

## Income Fund

Smart Investment Choice for Constant Capital Growth  
Fund Fact Sheet 28 February 2011

### 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 28 February 2011

Unit In Circulation	: 55.156 million
Unit NAV	: RM 0.5513
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

Local government bonds generally trended lower in February with the 3-year MGS benchmark declining the most. On the economic front, export growth slowed further to 4.6% YoY for the month of December 2010. Industrial output also grew at a slower pace during the same period and posted a YoY growth rate of 4.2%. Meanwhile inflation edged higher to 2.4% in January 2011.

There was healthy demand for the new issuance of RM4.5 billion 3.5-year MGS, attracting a bid-to-cover ratio of 2.19 times with an average yield of 3.43%. The new RM3.5 billion 7.5-year GII was also well received, registering a bid-to-cover ratio of 2.42 times and drawing an average yield of 3.87%. The 3-, 5-, 7-, 10-, and 20-year benchmark yields rose by 1 to 15 bps to 3.37%, 3.50%, 3.77%, 4.07% and 4.54% respectively. In addition, Bank Negara governor Tan Sri Dr Zeti Akhtar Aziz said the country would meet this year's gross domestic product growth target of between 5% and 6%.

#### Comments

We expect Bank Negara Malaysia (BNM) to maintain the Overnight Policy Rate (OPR) at 2.75% in their monetary policy meeting this month. We believe BNM is not too concerned with inflation at this juncture and may use other measures such as an increase in Statutory Reserve Requirements (SRR) for banks as one policy tool to control liquidity. However if the situation in the Middle East is prolonged, and results in an oil supply shock that leads to rising inflationary pressure, we expect BNM to start raising rates in the second half of 2011(2H11).

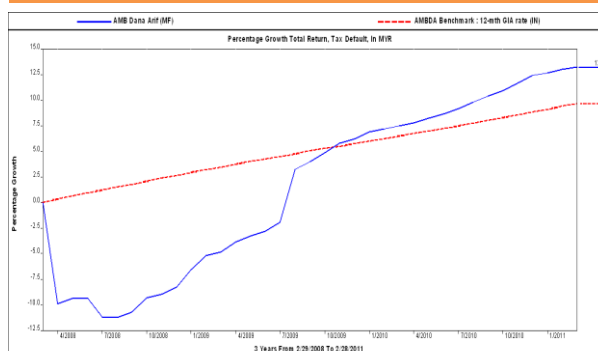
Despite the general pullback of foreign funds in the emerging equity space, the Malaysian bond market continues to see an increase in Bank Negara Bills and MGS foreign holdings in January by close to RM6 billion. With continued foreign inflows, further ringgit appreciation expected, and a benign inflation figure, we believe local sovereign yields will trade range bound and be supported from excessive yield rising.

As borrowing costs remain low in addition to upcoming mega projects emanating from the Economic Transformation Programme ("ETP") which require funding, we expect to see an active primary market in the short term. Due to ample liquidity in the market, we believe the new issuances will be easily absorbed and fairly well supported by market players hungry for bonds.

We continue to maintain our strategy with an overweight in the corporate debt segment and

### PERFORMANCE RECORD

#### 3 Years Growth Total Return



Use the tabs to refresh the original chart and axis. Data provided by Lipper

#### Cumulative Total Return

	Fund (%)	Rank
<b>6 - Month</b> (31 August 2010 - 28 February 2011)	2.59	5/19
<b>1 - Year</b> (28 February 2010 - 28 February 2011)	5.42	6/18
<b>3 - Year</b> (29 February 2008 - 28 February 2011)	13.28	9/16
<b>5 - Year</b> (28 February 2006 - 28 February 2011)	16.05	11/12

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

#### High/Low NAV (RM)

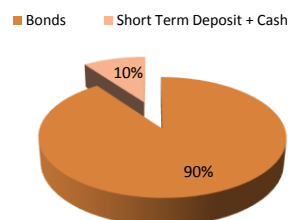
	High	Low
<b>6 - Month</b> (31 August 2010 - 28 February 2011)	0.5643	0.5472
<b>1 - Year</b> (28 February 2010 - 28 February 2011)	0.5643	0.5393
<b>3 - Year</b> (29 February 2008 - 28 February 2011)	0.5643	0.4451
<b>5 - Year</b> (28 February 2006 - 28 February 2011)	0.5643	0.4451

#### Income Distribution

	Net (sen per unit)
<b>Interim Nov 30, 2010</b>	1.70

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

#### Asset Allocation as at 28 February 2011



#### Top 5 Largest Holdings in Bond

- 1) JIMAH ENERGY VENTURES SDN BHD
- 2) KONSORTIUM LEBUHRAYA UTARA TIMUR
- 3) NATIONAL BANK OF ABU DHABI
- 4) RANHILL POWERTRON SDN BHD
- 5) SUNRISE BERHAD

Based on the fund's portfolio returns as at March 15, 2011, the Volatility Factor (VF) for this fund is 7.0 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.