

**INVESTOR PROFILE**

The Fund is suitable for investors seeking a medium to long-term investment with regular interest income and some potential for moderate capital growth.

**FUND DETAILS AS AT JANUARY 31, 2010**

Unit In Circulation	: 124.865 mil
Unit NAV	: RM 0.7030
Financial Year	: June 30
Fund Category	: Bond Fund
Fund Inception	: June 19, 1996
Initial Sales Charge	: 2.00% of NAV per unit
Annual Management Fee	: 1.00 % of NAV
Investment Manager	: CIMB Principal Asset Management Bhd (Effective from April 1, 2009)
Benchmark	: 12- month Fixed Deposit Rate of commercial banks.

**FUND MANAGER'S REVIEW**

**Market Review**

The domestic market kicked off the new year with some selling in the sovereign bonds which was spilled over from previous month's activities. However, the sell-off was well supported as bargain hunters comprising offshore and local investors were seen buying following contraction in the November's export, which contracted by 3.3% as compared with 1.5% expansion recorded in October 2009.

The market reacted to which resulted in bearish flattening of the MGS yield curve as traders dumped the short end of the MGS in anticipation that BNM may raise its OPR earlier than expected. Consequently, the closing yields were 3.34% (+10 bps), 3.76% (-3 bps) and 4.27% (+2 bps) for the key 3, 5 and 10 year sovereign benchmarks respectively.

Buying momentum in the corporate bonds segment was strong during the start of the year with trading volume in the first week of the month cross RM2.0 billion as both investors and traders were generally building up their portfolio for the new year. The interests were mainly focused on AA-rated issuers.

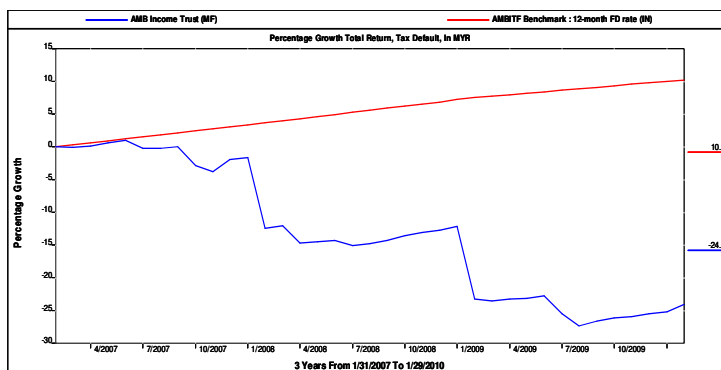
**Comments**

The immediate impact from the earlier than expected increase in OPR in 1H10 would see short dated bonds yields move in tandem with the expected increase. As such, we expect market to price in at least 25 to 50 bps into the short dated bonds. Consequently, yield curve would have normalized instead if kinked as seen last year in particular the MGS yield curve.

We expect the bond market to be wary of BNM's next move in its next MPC meeting in March 2010 and we would remain cautious and likely to position a short benchmark duration strategy.

**PERFORMANCE RECORD**

**3 Years Growth Total Return**



LIPPER

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

**Cumulative Total Return**

	Fund (%)	Rank
<b>6 - Month</b> (31 July 2009 - 29 Jan 2010)	4.61	5/37
<b>1 - Year</b> (31 Jan 2009 - 29 Jan 2010)	-1.01	29/32
<b>3 - Year</b> (31 Jan 2007 - 29 Jan 2010)	-24.04	28/29
<b>5 - Year</b> (31 Jan 2005 - 29 Jan 2010)	-17.24	22/23

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

**High/Low NAV (RM)**

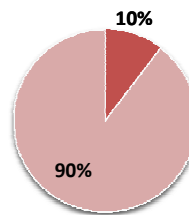
	High	Low
<b>6 - Month</b> (1 August 2009 - 31 Jan 2010)	0.7029	0.6644
<b>1 - Year</b> (1 Feb 2009 - 31 Jan 2010)	0.7155	0.6644
<b>3 - Year</b> (1 Feb 2007 - 31 Jan 2010)	0.9711	0.6644
<b>5 - Year</b> (1 Feb 2005 - 31 Jan 2010)	1.0033	0.6644

**Income Distribution**

	Net (sen per unit)
<b>2009</b>	NIL

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

■ Short Term Deposit + Cash ■ Bonds



**Top 5 Largest Holdings**

- 1) TEKNOLOGI TENAGA PERLIS CONSORTIUM SDN BHD
- 2) RHB CAPITAL BERHAD
- 3) AMBANK BERHAD
- 4) RANTAU ABANG CAPITAL SDN BHD
- 5) BRITISH AMERICAN TOBACCO (M) BERHAD

Based on the fund's portfolio returns as at January 15, 2010, the Volatility Factor (VF) for this fund is 10.3 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, 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 branches.