

**INVESTOR PROFILE**

The fund is suitable for Investors who:-

- Seek capital protection
- Wish to participate in the potential upside of global equities, interest rates or any other indices or any other underlying(s) as may be permitted under the Deed.
- Have low risk tolerance and a medium-term investment horizon.

**FUND DETAILS AS AT 31 JANUARY 2011**

Unit In Circulation	: 2,434.830 million
Unit NAV	: RM 1.0956
Financial Year	: July 31
Fund Category	: Mixed Assets
Fund Inception	: May 12, 2008
Maturity Date	: July 5, 2013
Tenure	: 5 Years
Initial Sales Charge	: 1.50% on the NAV per unit.
Annual Management Fee	: 1.00% per annum of NAV
Benchmark	: 12-month Maybank fixed deposit rate
Asset Allocation	: Up to 80% in Structured Products.
	: Up to 50% in PNB REIT.
	: Up to 80% in any other investment permitted by the Deed.
	: Min 2% in cash and money market instrument.

**FUND MANAGER'S REVIEW**

**Market Review**

In January, the NAV of the fund increased slightly by 0.16% from RM1.0938 on December 31, 2010 to RM1.0956 on January 31, 2011. This is due to the positive performance of all the asset classes of the fund, namely structured products, equity, PNB REIT and cash equivalent instruments.

The equity portfolio recorded a volatile month in January. In the first half of the month, the FBM KLCI surged to an all time high of 1,574 points on 'January effect', as well as on rebalancing activities by funds at the start of the new financial year. However, the index performance tapered off in the second half of the month as investors took profit on concerns that rising inflation in Emerging Markets, especially in China will result in further policy tightening measures. The fund took opportunity from the market dip to buy fundamentally sound stocks that were trading at attractive valuations. At the month end, the FBM KLCI closed at 1,519 points, an increase of 0.07% from 1,518 points on December 31, 2010.

Meanwhile, the structured products portfolio increased slightly by 0.13% month-on-month. This was attributed to the increased in market value of the capital protection component, whilst the underlying indices showed mixed performance during the period. The mixed performance of the underlying indices were due to several factors such as volatile performance of the global equity market during the month, tension in Egypt as well as improving sentiment on better economic data coming out of the United States.

**Comments**

The fund will continue being invested in the asset classes of PNB REIT, structured products, equity, fixed income and cash equivalent instruments. Diversification will continue to be the key to its investment strategy, as the fund seeks to generate reasonable growth whilst endeavouring to provide capital protection at maturity.

In February, the equity market is expected to be volatile and move in a range bound manner as inflationary pressures in emerging market remain a concern. At the same time, improving economic data coming out of the United States may result in capital flow moving from the emerging market to developed countries.

For FBM KLCI, there may be potential for upside should the coming quarterly results season exceed investor expectation. Furthermore, expectations of potential election in the near term as well as positive newsflow from the Economic Transformation Programme will continue to provide support for the market over the short to medium term.

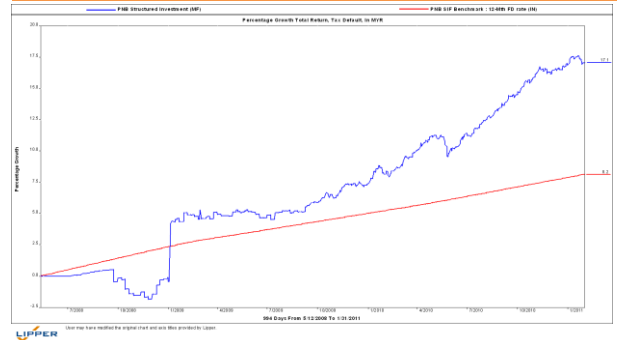
The fund will continue to actively monitor the equity portfolio, for opportunities to accumulate fundamentally sound stocks that are trading at attractive valuations for short to medium term investment. Focus will be on large liquid stocks or stocks with consistent and high dividend yields so as to minimize the risk within the equity asset class.

**PNB Structured Investment Fund**

The fund seeks to provide investment opportunities that generate reasonable returns and growth over the tenure of the fund while endeavouring to provide capital protection to unit holders.

**PERFORMANCE RECORD**

**Total Return Since Inception**



**Cumulative Total Return**

	Fund (%)	Rank
<b>6 - Month</b> (31 July 2010 - 31 January 2011)	4.10	6/22
<b>1 - Year</b> (31 January 2010 - 31 January 2011)	8.25	3/21

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

**High/Low NAV (RM)**

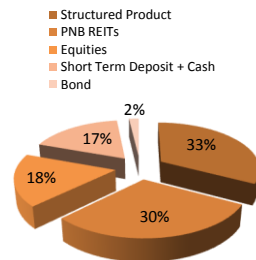
	High	Low
<b>6 - Month</b> (31 July 2010 - 31 January 2011)	1.1008	1.0522
<b>1 - Year</b> (31 January 2010 - 31 January 2011)	1.1008	1.0420

**Income Distribution**

	Net (sen per unit)
<b>2009</b>	3.25
<b>2010</b>	3.75

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

**Asset Allocation as at 31 January 2011**



**Equities**

Consumer	1.52
Construction	1.04
Trading/Services	4.96
Properties	0.57
Industrial	1.73
Plantations	1.99
Finance	3.65
REITs	0.56
IPC	1.76
<b>TOTAL</b>	<b>17.78</b>

\*12-months Maybank FD rate = 2.85%\*

\*Notes: Maybank revised Fixed Deposit rates for conventional schemes with effect from 13 July 2010 (Source: Maybank Website)

**Largest Holdings**

- 1) DEUTSCHE BANK'S STRUCTURED PRODUCTS
  - Interest-rate linked structured products
  - Equity-linked structured products
- 2) PNB REITs
- 3) EQUITIES
  - Malayan Banking Berhad
  - UMW Holdings Berhad
  - Tenaga Nasional Berhad
  - Kuala Lumpur Kepong Berhad
  - Petronas Gas Berhad

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.