

Income & Growth Fund

Smart Investment Choice for Constant Capital Growth

Fund Fact Sheet 31 January 2011

INVESTOR PROFILE

Suitable for all investors who are seeking a fully managed and balanced portfolio of investments that conform to the Shariah Principles and has investment horizon of 5 years or more.

FUND DETAILS AS AT 31 JANUARY 2011

Unit In Circulation	: 30.608 million
Unit NAV	: RM 0.6350
Financial Year	: November 30
Fund Category	: Balanced Fund (Shariah)
Fund Inception	: September 17, 2002
Initial Sales Charge	: 5.50% of NAV per unit
Annual Management Fee	: 1.00% of NAV (Bond) 1.50% of NAV (Equity)
Benchmark	: 60% of the FBM EMAS Shariah Index 40% of 12-month General Investment Account-rates
Asset Allocation	: Min 20% to Max 70% in equities : Min 20% to Max 70% in debt instrument : Min 2% in cash and cash equivalent

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

Equity

For the month, the KLCI was relatively flat and edged up a marginal 1 point to close at 1,520 points. The broader market's performance was stronger than the KLCI with the FBM Emas up 0.9% to 10,469 points. Smaller caps outperformed the KLCI as seen by the FBM Small Cap which rose 2.9% to 12,989 points. The FBM ACE, however, fell 1.3% to 4,292 points. Average value traded on Bursa in January surged 41% month-on-month to RM2.66 billion per day.

Higher inflation and the fear of tighter monetary policy led to the fourth consecutive month of Asia Pacific ex-Japan underperforming since October 2010. MSCI Asia Pacific ex-Japan declined 1.4%, underperforming MSCI World by 3.6% in January. The sharp rotation between sectors and markets in the last three months affected performance, and investor confidence is low with technical factors often more dominant than fundamental factors. Other factors that may have affected performance negatively include the political turmoil in Egypt, floods in Australia and Japan debt rating downgrade.

Fixed Income

Local government bonds generally trended lower, with the 20-year Malaysian Government Securities (MGS) benchmark declining the most. On the economic front for the month of November, exports gained some traction to grow by 5.3% YoY while industrial output also picked posting a YoY growth rate of 5.1%. Meanwhile, inflation edged higher at 2.2% in December 2010. There was healthy demand for the new issuance of RM3.5 billion 10-year MGS, attracting a bid-to-cover ratio of 2.3 times and drawing an average yield of 4.16%. The 3-, 5-, 10- and 20-year benchmark yields rose by 9 to 19 bps to 3.21%, 3.48%, 4.06% and 4.49% respectively while the 7-year benchmark yield eased by 3.7bps to 3.72%.

Bank Negara Malaysia (BNM) also decided to maintain the Overnight Policy Rate (OPR) at 2.75%. In its Monetary Policy Statement, BNM reiterated that the current OPR is appropriate and consistent with their latest assessment of economic growth and inflation prospects. BNM also mentioned that going forward, additional policy tools such as the statutory reserve requirement and macroprudential lending measures may be considered to avoid the risks of macroeconomic and financial imbalances.

Comments

Equity

We believe 2011 will provide solid yet unspectacular returns for equity investors. The main support factors include reasonable valuations, strong profitability of the corporate sector, lack of solid investment alternatives on the fixed income side (low sovereign yields and tightened credit spreads), and a favorable outlook on global and emerging market growth.

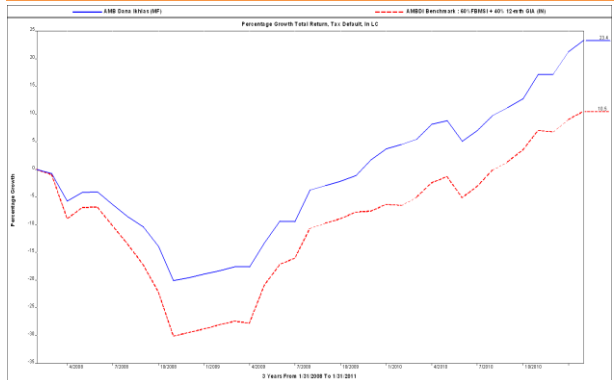
We believe Malaysia will do well on a relative basis in this current volatile environment as the country is low-beta defensive market. With the promise of the Economic Transformation Programme and Government Transformation Programme, the market should experience a bout of healthy speculation. In addition, as Malaysian policy makers were early in raising interest rates and its nature was not inflation-targeting, the pressure is off them to ratchet rates up higher. As a result, we are maintaining a relatively high equity exposure and are paying careful attention to potential volatility which can erode gains that have been made.

Fixed Income

We continue to like the corporate debt segment and aim to switch to new issuances should primary yield pick-up prove attractive. Meanwhile, we continue to maintain an overweight on Corporate bonds versus Government bonds.

PERFORMANCE RECORD

3 Years Growth Total Return



Cumulative Total Return

	Fund (%)	Rank
6 - Month (31 July 2010 - 31 January 2011)	12.41	2/19
1 - Year (31 January 2010 - 31 January 2011)	18.10	2/19
3 - Year (31 January 2008 - 31 January 2011)	23.40	4/19
5 - Year (31 January 2006 - 31 January 2011)	54.13	10/17

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

High/Low NAV (RM)

	High	Low
6 - Month (31 July 2010 - 31 January 2011)	0.6509	0.5632
1 - Year (31 January 2010 - 31 January 2011)	0.6509	0.5312
3 - Year (31 January 2008 - 31 January 2011)	0.6509	0.4058
5 - Year (31 January 2006 - 31 January 2011)	0.6509	0.3925

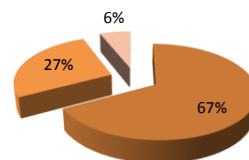
Income Distribution

	Net (sen per unit)
2010	NIL

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

Asset Allocation as at 31 January 2011

- Equities
- Bonds
- Short Term Deposit + Cash



Equities

Consumer Products	2.79
Construction	7.96
Trading/Services	21.47
Properties	1.30
Industrial Products	11.38
Plantations	18.13
IPC	4.07
TOTAL	67.10

Top 5 Largest Holdings

- 1) KONSORTIUM LEBUH UTARA TIMUR - BOND
- 2) SIME DARBY BERHAD - EQUITY
- 3) AXIATA GROUP BERHAD - EQUITY
- 4) IOI CORPORATION BERHAD - EQUITY
- 5) UMW HOLDINGS BERHAD - BOND

Based on the fund's portfolio returns as at January 15, 2011, the Volatility Factor (VF) for this fund is 9.5 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.