

Income Fund

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

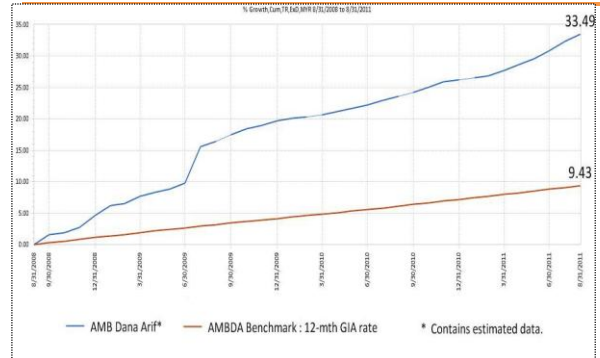
The fund's objective is to provide a steady appreciation of the net asset value of the Fund with a regular flow of income to our investors through investments in debt securities that are permissible under Shariah Principles.

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.

PERFORMANCE RECORD

3 Years Growth Total Return



FUND DETAILS AS AT 31 AUGUST 2011

Unit In Circulation	: 55.001 million
Unit NAV	: RM 0.5670
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 of commercial banks
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 MGS yield curve continued to bull 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). It was the 15-year re-opening of the MGS 4/26. The RM3 billion re-opening of the benchmark MGS 4/26 was well absorbed by the market with a bid-to-offer ratio of 1.87 times and reached an average yield of 3.916%. For YTD 2011, MGS/GII issued stood at RM66.5 billion.

Foreign investors continue to hold a significant portion of the MGS. RM91.6 billion, representing 33% of outstanding MGS, is now held by offshore players who are in the market for both currency carry trade as well as MYR appreciation play. The USD had appreciated marginally in the month of August 2011 but has since retreated, trading at 2.9803 against the MYR as at of the month (end-July 2011: 2.9555).

The trend of the MGS market was mirrored in the corporate bond space. 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). Month-on-month, credit spreads continued to compress further in August with longer tenure AA3 registering the most tightening. The AA3 10-year, 15-year and 20-year saw 16 bps compression. The Bond Pricing Agency Malaysia generic AAA yield curve bull flattened in August 2011 with the 3-, 5-, 10- and 15-year yields declining by 5 bps, 6 bps, 9 bps and 10 bps respectively. New PDS issuance in August 2011 was slower than the month before. Total PDS issuance stood at RM47.3 billion.

Manager's Comments

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. Any weak economic data from the US and further escalations in the Eurozone debt crisis may cause more risk aversions.

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.

Cumulative Total Return

	Fund (%)	Rank
1 - Month (31 July 2011 - 31 August 2011)	0.87	6/21
6 - Month (29 February 2011 - 31 August 2011)	5.24	2/19
1 - Year (31 August 2010 - 31 August 2011)	7.96	3/17
3 - Year (31 August 2008 - 31 August 2011)	33.49	1/15
5 - Year (31 August 2006 - 31 August 2011)	22.39	8/12

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

High/Low NAV (RM)

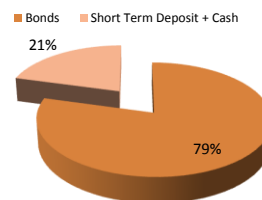
	High	Low
1 - Month (31 July 2011 - 31 August 2011)	0.5669	0.5622
6 - Month (29 February 2011 - 31 August 2011)	0.5687	0.5513
1 - Year (31 August 2010 - 31 August 2011)	0.5687	0.5472
3 - Year (31 August 2008 - 31 August 2011)	0.5687	0.4467
5 - Year (31 August 2006 - 31 August 2011)	0.5687	0.4451

Income Distribution

	Net (sen per unit)
Interim Nov 30, 2010	1.70
Interim, 2011	1.30

*Declared on June 30, 2011

Asset Allocation as at 31 August 2011



Top 5 Largest Holdings in Bond

- 1) BANK MUAMALAT BERHAD
- 2) JIMAH ENERGY VENTURES SDN BHD
- 3) KONSORTIUM LEBUHRAYA UTARA-TIMUR KUALA LUMPUR S/B
- 4) SUNRISE BERHAD
- 5) MAJU EXPRESSWAY (MEX)

*Where a distribution is declared, investors are advised that following the distribution, the NAV per unit will be reduced from cum-distribution NAV to ex-distribution NAV

Based on the fund's portfolio returns as at September 15, 2011, the Volatility Factor (VF) for this fund is 3.0 and its Volatility Class (VC) is classified as "Very 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.