

Income Fund

Smart Investment Choice for Constant Capital Growth

Fund Fact Sheet 31 October 2010

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 31 OCTOBER 2010

Unit In Circulation	: 54.951 mil
Unit NAV	: RM 0.5606
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.
Benchmark	: 12-month General Investment Account-rates
Asset Allocation	: Min 50% to Max 98% in debt securities. : Min 2% to Max 50% in liquid assets and short-term money instruments.

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

The sovereign bond market came under selling pressure at the long end of the curve due to MGS oversupply concerns following the release of the 2011 Malaysian Budget. Market sentiment dampened as market players priced in an unexpected surge in public financing. The MGS yield curve steepened, with the 3 year benchmark yield rising 13bps to close at 3.3%, the 5 year and 10 year benchmark yields up 17bps and 20bps respectively to close at 3.4% and 3.8%.

Economic data released for the month confirmed that the domestic economy was headed for a slowdown. Malaysia's August, 2010 exports slowed for the fifth consecutive month to 10.6% (July, 2010 exports were 13.5% YoY). This was the weakest growth in 9 months. Meanwhile, August, 2010 imports grew by 16.5% YoY, again slower than 18.1% growth recorded in the previous month. Inflation remained fairly benign, with September 2010 CPI figure moderating to 1.8% YoY (previous month 2.1% YoY) primarily due to slower inflation on food and beverages and transportation expenses.

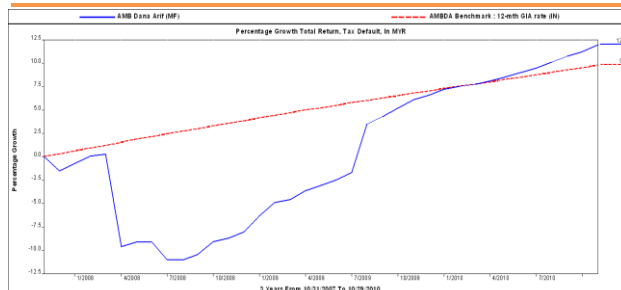
Comments

The local bond market will likely be influenced by external factors, affecting the performance of the MYR in the near term as well. External factors such as Quantitative Easing round 2, fears of a flaring currency war and the surprise rate hike by China, coupled with potential further increases in interest rates will influence market sentiment. We may see steepening of the yield curves as the purchases are targeted at the short end. Prolonged low interest environment in the developed economies will also exacerbate the flood of excess liquidity going into Asia.

We reiterate our view that the corporate bond market will remain well supported in view of the lack of sizeable new offerings expected in the next few months. As a result, we believe investors will continue to look to secondary market offerings to fill their portfolios. We position neutral to benchmark duration, and aim to preserve our gains as we draw near to the end of the year.

PERFORMANCE RECORD

3 Years Growth Total Return



Cumulative Total Return

	Fund (%)	Rank
6 - Month (30 April 2010 - 29 October 2010)	3.17	8/20
1 - Year (31 October 2009 - 29 October 2010)	5.56	7/19
3 - Year (31 October 2007 - 29 October 2010)	11.99	11/17
5 - Year (31 October 2005 - 29 October 2010)	15.14	12/13

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

High/Low NAV (RM)

	High	Low
6 - Month (1 May 2010 - 29 October 2010)	0.5605	0.5434
1 - Year (1 November 2009 - 29 October 2010)	0.5605	0.5311
3 - Year (1 November 2007 - 29 October 2010)	0.5605	0.4451
5 - Year (1 November 2005 - 29 October 2010)	0.5605	0.4451

Income Distribution

2010	Net (sen per unit)
	NIL

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

Asset Allocation as at 31 October 2010

Asset Allocation	%
Bonds	103.82
Short Term Deposit + Cash	3.48
Other assets/(Liabilities)	-7.30
Total	100.00

Notes: Please note that as at the financial year end, the fund had high redemption resulting from cancellation of units. After the financial year end, the portfolio of the fund had been rebalanced due to the settlement of the cancellation.

Top 5 Largest Holdings

- 1) JIMAH ENERGY VENTURES SDN BHD - BOND
- 2) KONSORTIUM LEBUH UTARA TIMUR- BOND
- 3) SUNRISE BERHAD - BOND
- 4) RANHILL POWERTRON SDN BHD - BOND
- 5) PUTRAJAYA HOLDINGS - BOND

Based on the fund's portfolio returns as at November 15, 2010, the Volatility Factor (VF) for this fund is 7.1 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.