

June 2009

**FUND OBJECTIVE**

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.

**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 JUNE 30, 2009**

- Unit In Circulation : 92.88 million
- Unit NAV : RM 0.4920
- 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**

The MGS market remained weak in for the period under review. The sluggish MGS performance was mainly attributed to a downgrade of Malaysia's local currency rating to "A" from "A+" by Fitch Ratings. Meanwhile, the 2 MGS auctions during the month drew lukewarm investor demand. The 3 year benchmark MGS maturing 27 August 2012 drew bid to cover of 2.01x with average yield tendered of 2.946% while the 5 year GII 12/14 drew bid to cover of 1.48x with an average yield tendered of 3.902%. The issuances were nonetheless supported at high levels by ample domestic liquidity. Over in the PDS segment, the trading volume shrank 14.7% month on month, while the shorter-duration and "AA"-rated papers garnered the most trades. More issuances of banks' capital securities took place while downgrading activity was concentrated on the structured finance segment. However, the rating trend turned more positive towards month end with narrowing credit spreads across the board.

**Manager's Comments**

There are ten more open-market tenders and two more private placements scheduled for the 2H09 with RM47.5 billion already raised. There are more 2, 3 and 5 year offerings and only three 10 year MGS benchmark offerings. There is also a new issuance of a 2.5 year MGS in August. With gradually improving economic growth and the prospect of a long period of low policy rates, we remain underweight on MGS for the quarter with trading opportunities as and when supply concern pushes yields higher. As for the corporate bond market, the recently created Financial Guarantee Institution, Danajamin is expected to help companies of lower credit profiles raise funds for their operations. With a paid up capital of RM1 billion, Danajamin is expected to guarantee up to RM15 billion of bonds. Additionally, in the pipeline, there are more government guaranteed papers such as Prasarana as well as from the water sector. With high concentration of high grade issues coming onstream, there may be potential spread widening. Also credit conditions will continue to deteriorate mostly from small companies with single A and lower ratings. As such, we are selective on credit names and prefer higher yielding AA rated bonds.

**Third Supplementary Master Prospectus**

Effective July 30, 2009, the changes made for AMB 's fund are detailed on page 2 of the fund factsheet. Kindly refer to next page and you can also download our 3rd Supplementary Master Prospectus from our website [www.ambmutual.com.my](http://www.ambmutual.com.my)

**PERFORMANCE RECORD**

**Cumulative Total Return**

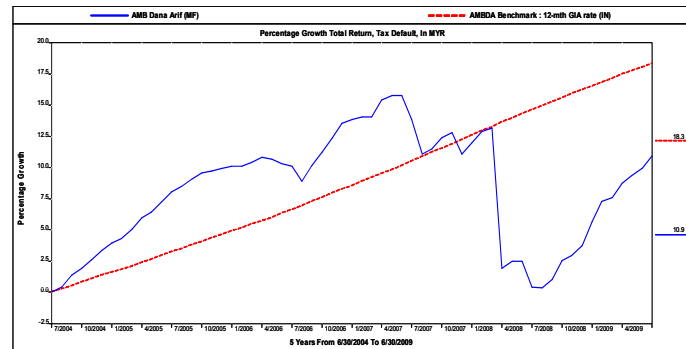
	%	Rank
• 6 - Month	4.97	2 / 20
• 1 - Year	10.41	2 / 19
• 3 - Year	0.74	15 / 16
• 5 - Year	10.91	9 / 10

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

**High/Low NAV (RM)**

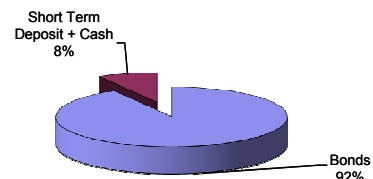
	High	Low
• 6 - Month	0.4933	0.4689
• 1 - Year	0.4933	0.4451
• 3 - Year	0.5239	0.4451
• 5 - Year	0.5334	0.4451

**5 Years Growth Total Return**



LIPPER

**ASSET ALLOCATION AS AT JUNE 30, 2009**



- 1) RANHILL POWERTRON SDN BERHAD
- 2) IRIS TECHNOLOGY CORPORATION BERHAD
- 3) JIMAH ENERGY VENTURES
- 4) DANGA INDUSTRIAL MAINTENANCE TRAINING NETWORK
- 5) SAJ HOLDINGS SDN BERHAD

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Website: [www.ambmutual.com.my](http://www.ambmutual.com.my)

Based on the fund's portfolio returns as at 15 June 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 5.035 but not more than 11.960. 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 Maybank distribution branches.