree in Finance from Lancaster University and a MSC in Actuarial Science from City University of London. Lip Kwang was appointed as the Portfolio Manager of Kenanga Investors Berhad on 1 November 2010.

Material Litigation

As at 20 May 2011, save as disclosed below, the Manager is not engaged in any litigation or arbitration proceedings, either as plaintiff or defendant which has a material effect on the financial position of the Manager, and the Board of Directors is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any such proceedings which might materially and adversely affect the position or business of the Manager.

An ex-employee of the Manager who was dismissed by the Manager has filed an action under section 20(3) of the Industrial Relations Act 1967 to challenge his dismissal. The ex-employee contends that his dismissal was without just cause or excuse and is seeking to be reinstated to his former position without any loss of salary and benefits.

The matter came up for further submissions on 31 January 2011 before the Industrial Court in Kuching. The Learned Chairman then adjourned the matter and informed us that he will be handing down his written decision on the above matter in due course. As at 20 May 2011, the Learned Chairman has yet to deliver his decision on the case.

MASTER PROSPECTUS

The Directors are of the opinion that the claim has no bearing on the performance of the Fund and that it has no adverse effect on the capability of the Manager in discharging its duties and responsibilities to the Unit Holders of the Fund.

THE EXTERNAL FUND MANAGER (Only for the Kenanga Bond Fund)

Opus Asset Management Sdn Bhd (OpusAM)

Opus Asset Management Sdn Bhd (OpusAM) is a licensed fund manager under the Capital Markets and Services Act 2007, was incorporated on 24 December 1996 as Lotus Asset Management Sdn Bhd. On 8 February 2002, its name was changed to Merican & Partners Asset Management Sdn Bhd, before it assumed its present name on 7 March 2005.

To date, OpusAM has more than 14 years experience in fund management industry. As at 20 May 2011, the total asset under management of OpusAM stands at approximately RM1.6 billion.

The designated persons responsible for the management of the fund are Mr. Siaw Wei Tang (Managing Director/Chief Investment Officer) and Ms. Ng Lee Peng (Head of Fixed Income).

Siaw Wei Tang, Managing Director/Chief Investment Officer

Mr. Siaw Wei Tang has over 16 years experience in insurance and investment. He started his career as a risk manager and actuarial consultant at NMG Risk Managers & Actuaries Sdn Bhd. In 1995, a year later, he joined Gadek Asset Management Sdn Bhd (later renamed Phileo Asset Management Sdn Bhd) as the fixed income portfolio manager, where he stayed for 4 years. He joined Hong Leong Group in 2000, managing up to RM3 billion in fixed income at HLG Asset Management Sdn Bhd (as a fund manager) and Hong Leong Assurance Bhd (as a Chief Investment Officer). Thus, Mr. Siaw has extensive experience in fixed income securities in Malaysia. Mr. Siaw holds a M.Sc degree in International Banking & Financial Studies, University of Southampton, and B.Sc (Honours) degree in Actuarial Mathematics & Statistics from Heriot Watt University, both in United Kingdom. He holds a Capital Markets Services Representative's Licence.

Ng Lee Peng, Head of Fixed Income

Ms. Ng Lee Peng has over 20 years experience in credit and investment. She joined OpusAM in May 2006 as Head of Fixed Income and previously, she was attached to Hong Leong Assurance Bhd (HLA) – Investment Department managing the fixed income portfolio which grew from less than RM500 million to approximately RM1.5 billion. Prior HLA, she was attached to EON Bank and RHB Bank involving in marketing and credit evaluations. Ms Ng graduated from Monash University, Australia and holds a Bachelor of Economics majoring in Accounting. She is also a Certified Practising Accountants of Australia CPA. She holds a Capital Markets Services Representative's Licence.

Roles and Duties of the External Investment Manager

The Manager has delegated the investment management function to the External Investment Manager. The External Investment Manager shall manage, realize, invest, reinvest or deal with the Fund according to the objective of the Fund. The External Investment Manager will at all times act with bona fides and in the best interests and for the benefit of the Fund and shall ensure that all investment transactions will be effected in accordance with the objective of the Fund.

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MASTER PROSPECTUS

13. TRUSTEES' PROFILES

Universal Trustee (Malaysia) Berhad (the Trustee for KIF and KBNF)

The Trustee's role is mainly to exercise all due care and vigilance in carrying out its functions and duties and in watching over the interests of Unit Holders. Apart from being vested with the assets of the Fund, the Trustee is responsible for ensuring that the Manager performs its obligations in accordance with the Deed of Trust.

Universal Trustee (Malaysia) Berhad is currently acting as Trustee for 36 unit trust funds and has more than ten (10) years experience in handling unit trust matters. The Trustee has the services of 31 experienced personnel, 18 executives and 13 non-executives, to assist in carrying out its duties as a Trustee as at 20 May 2011.

Corporate Information of the Trustee

Universal Trustee (Malaysia) Berhad (Company No. 17540-D)

1 Jalan Ampang, 3rd Floor
50450 Kuala Lumpur
Tel: 03-2070 8050
Fax: 03-2031 8715, 2032 3194

Date of Incorporation

5 March 1974

Board of Directors

Tan Sri Dato' IR. Talha Bin Haji Mohamad Hashim
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar
Azrin Mirzhan Bin Kamaluddin (alternate to Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar)
Huang Chang Yi
Emily Huang Ye (alternate to Huang Chang Yi)
Wong Sai Fong
Putri Noor Shariza Binti Noordin Omar (alternate to Wong Sai Fong)

Trustee's Financial Highlights

The following is a summary of the past performance of the Trustee based on audited financial statements for the last 3 financial years ended 31 December:

	2009	2008	2007
	31 December	31 December	31 December
Paid-up capital (RM)	500,000	500,000	500,000
Shareholders' fund (RM)	6,025,529	5,786,875	5,529,284
Turnover (RM)	3,591,350	4,166,722	4,082,925
Pretax profit (RM)	1,037,164	1,256,263	993,028
Profit after tax (RM)	801,154	1,007,591	786,735

Key Management Staff

Mr Liew Kok Wah is the Chief Executive Officer cum Company Secretary of the company. He joined the company in July 1988 and is responsible for the overall management of the company. He is a Fellow Member of the Chartered Institute of Management Accountants (CIMA), England, a Registered Accountant of the MIA and a Member of the British Institute of Management, England. He started his career as an Assistant Accountant with McAlister & Co. Ltd from 1971 to 1974 and upon completion of the CIMA examination in 1978, he was appointed as the Senior Management Accountant/Lecturer in the London School of Accountancy, England until October 1982. Upon his return to Malaysia, he was the Group Finance and Administration Manager with the Harpers Group till June 1983, before joining Faber Merlin Berhad as the Group Management Accountant from 1986 till June 1988, and was also the Director of Studies in the Goon Professional Centre Sdn Bhd.

MASTER PROSPECTUS

Ms Punithamalar Veluppillai is the Senior Manager and is a Fellow Member of ACCA and prior to joining the Company in 1994, she was handling accounts and tax matters for one of the subsidiaries of Tanjung Public Limited Company. In 1997, she joined EON Berhad and was assisting the treasury department. In 1998 she was appointed as the Assistant Manager in Universal Trustee (M) Berhad (UTMB). She is now responsible for supervising the overall functions of the company.

Ms Agnes Lai Yoke Ping is the Manager and is an Associate Member of the Chartered Institute of Management Accountants, England. Prior to her present appointment in 1996, she had more than 10 years working experience in the finance and administration division with a wholly owned subsidiary of a public listed company. She has been handling unit trust matters since joining the company and is currently responsible for the compliance division of unit trust funds and human resource function of the company.

Mr Beninder Singh Johl is the Legal & Compliance Manager. He was appointed on 1st March 2011 and he graduated with LLB from the University of Northumbria, Newcastle. He is responsible for the overall legal and compliance matters of UTMB and is also responsible for private debt securities, clubs and timeshares. Prior to joining UTMB, he was working in the banking industry, attending to legal and regulatory compliance matters. In addition, he had also been dealing with various agreements in relation to the banking industry and also overseeing the Probates and Administration of Estates.

Duties and Responsibilities of the Trustee

The Trustee acts as the custodian of the Fund and its role is to safeguard the assets of the Fund. The Trustee is governed by the Trust Deed, Capital Markets and Services Act 2007 and the Securities Commission Malaysia's Guidelines. In performing these functions, the Trustee has to exercise due care, skill, diligence and vigilance in carrying out its duties and responsibilities, and also ensures that the Manager carries out its duties in accordance to the provisions of the Trust Deed, Capital Markets and Services Act 2007 and the Securities Commission Malaysia's Guidelines.

Trustee's Statement of Responsibility

UTMB is willing to continue its position as trustee of the Funds and all the obligations that come along with it under the Deed and all relevant written laws.

Material Litigations

As at 20 May 2011, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegates.

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MASTER PROSPECTUS

HSBC (Malaysia) Trustee Berhad (the Trustee for KPF, KGF, KSGF, KBF, KIBF, KAPOF, KMIF, KIMMF & KMMF)

The Trustee is HSBC (Malaysia) Trustee Berhad (Company No. 1281-T), a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at Suite 901, 9th Floor, Wisma Hamzah-Kwong Hing, No.1 Lebu Ampang, 50100 Kuala Lumpur. The Trustee is a member of the HSBC Holdings Plc. group of companies and forms part of the global network of trust companies within HSBC Holdings Plc.

Financial Position

The Trustee has a paid-up capital of RM500,000.00. As at 31 December 2010, its shareholders' funds totalled RM23.33 million and it achieved a profit before tax of RM11.25 million.

The following is a summary of the past performance of the Trustee based on the audited accounts for the last 3 years:

	Year Ended 31 December		
	2008 (RM)	2009 (RM)	2010 (RM)
Paid-up Share Capital	500,000	500,000	500,000
Shareholders' Funds	14,353,116	17,521,023	23,330,550
Turnover	17,843,570	18,006,590	20,989,037
Profit before Tax	10,470,535	10,930,880	11,253,763
Profit after Tax	7,754,577	8,200,407	8,314,528

Experience in Trustee Business

Since 1993, the Trustee has acquired experience in the administration of unit trusts and as at 20 May 2011, the Trustee has 174 unit trust funds (including exchange traded funds and wholesale funds) under its trusteeship.

As at 20 May 2011, the Trustee has a workforce of 54 employees consisting of 39 executives and 15 non-executives. A good number of the staff has been with the Trustee for many years. This element of continuity reflects an intrinsic characteristic of trust services. The Trustee also believes in building team and talents by recruiting new members with relevant experiences to replace the long serving retired colleagues.

Each client's account is under the supervision of a trust officer who is able to focus his personal attention on the administration of the account and reports directly to his manager.

The Trustee also has a Compliance Section whose responsibilities is to ensure that the Trustee's business is carried on in accordance with all relevant laws, codes, rules and standards of good market practice.

Board of Directors

Mr Jonathan William Addis
Ms Lim Liang Hua
Dato' Ranita Mohd Hussein
Ms Zainon Baba
Mr Alastair E Murray
Ms On Bee Heong
Ms Hew Su Chan (Alternate to Ms On Bee Heong)

Profile of Key Personnel

Ms Lim Liang Hua – Managing Director

She joined HSBC (Malaysia) Trustee Berhad in April 2004 and brings with her over 20 years of legal advisory and problem solving skills in the banking and financial services industry. She holds a Bachelor of Economics and Bachelor of Laws (LLB) from Monash University, Australia. She was admitted to practice as a Barrister & Solicitor in Victoria,

MASTER PROSPECTUS

Australia in 1984 and was called to the Malaysian Bar in 1985. She was in private practice for three years in the Klang Valley before joining the corporate sector, namely the banking and financial institutions industry. She was the Chief Legal Adviser and Company Secretary for the Phileo Allied Bank Group and the United Overseas Bank Group in Malaysia. Prior to her joining HSBC, she was Chief Executive Officer in an established trust company.

Mr Yee Yit Seeng – Chief Operating Officer

He joined HSBC (Malaysia) Trustee Berhad in July 1984. He holds a Diploma in Banking and Finance and is a Senior Associate of Institut Bank-Bank Malaysia. He has more than 22 years of experience in trust operations including client service, systems/projects & office administration, compliance, internal control & audit, and business development. He was also seconded to the HSBC Back-end Processing Office in Cyberjaya, Malaysia to support the global securities operations.

Puan Maziah Yong – Head, Client Service

She joined HSBC (Malaysia) Trustee Berhad in November 2007. She holds an Advanced Diploma In Law from Institut Teknologi MARA. Prior to her joining HSBC, she has more than 15 years working experience in trust administration, especially relating to unit trust schemes.

Ms Lim Gim Lee – Head, Fund Administration

She joined HSBC (Malaysia) Trustee Berhad in December 2008. She holds an Advanced Diploma in Business Administration - Institute of Business Administration and Management (IBAM). She was one of the pioneer staff in setting up two unit trust management companies and has more than 13 years working experience in the unit trust industry.

Ms Vimala Mahathevan - Head, Business Support

She joined HSBC (Malaysia) Trustee Berhad in January 2010. She holds a Diploma in Banking and Finance of Institut Bank-Bank Malaysia and a Diploma in Computer Studies from the National Centre of Computing and Information Technology (NCC). She has 9 years of general banking experience and 16 years of experience in the securities industry which includes overseeing the settlement operations for foreign institutional clients, client servicing, system implementation and being the liaison party with regulatory bodies such as Bursa Malaysia. Prior to joining HSBC Trustee, she was the Head of Settlement, HSBC Securities Services, Sub-Custody and Clearing, in Malaysia.

Ms Lau Sook Yee – Head, Compliance

She joined HSBC (Malaysia) Trustee Berhad in September 2005. She has more than 20 years experience in banking and treasury operations in both merchant and commercial banks.

Ms Janice Chang Hui Ching – Head, Corporate Trust

She joined HSBC (Malaysia) Trustee Berhad in November 2004. She holds a Bachelor of Business majoring in Economics & Finance from RMIT University, Australia. Prior to her joining HSBC, she has more than 7 years experience in Unit Trust Schemes and Corporate Bonds/Private Debt Securities in an established trust company.

Mr Yap Fook Meng – Head, Operational Risk Control and Administration

He joined HSBC (Malaysia) Trustee Berhad in August 2007. He holds a Diploma in Banking and Finance and is a Senior Associate of Institut Bank-Bank Malaysia. He has more than 25 years experience in banking operations, including systems implementation and support with HSBC Bank Malaysia Berhad. Besides local banking experience, he had been seconded to other HSBC Group offices in United Kingdom and Brazil for systems implementation and support.

Ms Tang Su Yin - Head, Due Diligence

She joined HSBC (Malaysia) Trustee Berhad in July 2010. She holds a LLB (Honours) from University of Hull, United Kingdom and a Master of Finance from Royal Melbourne Institute of Technology, Australia. She has more than 8 years experience in the unit trust industry which include compliance monitoring, legal advisory and product development.

Ms Ng Pek Wan - Head, Documentation

She joined HSBC (Malaysia) Trustee Berhad in July 2010. She holds a Bachelor of Laws (LLB) from University of London and was called to the Malaysian Bar in 2000. Prior to joining HSBC, she was in private practice for almost 10 years with experience in commercial litigation and various corporate work.

MASTER PROSPECTUS

Mr Ken Lore Kin Yip - Head, IT and Systems

He re-joined HSBC (Malaysia) Trustee Berhad in November 2010. He holds an Advanced Certificate in System Support and a Degree in Computer Science. He has more than 10 years experience in managing systems; primarily providing system solutions to operation needs, system analysis and design including process re-engineering, project management of Trustee System for both Corporate and Retail clients.

Ms Tan Bee Nie - Head, Trustee Operations

She re-joined HSBC (Malaysia) Trustee Berhad in Jan 2011. She holds a Diploma in Business Administration awarded by The Association of Business Executives (ABE), United Kingdom. She has 18 years experience in fund administration relating to unit trust schemes, including fund accounting and valuation, with unit trust management and trust companies.

Duties and Responsibilities of the Trustee

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Securities Commission Malaysia's Guidelines on Unit Trust Funds. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Guidelines. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Funds and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as Trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under this Deed in relation to the Fund. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

Trustee's Disclosure of Material Litigation

As at 20 May 2011, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegates.

Trustee's Delegate

The Trustee has appointed The Hongkong And Shanghai Banking Corporation Ltd as custodian of the quoted and unquoted local investments of the Fund. The assets of the Fund are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. If and when the Fund should invest overseas, HSBC Institutional Trust Services (Asia) Limited will be appointed as the custodian of the foreign assets of the Fund. Both The Hongkong And Shanghai Banking Corporation Ltd and HSBC Institutional Trust Services (Asia) Limited are wholly owned subsidiaries of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with instructions from the Trustee.

The Trustee is not liable for the acts, omissions or failure of any third party depository including central securities depositories or clearing and/or settlement systems in any circumstances.

MASTER PROSPECTUS

Trustee's Delegates

- 1) The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (Co. No. 258854-D)
No 2 Leboh Ampang
50100 Kuala Lumpur
Telephone No: 03-2070 0744 Fax No: 03-2072 9787
- 2) HSBC Institutional Trust Services (Asia) Limited
6th Floor, Tower One
HSBC Centre
No 1 Sham Mong Road
Kowloon, Hong Kong
Telephone No: (852)25336333 Fax No: (852)28696120

Anti-money Laundering and Anti-terrorism Financing Provisions

The Trustee has in place policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, willful default or fraud of the Trustee.

Statement of Disclaimer

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

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MASTER PROSPECTUS

14. SHARIAH ADVISER

Profile of the Shariah Adviser

Islamic Banking and Finance Institute Malaysia Sdn. Bhd. (“IBFIM”) has been appointed as the Shariah Adviser for Kenanga Islamic Fund, Kenanga Islamic Balanced Fund, Kenanga Islamic Money Market Fund and Kenanga Syariah Growth Fund (“the Funds”). Scheduled to meet the Manager and/or the Investment Committee of the Funds every quarterly, IBFIM will advise the Manager on the selection of investment tools to be adopted. IBFIM will also counsel the mechanism of the operations of the Funds’ activities to ensure that the operations of the Funds comply with Shariah requirements.

General Information of IBFIM

IBFIM was incorporated as a private limited liability company in Malaysia under the Companies Act, 1965 on 13 April 1995.

IBFIM’s establishment is in line with Malaysia’s target to become a regional and international centre of Islamic finance. IBFIM promotes and facilitates the understanding and appreciation of the philosophy and principles of Islamic financial system. IBFIM is registered with the SC to act as a Shariah Adviser for Shariah-based collective investment schemes and sukuk issuance. IBFIM is also involved in numerous Shariah-based private mandates as well as the Shariah Adviser for prominent Islamic REITs.

IBFIM’s paid-up capital is RM10,000,001.00. As at 20 May 2011, IBFIM has total staff strength of 8 employees, and has 55 funds under its supervision.

The Shareholding Interests in IBFIM are as follows:

Bank Negara Malaysia (Special Shareholder)	EON Bank Berhad
BIMB Holdings Berhad	Hong Leong Islamic Bank Berhad
AmInvestment Bank Berhad	Public Bank Berhad
Malayan Banking Berhad	RHB Islamic Bank Berhad
Alliance Bank Malaysia Berhad	CIMB Bank Berhad
Affin Bank Berhad	Etiqa Takaful Berhad
Bank Muamalat Malaysia Berhad	

Roles and Responsibilities of IBFIM as the Shariah Adviser

As the Shariah Adviser, the role of IBFIM is to ensure that the operations and investments of the Funds are in compliance with Shariah requirements. The Shariah Adviser reviews the Funds’ investments on a monthly basis to ensure compliance with Shariah requirements at all times and meets with the Manager on a quarterly basis to review and advise on the Funds’ compliance with Shariah requirements. Final responsibility for ensuring Shariah compliance of the Funds with Shariah requirements in all relevant aspects rests solely with the Manager.

In line with the Securitises Commission (“SC”) Guidelines, the roles of IBFIM as the Shariah Adviser are;

1. ensuring that the Shariah-based unit trust funds (“the Funds”) are managed and administered in accordance with the Shariah principles;
2. providing expertise and guidance for the Funds in all matters relating to Shariah principles, including on the Funds’ deed and prospectus, its structure and investment process, and other operational and administrative matters;
3. consulting the SC who may consult the Shariah Advisory Council where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
4. scrutinising the Funds’ compliance report as provided by the compliance officer, transaction report provided by or duly approved by the trustee and any other report deemed necessary for the purpose of ensuring that the Funds’ investments are in line with the Shariah principles;

MASTER PROSPECTUS

5. preparing a report to be included in the Funds' interim and annual report certifying whether the Funds have been managed and administered in accordance with the Shariah principles;
6. ensuring that the Funds comply, with any guideline, ruling or decision issued by the SC, with regard to Shariah matters;
7. vetting and advising on the promotional materials of the Funds;
8. assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority.

Profile of the Shariah Team

IBFIM's Shariah team consists of the following personnel;

Mohd Bakir Haji Mansor (*Distinguished Shariah Advisor*)

Mohd Bakir Haji Mansor is a member of the Shariah Supervisory Council of Bank Islam Malaysia Berhad (BIMB), the Shariah Advisory Body of Syarikat Takaful Malaysia Berhad, the Shariah Advisory Committee of the Employees Provident Fund (EPF) and sits on the Shariah Panel Committee of AmanahIkhtiar Malaysia (AIM). He is also the Chairman of the Shariah Advisory Committee of BIMB Securities Sdn. Bhd and the Shariah Advisory Committee of the Association of Islamic Banking Institutions Malaysia (AIBIM).

Prior to joining IBFIM, Mohd Bakir was the Shariah Coordinator at BIMB, a post he held since 1984. Previously, he served at the National Council for Islamic Religious Affairs in the Prime Minister's Department for 10 years from 1971. He was also a Chief Assistant Director at the Islamic Research Centre for 4 years from 1981. He holds a ShahadahUlya from Kolej Islam Malaya.

Mohd Nasir Ismail (*Shariah Advisor*)

Mohd Nasir Ismail, IFP, joined the Institute in July 2001. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-based unit trust funds. Prior to joining IBFIM, he was with Institut Pengajian Ilmu-Ilmu Islam, Kelantan. He graduated with a Bachelor of Shariah (Honours) from the University of Malaya in 1998. He is also the designated person responsible for Shariah matters related to the Funds.

Abdullah Hanif Hassan (*Senior Shariah Officer*)

Abdullah Hanif Hassan joined the Institute in January 2009. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-based unit trust funds. Prior to joining IBFIM, he was a teacher at a Secondary School before joining Bank Negara Malaysia (BNM) as a Senior Executive in Jabatan Pentadbiran Pertukaran Asing. He graduated with a Bachelor of Shariah (Honours) from the Yarmouk University, Jordan in 2001. He is also the designated person responsible for Shariah matters related to the Funds.

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MASTER PROSPECTUS

15. CONFLICT OF INTERESTS AND RELATED PARTY TRANSACTIONS

Policies and Procedures on Dealing with Conflict of Interest

Manager

Members and directors of the Manager must be alert and avoid or declare any conflict of interest situations to the Company Secretary. A situation of conflict of interest may erode the trust and confidence of the public in dealing with us.

All conflict of interest situations, if any, will be forwarded to the Investment Committee for verification before a fair and equitable decision is reached. The decision from the Investment Committee will be final.

None of our directors or substantial shareholders have any direct or indirect interest in other corporations carrying on a similar business as the Manager as at 20 May 2011.

Members Dealing in Securities

- (a) Trading in securities by a member for his/her personal account or for a connected person or under the name of a nominee is not encouraged and if done so, he/she should ensure that the dealing is not taking advantage or be viewed as taking advantage of information not generally known to the public ("Chinese Wall" provision = artificial barriers to the flow of information).
- (b) Dealings by employees in their own name but on behalf, and for the benefit, of another person may only be carried out with the prior approval of a Director and/or CEO.
- (c) A member when dealing in securities whether for the Company, the client or personal account shall consistently adhere to ethical standards in such dealings. A member shall not engage in share dealing transactions of a nature that is questionable or illegal and therefore shall not engage in share dealing transactions, either by himself or with others which are, or which will give resemblance of false trading, market rigging or market manipulation.

Trustee – Universal Trustee (Malaysia) Berhad (KIF and KBNF)

Universal Trustee (Malaysia) Berhad has confirmed that they have no interest/potential interest or conflict of interest/potential conflict of interest with the Manager and the Funds.

Trustee – HSBC Trustee (Malaysia) Berhad (KPF, KGF, KSGF, KBF, KIBF, KAPOF, KMIF, KIMMF and KMMF)

As Trustee for the Fund, there may be related party transaction involving or in connection with the Fund in the following events:-

- 1) Where the Fund invests in instruments offered by the related party of the Trustee (e.g placement of monies, structured products, etc);
- 2) Where the Fund is being distributed by the related party of the Trustee as Institutional Unit Trust Adviser (IUTA);
- 3) Where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) Where the Fund obtains financing as permitted under the Securities Commission Malaysia's Guidelines on Unit Trust, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

MASTER PROSPECTUS

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

Advisers

The Auditors, Tax Advisers, Shariah Adviser and Solicitors have confirmed that they have no interest/potential interest or conflict of interest/potential conflict of interest with the Manager and the Funds.

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16. APPROVALS AND CONDITIONS

Kenanga Syariah Growth Fund (KSGF)

Paragraph 6, Schedule A of the Guidelines stipulates that the value of a fund's placement in deposits with any single financial institution must not exceed 20% of the fund's NAV. The Manager has obtained a variation from Paragraph 6 whereby KSGF is permitted to place not more than 50% of the Fund's NAV in a single financial institution **provided always** the Fund's NAV is less than RM10 million.

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MASTER PROSPECTUS

17. CONSENTS

The consent of the Trustees, the External Fund Manager, the Auditors, the Bankers, Tax Advisers, Shariah Adviser and Solicitors for the inclusion in this Master Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Master Prospectus and none of them have subsequently withdrawn their written consents.

The consent of the Tax Adviser for the inclusion in this Master Prospectus of the Tax Adviser's Letter in the manner, context and form in which such letter appears has been given before the issue of this Master Prospectus and the Tax Adviser has not subsequently withdrawn their written consent.

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MASTER PROSPECTUS

18. ADDITIONAL INFORMATION

Updates on the Funds

The interim and annual reports of each Fund will be forwarded to Unit Holders no later than two (2) months after the period ended 30 June and 31 December, respectively.

The Manager's selling/buying price and the Funds' respective NAV are quoted daily in the major national newspapers.

Unit Holders and potential investors can refer to web-site: www.KenangalInvestors.com.my for pricing information.

A statement of accounts will be issued to each Unit Holder on a half yearly basis. It will summarise all transactions effected within each Fund for the past six (6) months and/or since inception as a Unit Holder.

Unclaimed Moneys

In accordance to the Unclaimed Moneys Act, 1965, the Manager will declare all unclaimed distributions/money to the Registrar of Unclaimed Moneys, Accountant General's Department at the end of one (1) year after the distributions declaration date or any other dates, where applicable. During this period, Unit Holders are able to claim their distributions/money from the Manager by providing all the necessary documentation to authenticate their claims. After the one (1) year period, the Manager will remit the unclaimed moneys to the Registrar. Following this, Unit Holders who wish to claim their distributions/money are required to forward their claims directly to the Registrar by completing Form UMA7 (Claim form to refund unclaimed moneys from the Consolidated Trust Account) together with supporting documents i.e. identity card and distribution warrant. Form UMA7 may be obtained from the Registrar.

Anti-Money Laundering Policies

Money Laundering is a process intended to conceal the benefits derived from unlawful activities which are related, directly or indirectly, to any serious offence so that they appear to have originated from a legitimate source.

The Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLA) is the act that provides for the offence of money laundering and also the measures to be taken for the prevention of money laundering and terrorism financing offences. The Financial Intelligent Unit (FIU) of Bank Negara Malaysia (BNM) has been established to carry out the functions as the competent authority under the AMLA. All market intermediaries under the Capital Market and Services Act 2007 and management companies approved by the Securities Commission Malaysia under the Capital Markets and Services Act 2007 are obliged to comply with the provisions of the AMLA.

Under the AMLA, any person who:

a) engages in, or attempts to engage in; or

b) abets the commission of,

money laundering, commits an offence and shall on conviction be liable to a fine not exceeding five million ringgit or to imprisonment for a term not exceeding five years or both.

When opening new accounts and entering into a transaction with a client, the Manager identifies and verifies the client through documents such as identity card, passport, birth certificate, driver's licence, constituent documents or any other official documents, whether in the possession of a third party or otherwise. Such documents shall be filed by the Manager in accordance with relevant laws. Where the Manager suspects that a particular transaction may not be genuine, a report will be made to the FIU.

Customer Service

Unit Holders can seek the assistance of our marketing personnel on Fund related issues at the Manager's business office during our business hours from 8.30 a.m. to 5.30 p.m. from Monday to Friday (refer to the *Directory of the Manager's Office and List of IUTA* section at page 6 for contact numbers).

MASTER PROSPECTUS

Official Receipt/Statement of Investment

Official receipt in the name of each successful applicant will be forwarded by ordinary post to the address shown on the application form at the applicant's own risk within sixty (60) days from the date of purchase. Unsuccessful applicants will be notified and their money will be refunded by the Manager within thirty (30) days from the date of receipt by ordinary post at the applicant's own risk. In addition, the Statement of Investment will be issued semi-annually to investors.

Recognition of Unit Holders

Investors are recognised upon the receipt of application form (duly completed) together with payment for investment during the Dealing Hours of a Business Day.

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MASTER PROSPECTUS

19. DOCUMENTS AVAILABLE FOR INSPECTION

For a period of not less than twelve (12) months, the following documents or copies thereof, where applicable, may be inspected, without charge at the registered office of the Manager and the respective Trustees:

- (a) the Deeds and any supplemental deeds of the Funds;
- (b) any material contracts or documents referred to in this Master Prospectus;
- (c) the latest annual and interim reports for the Funds;
- (d) all reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Master Prospectus;
- (e) the audited financial statements of the Manager and the Funds (where applicable) for the last three (3) financial years or from the date of incorporation/inception, if less than three (3) years, preceding the date of this Master Prospectus;
- (f) writ and relevant cause papers for all current material litigation and arbitration disclosed in the Master prospectus;
- (g) latest audited financial statements of the Manager and the Funds for the current financial year (where applicable); and
- (h) any consent given by experts or persons named in this Master Prospectus.

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MASTER PROSPECTUS

20. DIRECTORS' RESPONSIBILITY STATEMENT

This Master Prospectus dated 30 June 2011 has been reviewed and approved by the directors of the Kenanga Investors Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Master Prospectus dated 30 June 2011 false or misleading.

Datuk Syed Ahmad Alwee Alsree
Chairman and Director

Syed Zafilen Syed Alwee
Independent Director

Bruce Kho Yaw Huat
Independent Director

Lee Kok Khee
Director

Abdul Razak Bin Ahmad
Director

Peter John Rayner
Director

MASTER PROSPECTUS

21. TAXATION ADVISER'S LETTER

**Taxation adviser's letter in respect of the taxation
of the unit trust and the unit holders
(prepared for inclusion in this prospectus)**

Ernst & Young Tax Consultants Sdn Bhd
Room 200, 2nd Floor
Wisma Bukit Mata Kuching
Jalan Tunku Abdul Rahman
93100 Kuching

06 June 2011

The Board of Directors
Kenanga Investors Berhad
Level 1, Wisma Mahmud
Jalan Sungai Sarawak
93100 Kuching

Dear Sirs

Taxation of the unit trust and unit holders

This letter has been prepared for inclusion in this Prospectus dated 30 June 2011 in connection with the offer of units in the unit trusts known as:

- Kenanga Premier Fund
- Kenanga Balanced Fund
- Kenanga Islamic Fund
- Kenanga Islamic Balanced Fund
- Kenanga Bond Fund
- Kenanga Asia Pacific Oriental Fund
- Kenanga Malaysian Inc Fund
- Kenanga Islamic Money Market Fund
- Kenanga Money Market Fund
- Kenanga Growth Fund
- Kenanga Syariah Growth Fund

(hereinafter referred to as "the Fund").

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

Taxation of the fund

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act, 1967 ("MITA"), particularly Sections 61 and 63B.

Under Section 2(7) of the MITA, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Syariah*.

The effect of this is that any gains or profits received (hereinafter referred to as "profits") and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Syariah*, will be accorded the same tax treatment as if they were interest.

MASTER PROSPECTUS

Subject to certain exemptions, the income of the Fund comprising dividends, profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax, which is currently imposed at the rate of 25%.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.

"Permitted expenses" refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

where A is the total of the permitted expenses incurred for that basis period;

B is gross income consisting of dividend², interest and rent chargeable to tax for that basis period; and

C is the aggregate of the gross income consisting of dividend¹ (whether exempt or not), interest and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

Exempt income

The following income of the Fund is exempt from income tax:

- **Dividends**

Tax exempt dividends received from investments in companies which had previously enjoyed or are currently enjoying certain tax incentives provided under the relevant legislation.

Paragraph 12B, Schedule 6 of MITA states that exempt dividend includes any dividend paid, credited or distributed to any person where the company paying such dividend is not entitled to deduct tax under Section 108 of MITA.

- **Interest (Profits)**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or Islamic securities, (other than convertible loan stock) approved by the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks or financial institutions licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983;

² Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, **dividend income is deemed to include income distributed by a unit trust** which includes distributions from Real Estate Investment Trusts.

MASTER PROSPECTUS

- (v) interest from Islamic securities originating from Malaysia, other than convertible loan stock issued in any currency in Malaysia and approved by Securities Commission or Labuan Offshore Financial Services Authority (LOFSA)³
- (vi) interest received from bonds or securities issued by Pengurusan Danaharta Nasional Berhad; and
- (vii) interest derived from bonds (other than convertible loan stock) paid or credited by any company listed on the Malaysian Exchange of Securities Dealing and Automated Quotation Berhad (MESDAQ)⁴.

- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

Foreign income

Dividends, profits and other income derived from sources outside Malaysia and received in Malaysia by a resident unit trust is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

Gains from the realisation of investments

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Fund and hence, are not subject to income tax. Such gains may be subject to real property gains tax ("RPGT") under the Real Property Gains Tax Act, 1976 ("RPGT Act"), if the gains are derived from the sale of chargeable assets, as defined in the RPGT Act. Any chargeable gain on the disposal of chargeable assets from 1 January 2010 onwards would be subject to RPGT at the applicable tax rate depending on the holding period. However, under the Real Property Gains Tax (Exemption) (No.2) Order 2009, Funds can enjoy a full exemption from RPGT on disposals of chargeable assets held more than 5 years and an effective tax rate of 5% for all disposals of chargeable assets which are held for 5 years or less.

Tax credit

Tax deducted at source from Malaysian dividends received by the Fund will be available for set-off either wholly or partly against the tax liability of the Fund. Should the tax deducted at source exceed the tax liability of the Fund, the excess is refundable to the Fund.⁵

Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

³ Pursuant to Section 4 of the Finance Act 2011, with effect from 11 February 2010, 'LOFSA' refers to Labuan Financial Services Authority (LFSA).

⁴ MESDAQ was replaced by FTSE Bursa Malaysia ACE with effect from 3 August 2009, therefore any interest derived from bonds (other than convertible loan stock) paid or credited by any company listed on the MESDAQ should still qualify for an exemption up to 2 August 2009. However, from 3 August 2009 and up to the date of this letter, there is no new gazette order issued to exempt interest derived from bonds paid or credited by a company listed in the new FTSE Bursa Malaysia ACE.

⁵ Pursuant to Section 51 of the Finance Act 2007, a person is not entitled for a set-off if the shares are held for less than 90 days or the dividend is not derived from ordinary shares. This prohibition is not applicable for shares in a company listed on the Bursa Malaysia. Further, Section 50 of Finance Act 2009 indicates that a person is not entitled to a set-off if the dividend paid to that person is not in cash.

MASTER PROSPECTUS

In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

1. Taxable distributions

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Distributions received by a non-resident unit holder from income which has been taxed at source at 25%, will not be subject to any further income tax in Malaysia.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and other exempt income earned by the Fund will not be subject to Malaysian tax in the hands of the unit holders.

Rates of tax

The Malaysian income tax chargeable on the unit holders depends on their tax residence status and whether they are individuals, corporations or trust bodies. The income tax rates charged are as follows:

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none">Individual and non-corporate unit holders (such as co-operatives, associations and societies)Trust bodies	<ul style="list-style-type: none">Progressive tax rates ranging from 0% to 26%25%
<ul style="list-style-type: none">Corporate unit holders<ul style="list-style-type: none">(i) A company with paid-up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment)(ii) Companies other than (i) above	<ul style="list-style-type: none">For every first RM500,000 of chargeable income @ 20%⁶Chargeable income in excess of RM500,000 @ 25%25%

⁶ A company would not be eligible for the 20% tax rate on the first RM500,000 of chargeable income if:-

- more than 50% of the paid-up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- the company owns directly or indirectly more than 50% of the paid-up capital in respect of the ordinary shares of a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- more than 50% of the paid-up capital in respect of the ordinary shares of the company and a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

MASTER PROSPECTUS

Unit holders	Malaysian income tax rates
Non-Malaysian tax resident (Note):	
<ul style="list-style-type: none">Individual and non-corporate unit holders	<ul style="list-style-type: none">26%
<ul style="list-style-type: none">Corporate unit holders and trust bodies	<ul style="list-style-type: none">25%

Note:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

Gains from sale of units

Gains arising from the realisation of investments will not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders/ dealers in securities.

Unit splits and reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits – new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

We hereby confirm that, as at the date of this letter, the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully

Ernst & Young Tax Consultants Sdn Bhd

Yong Nyet Yun
Partner

Ernst & Young Tax Consultants Sdn. Bhd. has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Prospectus and has not withdrawn such consent prior to the delivery of a copy of this Prospectus for approval.

PRE-INVESTMENT FORM



ATTENTION UNIT TRUST INVESTORS
IMPORTANT!

Your Unit Trust Consultant (UTC) is required to explain all of the following to you

Signing this form does not preclude you from taking action against relevant party/parties under any circumstances.

Do You Know?

Yes /
No

- 1) You can buy unit trusts either through a Unit Trust Consultant (UTC), Institutional Unit Trust Advisers (IUTA), Corporate Unit Trust Advisers (CUTA) or directly from Unit Trust Management Company (UTMC) or online, but each has different sales charge and level of service. Choose the one that best suits your needs.
- 2) If you redeem your units in a unit trust fund and then purchase units in another, you will probably have to pay a sales charge. However, if you switch from one fund to another managed by the same UTMC, it is likely that you may not have to pay any sales charge. Ask about switching before you redeem.
- 3) Different types of unit trust funds carry different levels of risk. Some are higher in risk than others. Ask about the risks before investing in a fund. Make sure you know what your fund is investing in.
- 4) If you are a first time investor in a UTMC, you may be eligible for cooling-off rights, whereby you can change your mind within six (6) business days after investing and withdraw your unit trust investment. Ask about your eligibility for cooling-off.

- 5) Your UTC may represent a company that uses a nominee system and your rights as a unit holder may be limited if you invest in unit trust funds through it. If his or her company uses a nominee system, ask if your rights as a unit holder will be limited in any way.

You Should Also Know

- a) Only registered UTCs are allowed to sell unit trust funds. Your UTC should show you a valid authorisation card confirming that he/she is registered with the Federation of Investment Managers Malaysia (FIMM).
- b) A unit trust fund may only be offered to the public if it is approved by the Securities Commission Malaysia (SC). Go to www.sc.com.my for a list of unit trust funds currently available in the market or call 603-6204 8777 for assistance.
- c) When you buy into a unit trust fund, you should be given the latest copy of prospectus for free. Read the prospectus carefully; understand its contents before investing.
- d) You may have to pay direct and indirect fees and possibly other charges too. Ask about applicable fees.
- e) If you have concerns or complaints about any unit trust fund, you can contact FIMM at 603-2092 3800 (www.fimm.com.my) or the Investor Affairs & Complaints Department of the SC at 603-6204 8999.
- f) You should not make payment in cash to the UTC or issue a cheque in the name of UTC.

Investor's Confirmation

I/We confirm that the UTC has explained all the points overleaf to me/us.

1) Applicant

Signature : _____

Name : _____

NRIC/Identification Number/Passport No.: _____

Date : _____

2) Joint Applicant (If applicable)

Signature : _____

Name : _____

NRIC/Identification Number/Passport No.: _____

Date : _____

Unit Trust Consultant's Declaration

I declare that I have explained the points overleaf and the investor(s) understand(s) them.

Signature : _____

Name : _____

NRIC/Identification Number/Passport No.: _____

Registered as UTC of UTMC/IUTA/CUTA[^]: _____

[^]Delete where not applicable.



KENANGA

**THE MANAGER
KENANGA INVESTORS BERHAD (353563-P)**

(formerly known as CMS Trust Management Berhad)

Head Office: Level 39, Menara Standard Chartered (Mail Box #11), Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia. Tel: +603 2142 6888 Fax: +603 2142 6887

Email: info.trust@kenanga.com.my www.KenangalInvestors.com.my

Kenanga Investors
Date and Time
Received Stamp Here

ACCOUNT OPENING FORM

This application form should not be circulated unless accompanied by a Prospectus. This form is being issued in conjunction with the Master Prospectus dated _____ and together with the Supplementary Master Prospectus(s) dated _____ (if any)

Please tick (✓) where appropriate. Use BLOCK LETTERS.

PARTICULAR OF APPLICANT (must be 18 years old and above from the date of this application). Please attach a copy of NRIC/Passport

NAME (Full name as in NRIC) _____

NRIC NO (old)/PASSPORT NO./OTHERS _____ NRIC NO. (New) _____

MAILING ADDRESS _____

(Must be completed with Post Code) _____ POSTCODE _____

TELEPHONE NO. _____ (Home) _____ (Office) _____ (Handphone)

EMAIL ADDRESS _____

OCCUPATION _____ DATE OF BIRTH (DD/MM/YYYY) _____ SEX M

F

NATIONALITY MALAYSIAN OTHERS _____ (please specify) RELIGION MUSLIM NON-MUSLIM

RACE BUMI CHINESE INDIAN OTHERS _____ (please specify)

PARTICULARS OF JOINTHOLDER (if applicable). Please attach a copy of NRIC/Passport/Birth Cert.

NAME (Full name as in NRIC) _____

NRIC NO (old)/PASSPORT NO./OTHERS _____ NRIC NO. (New) _____

RELATIONSHIP _____ DATE OF BIRTH (DD/MM/YYYY) _____ SEX M

F

PARTICULARS OF INSTITUTIONAL APPLICANT

BUSINESS REGISTRATION/CERT. OF INCORPORATION NO. _____

NAME OF INSTITUTION _____

BUSINESS ADDRESS _____

(Must be completed with Post Code) _____ POSTCODE _____

TELEPHONE NO. _____ FAX NO. _____

EMAIL ADDRESS _____

CONTACT PERSON _____ POSITION _____

COUNTRY OF INCORPORATION _____ NATURE OF BUSINESS _____

INSTITUTIONAL TYPE:

SOLE PROPRIETORSHIP PARTNERSHIP SDN BHD/BHD

GOVT. AGENCIES SOCIETY/CLUB/CHARITY ORGANISATION OTHERS (please specify) _____

STATUS BUMI NON-BUMIPUTERA NON-MALAYSIAN CONTROLLED

INVESTMENT INSTRUCTION

DISTRIBUTIONS INSTRUCTION Distributions (IF ANY) will be reinvested on your behalf, unless requested to be paid out to you by ticking the box PAY OUT

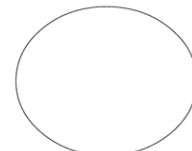
AUTHORITY TO OPERATE A/C FIRST HOLDER TO SIGN EITHER ONE TO SIGN BOTH TO SIGN

EXCHANGE CONTROL DECLARATION BY NON-RESIDENT(S) OF MALAYSIA

I/We declared that I am/we are non-resident(s) of Malaysia. I am/We are permanent residents(s) of _____ (country)

SIGNATURE(S) REQUIRED FOR ALL APPLICANTS ABOVE 18 YEARS OF AGE

Dated this _____ day of _____ .



First Holder Signature
/Authorised Signatory(ies)

Jointholder Signature (if any)

Please affix Common Seal
or Company Stamp



THE MANAGER
KENANGA INVESTORS BERHAD (353563-P)
 (formerly known as CMS Trust Management Berhad)
 Head Office: Level 39, Menara Standard Chartered (Mail Box #11), Jalan Sultan Ismail,
 50250 Kuala Lumpur, Malaysia. Tel: +603 2142 6888 Fax: +603 2142 6887
 Email: info.trust@kenanga.com.my www.KenangaInvestors.com.my



INVESTMENT APPLICATION FORM

This application form should not be circulated unless accompanied by a Prospectus. This form is being issued in conjunction with the Master Prospectus dated _____ and together with the Supplementary Master Prospectus(s) dated _____ (if any)

INVESTMENT DETAILS

I/We _____ <NAME>

NRIC/Passport/Business Registration No. _____

hereby would like to invest in the following fund(s) the indicated amounts:-

Name of Fund Kenanga Premier Fund RM _____ Kenanga Balanced Fund RM _____ Kenanga Islamic Fund RM _____
 Kenanga Bond Fund RM _____ Kenanga Islamic Balanced Fund RM _____ Kenanga Asia Pacific Oriental Fund RM _____
 Kenanga Malaysian Inc Fund RM _____ Kenanga Islamic Money Market Fund RM _____ Kenanga Money Market Fund RM _____
 Kenanga Growth Fund RM _____ Kenanga Syariah Growth Fund RM _____ _____ Fund RM _____

Scheme Cash EPF * EasySaver Plan 10th 25th (please select at least one)

Initial Amount RM _____ Monthly Amount RM _____

If ratio of investments into fund(s) differs from initial amount, please indicate accordingly _____

* These terms and conditions apply only to the EasySaver Plan.

I/We hereby acknowledged that a transaction fee of RM1.00 will be charged to the Debit Amount from my/our account for each transaction that is less than RM5,000.00 and RM1.50 for each transaction that is more than RM5,000.00. I/We hereby acknowledged that a transaction fee of RM1.00 or RM1.50 whichever is relevant will be charged if the Bank fails to debit the savings/current account due to insufficient balance by the Manager or the Agent. I/We hereby acknowledged that FPX Collection Application will take at least a minimum of twenty one (21) days for processing. I/We hereby agree to be bound by the Terms and Conditions specified in FPX Collection Application Form.

MODE OF PAYMENT

Debit my/our account No. _____

Cash _____ Cheque/Demand Draft/Banker's Cheque (Bank : _____ Cheque No. _____)

For cash investment above RM100,000 for individuals the following is to be completed.

Occupation: _____ Annual income: 0 - 50,000
 50,001 - 100,000
 above 100,000

(The above information is for us to comply to the Anti-Money Laundering and Anti Terrorism Financing Act 2001)

I/We agree to abide by the Notes and Conditions as specified overleaf. I/We wish to invest in the above mentioned Fund and agree to be bound by the provisions of the Deed. I/We hereby declare that the above particulars are true and complete and I/We have not withheld any information that may influence the acceptance of this application.

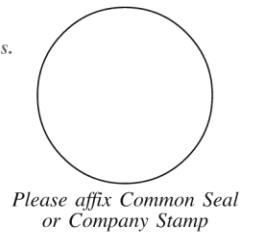
SIGNATURES REQUIRED FOR ALL APPLICANTS ABOVE 18 YEARS OF AGE

- I/We have read and fully understood the prospectus to which this application is related and agree to be bound by the provisions of the Deed and any Supplemental thereon.
- I/We also declare that all the details given in this application are true and correct.
- I/We confirm that we are aware of the fees and chargers that will be included directly or indirectly when investing in the Funds.
- I/We are aware of our entitlement to free Switching Options at NAV between the funds managed by the Manager as per the prospectus.

Dated this _____ day of _____.

 First Holder Signature/Authorised Signatory(ies)

 Jointholder Signature (if any)



CHANGE OF ADDRESS (IF ANY)

PRESENT ADDRESS _____

(Must be complete with Post Code) _____ **POSTCODE** _____

TELEPHONE NO. _____ **EMAIL ADDRESS** _____

FOR AGENT USE ONLY		FOR MANAGER USE ONLY	
<i>Financial Institution</i>	<i>Marketing Personnell/Agent</i>	Amount Received (RM): _____	Receipt No. : _____
Bank's Name :	Name :	Charges (RM) :	Account No : _____
Branch :	Code :	Net Amount (RM) :	Processed By : _____
Rubber Stamp :	Signature :	Pricing Date :	Verified By : _____
<i>Note: Please ensure that all documents such as I/C are sighted.</i>		Unit Price (RM) :	Date : _____
		Total Units :	



Kenanga Investors Berhad (353563-P)
formerly known as CMS Trust Management Berhad
Suite 12.02, 12th Floor, Kenanga International,
Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.
Tel: 03-2057 3688
Fax: 03-2161 8807
Toll Free: 1800 88 3737