



Morning Star Rating   
 Lipper Total Return 1   
 Lipper Consistent Return 1   
 Lipper Preservation Return 1

## AMB Income Trust Fund



The fund's objective is to maximise returns over the medium term (over 2 years) and while at the same time offer stability of capital and regular income.

### Income Fund

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

#### INVESTOR PROFILE

The fund is suitable for investors seeking a medium term investment with regular consistent income and some potential for moderate capital growth.

#### FUND DETAILS AS AT 31 AUGUST 2011

Unit In Circulation	: 90.770 million
Unit NAV	: RM 0.8215
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
Benchmark	: 12- month fixed deposit rate of commercial banks
Asset Allocation	: Min 40% Max 98% in fixed income securities : Up to 60% in cash and money market

#### 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.

#### PERFORMANCE RECORD

##### 3 Years Growth Total Return



##### Cumulative Total Return

Period	Fund (%)	Rank
1 - Month (31 July 2011 - 31 August 2011)	0.69	22/38
6 - Month (29 February 2011 - 31 August 2011)	3.18	24/38
1 - Year (31 August 2010 - 31 August 2011)	6.79	13/37
3 - Year (31 August 2008 - 31 August 2011)	3.54	27/27
5 - Year (31 August 2006 - 31 August 2011)	-9.26	22/22

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

##### High/Low NAV (RM)

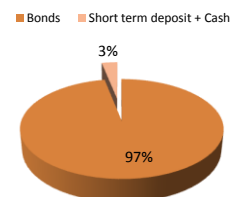
Period	High	Low
1 - Month (31 July 2011 - 31 August 2011)	0.8213	0.8160
6 - Month (29 February 2011 - 31 August 2011)	0.8213	0.7960
1 - Year (31 August 2010 - 31 August 2011)	0.8213	0.7562
3 - Year (31 August 2008 - 31 August 2011)	0.8213	0.6644
5 - Year (31 August 2006 - 31 August 2011)	0.9711	0.6644

##### Income Distribution

2010	Net (sen per unit)
	NIL

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

##### Asset Allocation as at 31 August 2011



##### Top 5 Largest Holdings in Bond

- 1) AMBANK (M) BERHAD
- 2) RHB CAPITAL BERHAD
- 3) BANK MUAMALAT MALAYSIA BERHAD
- 4) EON BANK BERHAD
- 5) ARA BINTANG BERHAD

Based on the fund's portfolio returns as at September 15, 2011, the Volatility Factor (VF) for this fund is 8.6 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, 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.