

The fund's objective is to provide a balance between income and long-term (over 5 years) capital appreciation.

**Growth & Income Fund**  
Smart Investment Choice for Constant Capital Growth  
**Fund Fact Sheet 31 August 2011**

**INVESTOR PROFILE**

The fund is suitable for all investors who are seeking a fully managed and balanced portfolio of investments and who have a long-term investment horizon of 5 years or more.

**FUND DETAILS AS AT 31 AUGUST 2011**

Unit In Circulation	: 142.015 million
Unit NAV	: RM 0.7565
Financial Year	: September 30
Fund Category	: Balanced Fund
Fund Inception	: September 19, 1994
Initial Sales Charge	: 6.50% of NAV per unit
Annual Management Fee	: 1.50% of NAV
Benchmark	: 50% of FBM KLCI : 50% of the Quantshop MGS Medium Index
Asset Allocation	: Min 20% Max 60% in equities : Min 20% Max 60% in fixed income securities : Min 2% in liquid asset

**FUND MANAGER'S REVIEW**

**Market Review**

**Equity**

Global markets experienced heavy selling pressure due to debt concerns in Europe and implications from the loss of America's triple-A sovereign rating for the first time in history. For the month, the FBMKLCI fell 102 points or 6.6% to close at 1,447 points. The broader FBM Emas index fell 7.2% to 9,909 points. Smaller caps underperformed as investors moved to bigger cap stocks in the search for safety with the FBM Small Cap Index falling 9.4% to 11,333 points. No major bourses were safe from this sharp decline with the Taiwan and Korean markets experiencing the worst selling pressure whilst Australia and China showed better resilience. The USD had appreciated marginally in the month of August 2011 but has since retreated, trading at 2.9803 against the MYR as at the month (end-July 2011 : 2.9555).

On the local corporate front, mergers and acquisitions were still very much in vogue with AirAsia entering into a collaboration agreement with Malaysian Airlines (MAS) and AirAsia X. In this collaboration, Khazanah will take a 10% stake in AirAsia via a share swap for a 20.5% equity stake in MAS. In addition, Khazanah proposes to acquire a 10% stake in AirAsia X on terms and at a price to be mutually agreed later. Meanwhile, Sime Darby announced that it is acquiring 30% of Eastern & Oriental at the acquisition price of RM2.30/share to gain exposure into Penang's property market.

**Fixed Income**

The MGS yield curve continued to flatten in August 2011. The MGS trading momentum was strong in the month; trading volume surged 46.2% m-o-m to RM97.4 billion (July 2011: RM66.6 billion). Investors flocked towards the relative safety of government bonds amidst fears of slowing domestic economy. This was exacerbated by worries over the US global recovery and volatility in the global financial markets. The MGS rallied across most tenures but particularly in the long end of the curve. The 10- and 20-year MGS yields dropped by 23 bps and 12 bps respectively. The 3-, 5-, 7-, 10- and 20-year MGS benchmark yields ended the month at 3.18%, 3.39%, 3.68%, 3.65% and 4.06% respectively. Given the short month of August, there was only one MGS public auction (RM3 billion) and one private placement (RM2 billion). Corporate bonds trading volume jumped 58.2% y-o-y (July 2011: RM6.73 billion). Trading remains concentrated in the AAA and AA rating categories with 36% and 42% trade shares respectively (July 2011: 32% and 50% respectively).

**Manager's Comments**

**Equity**

Like the rest of the region, Malaysia's GDP forecast is being reduced. Growth will be supported by government pump priming ahead of expected General Elections this year, projects under the governments Economic Transformation Project ("ETP") and domestic consumption arising from Malaysia's traditionally high savings rate. In spite of the downside risk to earnings, we expect the market downside to be cushioned by the disproportionate weight of government funds in the market. Still, the portfolios are positioned defensively with a significant weighting in dividend stocks in the Telecommunication and Consumer Staple sectors. We have reduced weightings in cyclical stocks and speculative RNAV plays. Our preference remains for large caps with a visible and predictable earnings stream.

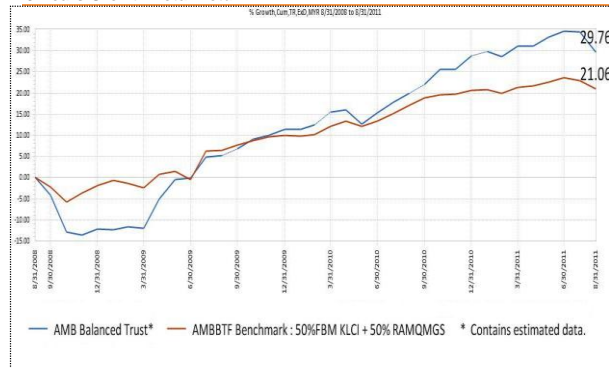
**Fixed Income**

We expect BNM to hold the overnight policy rate (OPR) steady at the next monetary policy committee (MPC) meeting on 8 September 2011 given the weaker economic outlook and lower inflationary pressures. The timing of the normalisation of the OPR will depend largely on external economic data. If more positive economic data surfaces, supporting the government's GDP growth target of 5% - 6%, we think that there will be a 25 bps rate hike in November, bringing the OPR to 3.25%. We continue to see volatility in the MGS market with more positive flows from offshore investors while local players take a trading position. Total issuance of the MGS/GII as at end-August 2011 stood at RM66.5 billion, comprising 14 public auctions and seven private placements.

For the corporate bond space, we remain bullish on corporate bonds versus MGS. The low yields in the MGS market is expected to push investors towards more government-guaranteed rated PDS. Nonetheless, as the global growth shows some signs of lethargy, we will be maintaining the current portfolio duration and will be selective on corporate credits with focus on issuers with steady cashflow streams.

**PERFORMANCE RECORD**

**3 Years Growth Total Return**



**Cumulative Total Return**

	Fund (%)	Rank
<b>1 - Month</b> (31 July 2011 - 31 August 2011)	-3.47	5/23
<b>6 - Month</b> (29 February 2011 - 31 August 2011)	0.93	10/23
<b>1 - Year</b> (31 August 2010 - 31 August 2011)	8.23	8/23
<b>3 - Year</b> (31 August 2008 - 31 August 2011)	29.76	8/23
<b>5 - Year</b> (31 August 2006 - 31 August 2011)	39.68	17/23

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

**High/Low NAV (RM)**

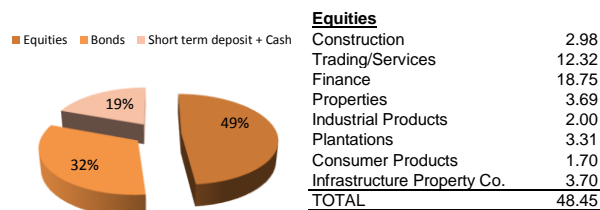
	High	Low
<b>1 - Month</b> (31 July 2011 - 31 August 2011)	0.7855	0.7540
<b>6 - Month</b> (29 February 2011 - 31 August 2011)	0.7891	0.7484
<b>1 - Year</b> (31 August 2010 - 31 August 2011)	0.7891	0.7014
<b>3 - Year</b> (31 August 2008 - 31 August 2011)	0.7891	0.4969
<b>5 - Year</b> (31 August 2006 - 31 August 2011)	0.7891	0.4969

**Income Distribution**

	Net (sen per unit)
<b>2010</b>	NIL

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

**Asset Allocation as at 31 August 2011**



**Equities**

Construction	2.98
Trading/Services	12.32
Finance	18.75
Properties	3.69
Industrial Products	2.00
Plantations	3.31
Consumer Products	1.70
Infrastructure Property Co.	3.70
<b>TOTAL</b>	<b>48.45</b>

**Top 5 Largest Holdings**

- 1) RHB CAPITAL BERHAD - BOND & EQUITY
- 2) YTL CORPORATION BERHAD - BOND
- 3) CIMB BANK BERHAD - BOND
- 4) BANK MUAMALAT MALAYSIA BERHAD - BOND
- 5) CIMB GROUP HOLDINGS BERHAD - EQUITY

Based on the fund's portfolio returns as at September 15, 2011, the Volatility Factor (VF) for this fund is 9.7 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, 2011 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.