

## FUND OBJECTIVE

To seek regular income stream and moderate capital growth through investment into Fixed Income securities and dividend yielding equities.

## INVESTOR PROFILE

The Fund is suitable for investors who:-

- Seek a defensive investment solution that comprises Fixed Income Instruments and a minor portion of Equity.
- Seek returns from a professionally managed Fund.

## FUND DETAILS

- Fund Size (October 31, 2008) : 24.68 mill
- Unit NAV (October 31, 2008) : 0.4963
- Financial Year : September 30
- Fund Category : Fixed Income Fund
- Fund Type : Income Fund
- Fund inception : 25 November 2004
- Initial Sales Charge : 2.00% of NAV per unit
- Management Fee : 1.00% to 1.10% per annum of the NAV
- Trustee Fee : 0.07 % per annum of the NAV
- Investment Manager : UOB-OSK Asset Management Sdn Bhd
- Benchmark : 80% (12-months Fixed Deposit Rate) + 20% (performance of FTSE BM Index)

## FUND MANAGER'S REVIEW

### Market Outlook

Malaysian government bonds moved higher during the month amid easing inflationary concerns and continued flight-to-quality bids. Inflationary pressures started to ease in September where CPI moderated to 8.2% yoy from 8.5% yoy in August on the back of lower transportation cost in line with the reductions of petrol and diesel prices. As market expected, BNM kept its policy rate unchanged for the 20th consecutive time at 3.50% on October 24.

Meanwhile, as a pre-emptive measure and to maintain the stability of local financial system given the current global financial turmoil, BNM has announced that all deposits with financial institutions in the country will be fully guaranteed until December 2010. On the primary front, the RM3.5 billion 10-year GII 10/18 saw weaker demand from investors which registered bid-to-cover ratio of 1.65 times and was issued at an average yield of 4.295%. At close, the MGS yield curve bull flattened where the 3, 5, 10 and 20-year MGS eased by 5, 1, 28 and 35 bps to end at 3.83%, 4.05%, 4.30% and 4.80% respectively

Earlier, in an unprecedented coordinated effort, the US Federal Reserve (Fed), European Central Bank (ECB) and four other central banks slashed their interest rates by 50 bps in order to reduce strains in the financial markets. Subsequently, during its scheduled FOMC meeting, the Fed cut the federal funds rate by another 50 bps to 1.00%, as the consensus expected. On the economy front, the US GDP contracted by 0.3% qoq in Q308 led by falling consumer spending of -3.1% qoq. At the end of the period, treasury yield curve bull steepened where the 2 and 5-year treasury fell by 40 and 15 bps to 1.57% and 2.84% while the 10 and 30-year treasury increased by 14 and 2 bps to 3.97% and 4.33% respectively.

### Manager's comment

The Fund has managed to outperform its benchmark. The Fund's equity weighting is generally low as we continue to be cautious due to macro environment risk, uncertainties in the domestic political scene, and a weaker domestic economic outlook. Going forward, we will continue to adopt a defensive strategy until there is greater clarity on the macro front and the domestic political scene. In terms of stock selection, we would look for bottom fishing opportunities, special situations, and strong franchises.

In terms of fixed income, we are maintaining a short duration strategy. In addition, the emphasis is to continue investing in primary corporate issues with good credit quality that offer better yield pick up opportunities and attractive yield premium above the risk free rate.

## PERFORMANCE RECORD

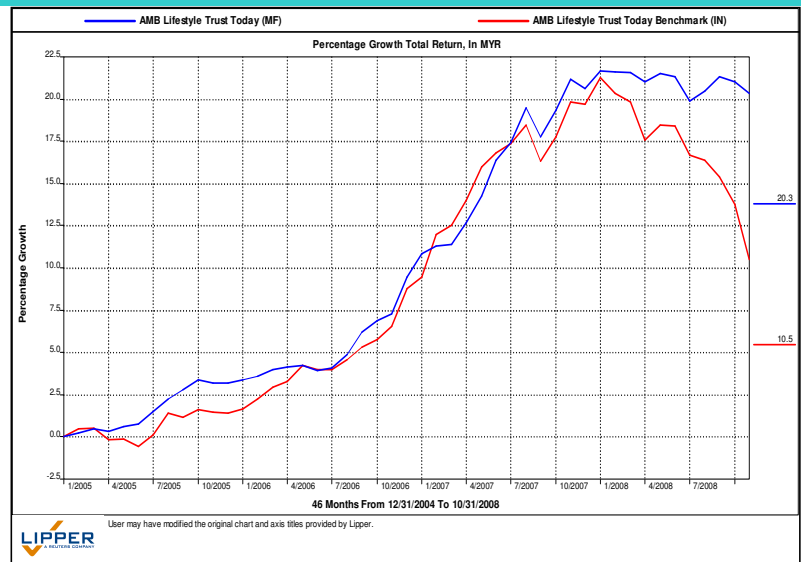
### Cumulative Total Return

	%	Rank
• 6 - Month	-0.96	1/13
• 1 - Year	-0.70	1/13
• 3 - Year	16.63	8/10

\* Source : Lipper (G) - Category of Target Maturity-Conventional

### High/Low NAV

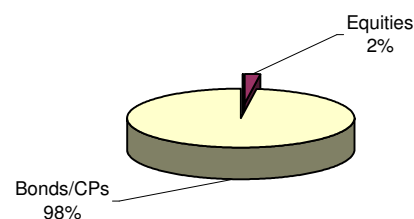
	High	Low
• 6 - Month	0.5378	0.5279
• 1 - Year	0.5411	0.5279
• 3 - Year	0.5493	0.4902
• 5 - Year	0.5493	0.4902



## TOP 5 LARGEST HOLDINGS

- 1) IJM CORPORATION
- 2) KESTURI BHD
- 3) PUBLIC BANK BOND
- 4) SUPERMAX CORPORATION BHD
- 5) PUBLIC BANK BHD

## ASSET ALLOCATION AS AT OCTOBER 31, 2008



Investors are advised to read and understand the contents of the Master Prospectus dated September 17, 2008, before investing. This prospectus 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.