

The fund's objective is to attain a mix of regular income stream and possible capital growth via investments in listed equities, debt instruments and other assets that are permissible under the Shariah Principles

**Income & Growth Fund**

Smart Investment Choice for Constant Capital Growth

Fund Fact Sheet 31 December 2010

**INVESTOR PROFILE**

Suitable for all investors who are seeking a fully managed and balanced portfolio of investments that conform to the Shariah Principles and has investment horizon of 5 years or more.

**FUND DETAILS AS AT 31 DECEMBER 2010**

Unit In Circulation	: 31.408 million
Unit NAV	: RM 0.6241
Financial Year	: November 30
Fund Category	: Balanced Fund (Shariah)
Fund Inception	: September 17, 2002
Initial Sales Charge	: 5.50% of NAV per unit
Annual Management Fee	: 1.00% of NAV (Bond) 1.50% of NAV (Equity)
Benchmark	: 60% of the FBM EMAS Shariah Index 40% of 12-month General Investment Account-rates
Asset Allocation	: Min 20% to Max 70% in equities : Min 20% to Max 70% in debt instrument : Min 2% in cash and cash equivalent

**SHARIAH COMMITTEE MEMBERS**

- Dato' Dr. Abdul Halim bin Ismail (Chairman)
- 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  
Equity**

The KLCI continued its consolidation phase in December after the strong August to October rally. In fact, since early November, the KLCI has been trading sideways although prices rallied towards year end, likely on window-dressing activities. We see the consolidation in the past few weeks as a positive sign as it allows the market to rebuild its support base. This consolidation trend was also seen in most of the regional equity markets in the past few weeks.

For the month, the KLCI gained 34 points or 2.3% to close at 1,518.91 points. The broader market's performance was stronger than the KLCI with the FBM Emas up 3% to 10,375 points. Smaller caps outperformed the KLCI as seen by the FBM Small Cap which rose 5.2% to 12,625 points. The FBM ACE, however, rose at a slower pace of 3.1% to 4,347 points. Average value traded on Bursa in December declined 16% month-on-month to RM1.89 billion per day.

**Fixed Income**

The trading volume for the Malaysian Government Securities/Government Investment Issue (MGS/GII) market dropped significantly in 4Q2010, registering trading volume of RM96.9bn, compared to RM120.5billion recorded in the previous quarter. The drop in volume was mainly attributed to the year end holiday season factor. For the month of December, only RM20.1billion of trades was reported, a marked drop from RM43.8billion and RM33.0billion recorded in the month of October and November respectively.

Meanwhile, the announcement of a smaller budget deficit of 5.4% of GDP for 2011 during Budget 2011 as compared with the estimated deficit of 5.6% of GDP in 2010 provided some encouragement to the local bond market. However, when scrutinized further, the projected 2011 deficit amount of RM45.5 billion is larger than the estimated deficit of RM43.3 billion in 2010, although not by a big margin.

The corporate bond market in contrast saw heavier trading volume in 4Q2010. Trading volume in the corporate bond segment maintained its momentum with total trading volume of RM16.5 billion, a slight improvement from previous quarter trading volume of RM16.4 billion.

**Comments**

**Equity**

The global markets surprised most people with its resilience in the face of multiple events that could have tripped it in December, from the Irish bailout challenges, contagion to Portugal, rising Chinese interest rates and Asian bond yields, and the simmering Korean crisis. Most markets posted positive gains in December as fear abated, ending the year at a high.

Locally, the market continues its steady rise, driven by regional portfolio flows and buying of oil palm stocks which are expected to re-rate on the back of rising commodity prices. Also, foreigners are betting the Government can carry out the Economic Transformation Programme and Government Transformation Programme and give Malaysia a new boost in this new challenging environment. We continue to remain fully invested to participate in this rally, where the benchmark FBM KLCI has set a new all-time high.

**Fixed Income**

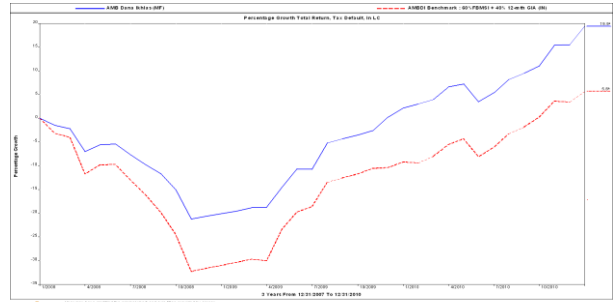
Year 2011 will be a challenging year for MYR bond market following a much better performances for both government and corporate bonds in 2010. For 2011 we are projecting the total issue size for MGS/GII to be in the range of RM86.0 billion to RM89.0 billion. Following the recent release of the 2011 MGS/GII auction calendar, we observed that there will be more auctions and private placements with tenures ranging from the mid to long end of the curve, ie 7 years and above. Consequently, we believe the MGS yield curve may bear steeper during the 1H2011 as a larger portion of the longer dated MGS/GII will be auctioned to the market during the 1H2011.

We do not think BNM will raise rates during the 1Q2011 as we view inflationary pressures to be thus far well contained, at least until further clarity is seen in 2H2011.

We remain near term positive on the corporate bond market. However we are taking a cautious stance on high grade bonds such as AAA-rated and government guaranteed bonds, in particular names which are closely correlated to MGS yield movement. We believe the AA-rated segment provides better yield pick-up, and provides some buffer against the prospect of a rising risk free rate.

**PERFORMANCE RECORD**

**3 Years Growth Total Return**



**Cumulative Total Return**

	Fund (%)	Rank
<b>6 - Month</b> (30 June 2010 - 31 December 2010)	13.35	2/19
<b>1 - Year</b> (31 December 2009 - 31 December 2010)	16.98	2/19
<b>3 - Year</b> (31 December 2007 - 31 December 2010)	19.51	3/19
<b>5 - Year</b> (31 December 2005- 31 December 2010)	53.87	11/17

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

**High/Low NAV (RM)**

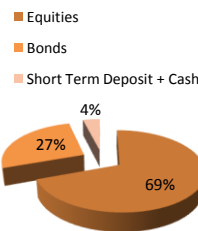
	High	Low
<b>6 - Month</b> (1 July 2010 - 31 December 2010)	0.6263	0.5465
<b>1 - Year</b> (1 January 2010 - 31 December 2010)	0.6263	0.5312
<b>3 - Year</b> (1 January 2008 - 31 December 2010)	0.6263	0.4058
<b>5 - Year</b> (1 January 2006 - 31 December 2010)	0.6263	0.3925

**Income Distribution**

2010	Net (sen per unit)
	NIL

\*Source : Extracted from the annual report of AMBDI which has been audited by our external auditor

**Asset Allocation as at 31 December 2010**



<b>Equities</b>	
Consumer Products	2.99
Construction	8.45
Trading/Services	22.57
Properties	2.26
Industrial Products	9.99
Plantations	19.23
IPC	3.96
<b>TOTAL</b>	<b>69.45</b>

**Top 5 Largest Holdings**

- 1) KONSORTIUM LEBUH UTARA TIMUR -BOND
- 2) SIME DARBY BERHAD - EQUITY
- 3) AXIATA GROUP BERHAD - EQUITY
- 4) IOI CORPORATION BERHAD - EQUITY
- 5) UMW HOLDINGS BERHAD - BOND

Based on the fund's portfolio returns as at January 15, 2011, the Volatility Factor (VF) for this fund is 9.6 and its Volatility Class (VC) is classified as "Low" (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, 2010 before investing. This prospectus has 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 is obtainable at Amanah Mutual Berhad or any of its distribution branches.