

INVESTOR PROFILE

This fund is suitable for investors who:-

- Prefer a conservative investment approach but are willing to exploit opportunities presented in the capital markets.
- Possess an investment horizon in excess of 5 years.

FUND DETAILS AS AT DECEMBER 31, 2009

Unit In Circulation	: 62.962 mil
Unit NAV	: RM 0.3707
Financial Year	: March 31
Fund Category	: Bond Fund
Fund inception	: May 27, 2003
Initial Sales Charge	: Up to 2.00% of NAV
Annual Management Fee	: 1.00% of NAV (Bond) : 1.75% of NAV (Equity)
Investment Manager	: CIMB Principal Asset Management Bhd (Effective from April 1, 2009)
Benchmark	: 100% of the RAM Quantshop MGS Medium Index (Effective from July 30, 2009)

FUND MANAGER'S REVIEW

Market Review

December was a quiet month for the domestic sovereign and corporate bond markets as most major market players were away for the holidays. MGS traded sideways while some activity on familiar AAA and AA rated corporate names, such as BAT, Cagamas, Rantau and YTL Power were seen. Corporate yield curves remained largely unchanged for the quarter.

Economic data released continued to improve in tandem with global recovery. 3Q09GDP recorded a smaller decline of 1.2% YoY compared to -3.9% in 2Q09 and -6.2% in 1Q09.

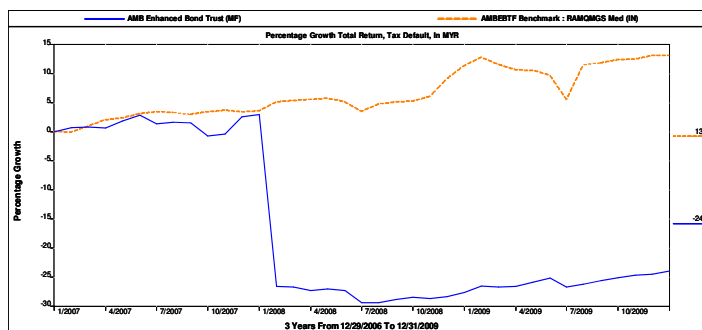
As expected, CPI fell for the sixth consecutive month at -0.1% YoY in Nov09 (-1.5% in October and -2.0% in September as high base effects from 2H2008 wore off. With benign inflation and still tentative growth prospects, BNM kept the OPR unchanged at 2.00% at its November meeting.

Comments

We believe that BNM will maintain an accommodative monetary policy to support the gradual recovery of the economy. Though there could be an upside risk to inflation in the 1H2010 with the normalisation of base effect, increase in sugar prices and restructuring of petrol subsidies, the price pressures are cost-induced rather than demand pull. In this respect, we expect OPR to remain low at 2.00% and BNM to only start the rate hiking cycle towards the latter part of 2H2010 by a token 25-50bps. We believe that supply concerns on the sovereign market will ease due to the lower fiscal deficit committed by the Government in the 2010 Budget. The Government has indicated its plan to target budget deficit to 5.6% of GDP as opposed to 7.4% of GDP in 2009, an equivalent of RM40.5 billion. Supply of new PDS issuances for 2010 is still expected to be high as companies are likely to take advantage of the low interest rate environment to lock in borrowings. Moreover, we expect the first few issuances credit wrapped by Danajamin Nasional Berhad ("Danajamin") to tap the market in 2010. Nonetheless, the heavier supply of corporate bonds should be well absorbed by bond market participants.

PERFORMANCE RECORD

3 Years Growth Total Return



Cumulative Total Return

	Fund (%)	Rank
6 - Month (30 June 2009 - 31 Dec 2009)	3.78	18/36
1 - Year (31 Dec 2008 - 31 Dec 2009)	5.10	17/31
3 - Year (29 Dec 2006 - 31 Dec 2009)	-24.00	29/30
5 - Year (31 Dec 2004 - 31 Dec 2009)	-18.03	23 / 23

* Source: Lipper (G) - Category of Bond-Non Islamic

High/Low NAV (RM)

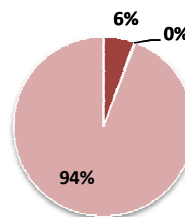
	High	Low
6 - Month (1 July 2009 - 31 Dec 2009)	0.3761	0.3485
1 - Year (1 Jan 2009 - 31 Dec 2009)	0.3761	0.3485
3 - Year (1 Jan 2007 - 31 Dec 2009)	0.5075	0.3421
5 - Year (1 Jan 2005 - 31 Dec 2009)	0.5075	0.3421

Income Distribution

2009	Net (sen per unit)
	NIL

Asset Allocation as at December 31, 2009

- Short Term Deposit + Cash
- Equities
- Bonds



Top 5 Largest Holdings

- 1) PUBLIC BANK BERHAD
- 2) NUCLEUS AVENUE (M) BERHAD
- 3) SPRINT EXPRESSWAY
- 4) RANHILL POWERTRON SDN BERHAD
- 5) MAYBANK ISLAMIC BERHAD

Based on the fund's portfolio returns as at December 15, 2009, the Volatility Factor (VF) for this fund is 17.1 and its Volatility Class (VC) is classified as "High" (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The VC is assigned by Lipper based on quintile ranks of VF for qualified funds. The fund's portfolio may have changed and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

Investors are advised to read and understand the contents of the Master Prospectus dated September 17, 2009, and the First Supplementary Master Prospectus dated October 30, 2009 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 Prospectuses, which are obtainable at Amanah Mutual Berhad or any of its distribution branch.