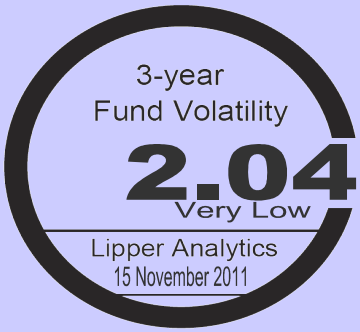
FUND MANAGEMENT SDN BHD

KAF BOND FUND
Fund Fact Sheet 30 November 2011

Investment Volatility



The fund is suitable for investors who seek
- A low to medium risk profile; and
- A steady income stream over the medium to long term.

Fund Details

Fund Category	Bond/Income
Launch Date	1 November 2006
Initial Price	RM100 per unit
Unit NAV (30 November 2011)	136.4666
Fund Size (30 November 2011)	233.55 million
Max. Fund Size	5 million units
Min. Investment	RM100,000
Initial Sales Charge	Nil
Switching Fee	Nil
Redemption Fee	Nil
Redemption Period	Within 10 Days
Annual Mgmt Fees	0.40% of the NAV
Annual Trustee Fees	0.07% of the NAV
Benchmark	RAM-Quant MGS Index

KAF Fund Management Sdn Bhd

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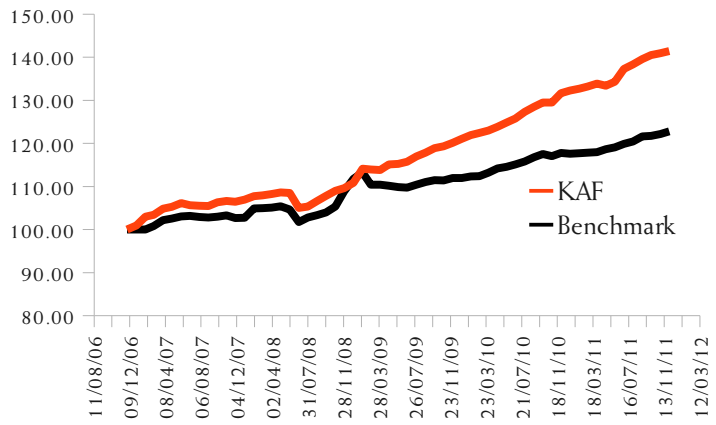
Fund Objective

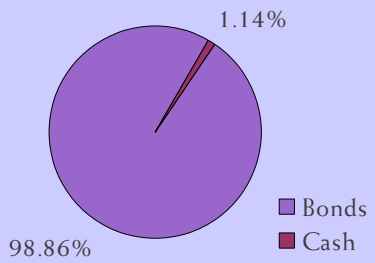
The fund aims to provide a regular income stream by investing in medium to long term fixed income instruments.

KAF Bond Fund Performance Chart



Actual Return	1M	3M	6M	1Y	3Y	5Y
KBF	0.34	1.34	5.33	7.42	29.04	41.47
Benchmark	0.48	0.96	3.08	4.25	12.79	22.81

Asset Allocation & Top 5 Holdings (as at 30 November 2011)



	% of NAV
Hong Leong Bank Bhd	10.81
Manjung Island Energy	10.70
RHB Bank Bhd Step	7.27
Anih Bhd	6.63
Gulf Investment Corp	6.41

Investment Allocation

The Fund will invest primarily in medium to longer-term government bonds, private debt securities and other fixed income securities. There will be no equity investment.In terms of asset allocation, the fund will be 80% invested in the above mentioned fixed income securities at most times. The balance will be held in cash deposits and shorter-term money market instruments. The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economic, political or any other conditions.Under such situations, a larger proportion of the Fund may be temporary invested in cash deposits and shorter term money market instruments.This will be the case if the view taken is that interest rates are set to rise sharply as instruments with shorter maturities suffer less capital loss that a longer term instrument in a rising interest rate environment.

Investment Strategy

The Fund seeks to meet its objectives of producing a steady and recurring annual income stream with long-term capital growth by investing in a portfolio of fixed income securities such as sovereign bonds and corporate debt with the balance invested in money market instruments.

As much as possible, the Fund will seek to maximise the return potential of the Fund by investing in corporate bonds that command higher yields than money market instruments.In doing so, the Fund will likely be exposed to the risks of adverse interest rate movements and corporate credit deterioration. On the other hand, should interest rates turn favourable i.e. fall, or corporate credit of the bond issues improve, then the Fund stands to benefit from the resultant capital gains.Nevertheless, the credit risks assumed are limited to the extent that any bond invested must have credit ratings of no lower than A3/A-.Notwithstanding, the exposures to the risk and return potentials need to be managed actively to achieve the risk-reward trade-off that is reasonable to the fund.

Investors are advised to read and understand the contents of the Master Prospectus dated 19 November 2009, which has been registered with the Securities Commission who takes no Responsibility for its contents, before investing. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Any issue of units to which the Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. A copy of the Master Prospectus can be obtained from any of our offices listed below.
This factsheet is prepared for information purposes only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who May receive it. Past performance is not necessarily a guide to future performance. Returns may vary from year to year.