

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

The fund's objective is to seek regular income stream and moderate capital growth through investments into fixed income securities and dividend yielding equities.

**INVESTOR PROFILE**

The fund is suitable for investors who:-

- Seek a defensive investment solution that comprises fixed income instruments and a minor portion of equity.
- Seek returns from a professionally managed Fund that is well diversified across various asset classes.

**FUND DETAILS AS AT 31 AUGUST 2011**

Unit In Circulation	: 11.905 million
Unit NAV	: RM 0.5388
Financial Year	: September 30
Fund Category	: Fixed Income Fund
Fund Inception	: November 25, 2004
Initial Sales Charge	: 2.00% of NAV per unit
Annual Management Fee	: 1.00% of NAV (Bond) 1.50% of NAV (Equity)
Benchmark	: 80% of the Quantshop MGS Medium Index 20% of FBM Emas Index
Asset Allocation	: Max 20% in equities Min 80% - Max 100% in bonds and money market/cash

**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 FBMLKLCI 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 of 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

Local government bonds continued to trend higher for the month, with the 10-year MGS benchmark rallying the most. The month saw the US averting a government debt default via an eleventh hour deal to increase the debt limit ceiling while reducing federal expenditure over the next 10 years. However, this did not stop the credit agency, Standard and Poor from downgrading US debt to AA+ from AAA rating. Meanwhile, sovereign debt problems in Europe continued to dictate market sentiment. The Swiss Franc, Japanese Yen and Gold experienced very strong rallies during the month.

On the local economic front, exports quickened to 8.6% YoY for the month of June 2011, mainly driven by commodity-based and non-electronic products. Industrial production output rebounded modestly to 1.0% YoY in June 2011. Inflation eased slightly to 3.4% YoY in July 2011. The reopening of the RM5.0 billion 15-year MGS saw rather weak demand, with a bid-to-cover ratio of 1.87 times at an average yield of 3.92%. The 3-, 5-, 7-, 10- and 20-year benchmark yields declined by 6 to 23 bps to 3.17%, 3.38%, 3.55%, 3.64% and 4.06% respectively.

In an unprecedented move, the Federal Reserve (Feds) in the US pledged to keep the interest rates near zero for at least the next two years until the middle of 2013, given increasing concerns of a double-dip recession. The Feds acknowledged that growth has been much weaker than anticipated and labour conditions still remain unfavourable. The Feds also mentioned that they are prepared to employ a range of policy tools to speed up the economic recovery.

**Manager's Comments**

For the month of August, the Fund underperformed its benchmark slightly due to its stock selection. We would look to increase our equity exposure on pullbacks.

**PERFORMANCE RECORD**

**3 Years Growth Total Return**



**Cumulative Total Return**

	Fund (%)	Rank
<b>1 - Month</b> (31 July 2011 - 31 August 2011)	-0.83	6/14
<b>6 - Month</b> (29 February 2011 - 31 August 2011)	1.45	6/14
<b>1 - Year</b> (31 August 2010 - 31 August 2011)	4.56	7/14
<b>3 - Year</b> (31 August 2008 - 31 August 2011)	15.34	9/14
<b>5 - Year</b> (31 August 2006 - 31 August 2011)	31.80	6/12

\* 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)	0.5443	0.5379
<b>6 - Month</b> (29 February 2011 - 31 August 2011)	0.5469	0.5307
<b>1 - Year</b> (31 August 2010 - 31 August 2011)	0.5469	0.5209
<b>3 - Year</b> (31 August 2008 - 31 August 2011)	0.5469	0.4960
<b>5 - Year</b> (31 August 2006 - 31 August 2011)	0.5493	0.4902

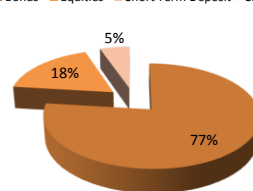
**Income Distribution**

	Net (sen per unit)
<b>2008</b>	3.41
<b>2009</b>	1.59
<b>2010</b>	1.97

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

**Asset Allocation as at 31 August 2011**

■ Bonds ■ Equities ■ Short Term Deposit + Cash



**Equities**

Construction	2.06
Industrial	1.12
Finance	7.80
Properties	1.83
Trading & Services	4.99
<b>TOTAL</b>	<b>17.80</b>

**Top 5 Largest Holdings in Bond**

- 1) PUBLIC BANK BERHAD
- 2) SABAH CREDIT CORPORATION SDN BHD
- 3) YTL POWER BERHAD
- 4) KMC OB CAPITAL BERHAD
- 5) EON BANK BERHAD

Based on the fund's portfolio returns as at September 15, 2011, the Volatility Factor (VF) for this fund is 2.1 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.