

The funds objective is to provide a steady appreciation of the net asset value of the Fund with regular flow of income to our investors through investments in debt securities that are permissible under Shariah Principles.

**Income Fund**

Long term investment for long term strategy

**Fund Factsheet July 31, 2009**

**1st in Asian Region** (Islamic Funds Category) as at July 15, 2009.  
\*Source : EurekaHedge 2008, Islamic Finance Asia August/September 2009

**INVESTOR PROFILE**

The fund is suitable for investors who prefer a consistent and steady appreciation in value through investment in debt instruments permissible under Shariah Principles and possess an investment horizon in excess of 5 years.

**FUND DETAILS AS AT JULY 31, 2009**

Unit In Circulation	: 85.28 million
Unit NAV	: RM 0.5180
Financial Year	: May 31
Fund Category	: Bond Fund
Fund Inception	: April 27, 2004
Initial Sales Charge	: 1.00% of NAV per unit
Annual Management Fee	: Profit sharing scheme of 15:85 from Net Investment Income of the Fund.
Investment Manager	: CIMB Principal Asset Management (Effective from April 1, 2009)
Benchmark	: 12-month General Investment Account-rates of commercial banks.

**SHARIAH COMMITTEE MEMBERS**

- Dato' Dr. Abdul Halim bin Ismail
- Datuk Dr. Syed Othman bin Syed Hussin Al Habshi
- Prof. Dato' Dr. Abdul Monir bin Yaacob
- Prof. Dato' Dr. Mahmood Zuhdi bin Hj Ab. Majid

**FUND MANAGER'S REVIEW**

**Market Review**

Government bonds traded ranged bound on the back of continued uncertainties over recovery prospects with an array of mixed overseas economic data. During the month, the RM4.0billion auction of 10 year MGS 11/19 and RM4.5billion Gil 7/14 drew average response with a bid-to-offer ratio of 1.67x ( average yield of 4.294% ) and 1.81x ( average yield of 3.909% ) respectively. The benchmark sovereign bonds 3, 5 and 10 year all closed lower by 8bps, 14pbs and 8bps at 2.88%, 3.68% and 4.26% respectively. The June09 CPI figure contracted by 1.40% year on year which was in line with market expectations. The negative CPI was due to last year's high base effect ( when energy costs caused a hike in June 08 inflation figure ) and a slowdown in food and non-alcoholic beverage prices. The decline in inflation is likely to be temporary and is expected to inch up to positive as domestic economic conditions improve. In a widely expected move, BNM left the OPR unchanged at 2.00% citing that although overall economic conditions in the advanced economies remain weak, the pace of decline is slowing. The corporate bond market was actively traded with interest mainly focused on the AAA and AA rated segments. RAM upgraded the long term rating of Bank Pembangunan Bhd's bonds from AA1 to AAA with a stable outlook. Additionally, the outlook for Prai Power ( rated AA3 ) and Supermax ( rated A2 ) bonds were revised from negative to stable by RAM. Negative rating actions for the month were on AmInvestment Bank, CCM Bhd, and Ingress Sukuk. AmInvestment Bank and CCM Bhd has their outlooks revised to negative from stable while Ingress Sukuk bonds went into default during the month. The 4 papers related to Port Klang Free Zone were placed on MARCWatch Negative, and MARC forewarned of the possibility of further downgrades. New issuances during the month include Digi Telecommunications Bhd, Premium Commerce Bhd, Cagamas Bhd and MISC Bhd.

**Manager's Comments**

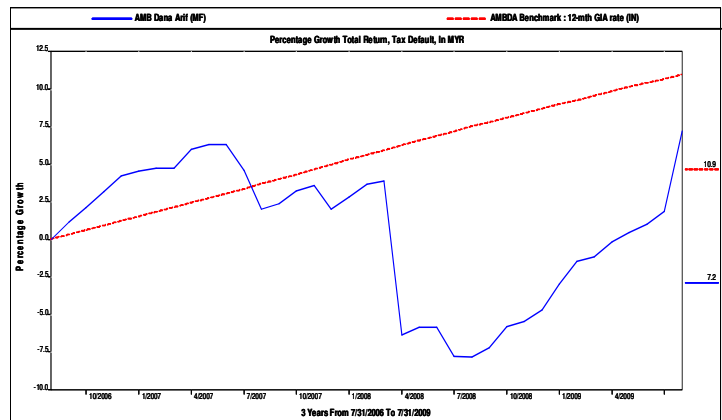
Despite the worst being over, economic recovery is still tepid and the interest rate environment is expected to remain benign for an extended period. We expect BNM to maintain the OPR at 2.00% for the rest of the year. Stemming from lack of positive catalysts, we expect the sovereign bond market to remain ranged bound in the near term. On the flip side, the corporate bond market is expected to remain bullish for the month of August as investor risk appetite returns. Investors are expected to move down the credit curve selectively in search of higher yield and hence move the yields of the laggard bonds lower. Additionally, lack of sizeable offerings in terms of primary issues will further fuel demand for bonds in the secondary market. Our strategy remains ie we remain overweight on corporate bonds. We aim to lengthen duration for unconstrained portfolios by investing selectively in good credit papers in the secondary market although the focus will be more on the upcoming new issues.

Based on the fund's portfolio returns as at 15 July 2009, the Volatility Factor (VF) for this fund is 6.8 and is classified as "Low" (source: Lipper). "Low" includes funds with VF that are above 4.765 but not more than 12.460. The VF means there is a possibility for the fund in generating an upside return or downside around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date 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, 2008, the First Supplementary Master Prospectus dated November 28, 2008, the Second Supplementary Master Prospectus dated April 1, 2009 and the Third Supplementary Master Prospectus dated June 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 branches.

**PERFORMANCE RECORD**

**3 Years Growth Total Return**



User may have modified the original chart and axis titles provided by Lipper.

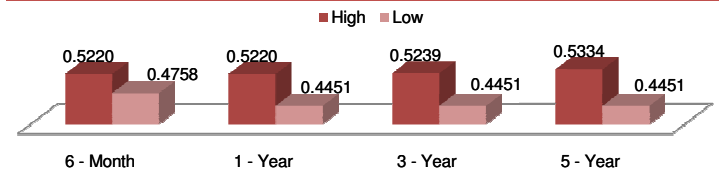


**Cumulative Total Return**

	Fund (%)	Rank
6 - Month	8.85	2 / 20
1 - Year	16.35	1 / 19
3 - Year	7.23	14 / 16
5 - Year	16.28	8 / 10

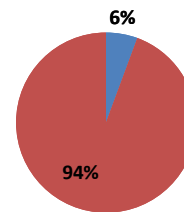
\* Source : Lipper (G)-Category of Bond-Islamic

**High/Low NAV (RM)**



**Asset Allocation as at July 31, 2009**

■ Short Term Deposit + Cash  
■ Bonds



**Top 5 Largest Holdings**

- 1) RANHILL POWERTRON SDN BHD
- 2) IRIS TECHNOLOGY CORPORATION BERHAD
- 3) JIMAH ENERGY VENTURES
- 4) TESCO STORE (MALAYSIA) SDN BHD
- 5) KONSORTIUM LEBUHRAYA UTARA-TIMUR (KL) SDN BHD