

**FUND OBJECTIVE**

To provide a balance between income and long-term (over 5 years) capital appreciation.

**INVESTOR PROFILE**

The Fund is suitable for all investors who are seeking a fully managed and balanced portfolio of investments and who have an investment horizon of 5 years or more.

**FUND DETAILS**

- Fund Size (February 28, 2009) : 223.75 million
- Unit NAV (February 28, 2009) : 0.5151
- Financial Year : September 30
- Fund Category : Balanced Fund
- Fund Type : Growth & Income Fund
- Fund Inception : 19 September 1994
- Initial Sales Charge : 6.50 % of NAV per unit
- Management Fee : 0.85 % per annum of the NAV
- Trustee Fee : First RM20mill (0.06% NAV)  
 Next RM20mill (0.05% NAV)  
 Next RM20mill (0.04% NAV)  
 Next RM20mill (0.03% NAV)  
 Next RM20mill (0.02% NAV)  
 Any amount in excess of RM100mill (0.01%)
- Investment Manager : Mayban Investment Management Sdn. Bhd.
- Benchmark : 50% of the performance KLCI : 40% of the 5 years Malaysian Government securities : 10% of the 3-month Kuala Lumpur Interbank Offered Rates

**FUND MANAGER'S REVIEW**

**Market Review**

The bubble in the MGS market broke after the central bank governor communicated to the market that the central bank had front-loaded the January rate cuts and that low policy rates were not "constructive". Most market participants took the remarks as a hint that there would not be any more rate cuts in the near term, causing a sharp sell-off and the yield curve to steepen.

In a surprise move, Bank Negara slashed policy rates further in the February MPC meeting, despite the earlier remarks by the governor. The OPR was cut by another 50 bps, taking the OPR down to 2.00% in lieu of the heightened downside risks to the global economic outlook. Additionally, the SRR was also adjusted downwards from 2% to 1% to reduce further the cost of intermediation.

Bank Negara auctioned a new 10.5-year GII and also a new on-the-run 3.5 year MGS in February. The 10.5 year Islamic GII attracted a bid-to-cover ratio of 1.73x and was sold at an average of 3.91%. Yields climbed sharply after the governor's remarks. Meanwhile, the 3.5 year MGS was sold at 2.509% and generated an oversubscription ratio of 2.35x. Players were quick to lap up short dated government bonds given continued expectations of further rate cuts.

In secondary market trading, government bond yields were rocked by the governor's statement, with benchmark yields rising 40 – 50 bps as players scaled back on expectations of another near term rate cut. Moreover, talks of a massive second stimulus package stirred concerns of a sharp rise in government borrowings given the likely balloon in fiscal deficit. The credit spreads between the 3- and 10-year MGS climbed to 151 bps towards the end of February from just 52 bps at the end of January. In the PDS market, there was some buying interest along the shorter-dated high grades.

**Manager's Comments**

The unexpected timing of the February rate cut shows the severity of the global economic slowdown. Thus, we expect a continued easing stance by Bank Negara given the grim 4Q08 GDP data of 0.1% against market consensus of 1.5%, unless the proposed fiscal measures fail to make an impact. All eyes are currently on the March 10 mini-budget announcement, which has given rise to expectations of higher fiscal deficits this year. This could result in higher government borrowings this year.

As we believe that Bank Negara is not done easing rates, we expect government bond yields to head south. Nonetheless, persistent worries of higher government debt supply may diminish the allure of longer-dated government bonds.

**PERFORMANCE RECORD**

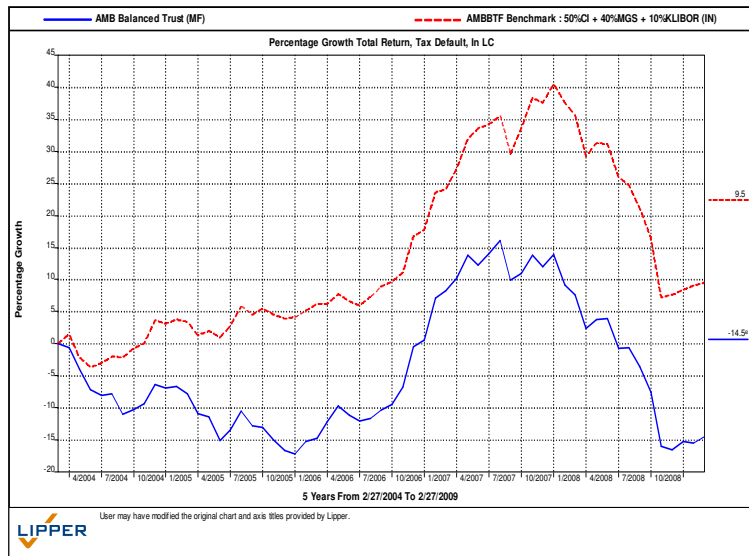
**Cumulative Total Return**

	%	Rank
• <b>6 - Month</b>	-11.37	19 / 40
• <b>1 - Year</b>	-20.56	20 / 40
• <b>3 - Year</b>	0.25	22 / 28
• <b>5 - Year</b>	-14.51	21 / 22

\* Source : Lipper (G) - Category of Mixed Asset-Non Islamic

**High/Low NAV**

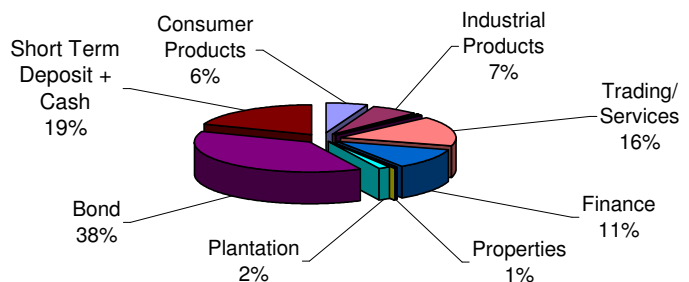
	High	Low
• <b>6 - Month</b>	0.5793	0.4969
• <b>1 - Year</b>	0.6431	0.4969
• <b>3 - Year</b>	0.7027	0.4969
• <b>5 - Year</b>	0.7027	0.4969



**TOP 5 LARGEST HOLDINGS**

- 1) KERISMA BERHAD
- 2) HARUM INTISARI SDN BERHAD
- 3) CIMB BANK BERHAD
- 4) SHELL
- 5) AMMB HOLDINGS BERHAD

**ASSET ALLOCATION AS AT FEBRUARY 28, 2009**



Investors are advised to read and understand the contents of the Master Prospectus dated September 17, 2008, and the First Supplementary Master Prospectus dated November 28, 2008 before investing. These prospectuses have been registered and lodged with the Securities Commission. Among others, investor should consider the fees and charges involved. The price of units and distributions payable, if any, may go down as well as up. Past performances of the fund should not be taken as indicative of its future performance. Units will only be issued on receipt of an application form referred to in and accompanying the Prospectus, which are obtainable at Amanah Mutual Berhad or any Maybank distribution branches.