AMB
Amanah Mutual Berhad
(195414-U)

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

AMBDanaAqeel Capital Protected*

To protect the initial capital* of the fund at the Maturity Date through investments principally in fixed income securities predominantly in Sukuk that are permissible under Shariah Principles whilst seeking potential returns over the tenure of the fund.

FUND DETAILS AS AT 31 JULY 2011

Unit In Circulation	: 124.400 million
Unit NAV	: RM 0.5375
Financial Year	: April 30
Fund Category	: Fixed Income Fund (closed ended)
Fund Inception	: March 9, 2010
Maturity Date	: May 3, 2013
Tenure	: 3 Years
Initial Sales Charge	: Up to 1.80 % of initial offer price per unit
Annual Management Fee	: 1.00 % of NAV
Benchmark	: 12 month General Investment Account-rates
Asset Allocation	: Min 85% to Max 98% in Shariah fixed income securities
	: Max 10% in equities
	: Min 2% in cash or equivalent instrument

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 FBM KLCI fell 30 points or 1.9% to close at 1,549 points. The broader index FBM EMAS fell 1.5% to 10,683 points. Smaller caps outperformed as the FBM Small Cap fell 1.7% to 12,511 points. Among the major regional bourses, the Thai and Indonesian markets posted substantial gains whilst the Indian and China markets declined.

The government has identified 33 government-linked companies (GLCs) that are ready for divestment through partial sales, outright sales or listings on the stock market. This is part of the government's Strategic Reform Initiatives (SRIs) or policy measures to drive its Economic Transformation Programme (ETP). However, market sentiment turned negative shortly as investors became more concerned about the European debt problem which has the potential of spreading from Greece to other vulnerable countries like Spain, Portugal, Italy and Ireland. In addition, the inability of both the Democrats and Republicans in the US House of Representatives and the Senate to reach an agreement to raise the nation's debt ceiling and cut the federal deficit also added to market jitters.

Fixed Income
The month started off with a weaker than expected export data. May exports rose 5.4% y-o-y (from 11.1% y-o-y in April), which was below expectations. Imports disappointed as well, coming in 5.6% y-o-y (from 9.4% y-o-y in April). Additionally, May Industrial Production (IP) also declined 5.1% y-o-y, again below expectations (consensus expected a 2.7% y-o-y decline). The decline was due primarily to dips in the mining and electricity components of the IP Index. Perhaps due to the weakening economic indicators, Bank Negara Malaysia (BNM) kept the overnight policy rate (OPR) on hold at 3.00% while raising the Statutory Reserve Requirement (SRR) by 100 bps to 4.00%. CPI inflation continued to edge up in June, rising 3.5% y-o-y (from 3.3% y-o-y in May), largely on the back of higher food prices.

For the month, the sovereign yield curve bull flattened with the 10yr and 20yr MGS yields changing by -5 bps and -17 bps. The 3, 5, 7, 10 and 20 year MGS benchmarks ended the month at 3.21%, 3.47%, 3.86%, 3.88% and 4.18% respectively . There were 2 MGS/GII auctions for the month: the 5 year reopening of the MGS 9/16 and 10 year reopening of the GII 4/21. Foreign holdings of MGS as at June continued to climb to a new high. The USD/MYR exchange rate climbed to its strongest level since September 1997, touching 2.9345, but has since retreated to trade at 2.9550 levels. The bullishness in the MGS market translated well into the Corporate bond market. The Bond Pricing Agency Malaysia (BPAM) generic AAA yield curve bull flattened for the month with 3, 5, 10 and 15 year yields changing by -3 bps, -5 bps, -8 bps and -12 bps to end at 3.92%, 4.19%, 4.74% and 5.11% respectively.

Manager's Comments

Equity
Malaysia will face more intense competition from ASEAN neighbours who are flexing new-found economic muscle, strong capital & portfolio inflows, and foreign direct investment. With Thailand spending more on infrastructure and cutting tax rates, Malaysia's advantages of good infrastructure and a lower tax regime will be eroded within a few years. Hopefully the GTP/ETP programmes will have lifted the country to a different level by then. Valuation-wise, Malaysia continues to be expensive from a regional standpoint. The market is starting to factor in 2012 forecasts, as the FBM-KLCI is fairly valued for 2011. Current estimates point to the market being valued at 1740 for 2012. This represents an 11-12% upside for the KLCI, assuming the price-to-earnings ratio for Malaysia holds.

Fixed Income
We believe that BNM will attempt another 25 bps rate hike before year-end bringing the OPR to rest at 3.25%. As the market by and large expects one more hike, we believe any adverse reaction to the sovereign yield curve will be muted if not negligible. We believe the sovereign yield curve will continue to bull flatten going into August.

In the corporate bond market, we continue to expect the current trend of duration lengthening and lower yield to persist as end-investors move down the credit curve for yield pickup. Liquidity remains ample in the market, and unless supply of new issuances substantially improves in August, we continue to foresee spread compression for credit markets. Lower yields in the MGS market will provide an impetus for risk adverse players to participate in government-guaranteed (GG) rated PDS papers.

We expected more issuances from the ETP to tap the debt capital markets. We believe the rally thus far has been liquidity driven, with both local and foreign players in the market, and unless new issuances substantially pick up the slack, there is further short-term upside to the rally. In the near term, we continue to lengthen duration although we will closely monitor the risk to this strategy as well. Key risks to our forecast remains higher-than-expected headline inflation or abrupt subsidy revisions.

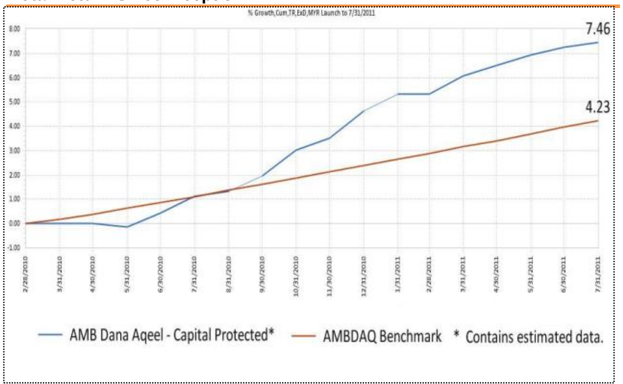
INVESTOR PROFILE

The fund is suitable for investors who:-

- Seek for low risk investments that are in accordance with Shariah Principles.
- Seek for capital protection* with potential to yield better return than the 12-month GIA rates of commercial banks.
- Have a medium-term investment horizon of 3 years.

PERFORMANCE RECORD

Total Return Since Inception



Cumulative Total Return

	Fund (%)	Rank
1 - Month *(30 June 2011 - 31 July 2011)*	0.19	3/5
6 - Month *(31 January 2011 - 31 July 2011)*	2.01	2/5
1 - Year *(31 July 2011 - 31 July 2011)*	6.25	2/5

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

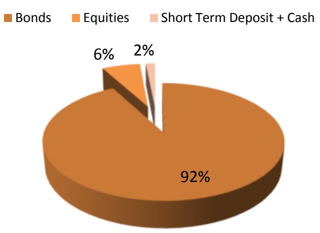
High/Low NAV (RM)

	High	Low
1 - Month *(30 June 2011 - 31 July 2011)*	0.5373	0.5363
6 - Month *(31 January 2011 - 31 July 2011)*	0.5373	0.5264
1 - Year *(31 July 2011 - 31 July 2011)*	0.5373	0.5058

Income Distribution

	Net (sen per unit)
2010	N/A

Asset Allocation as at 31 July 2011



Equities	
Construction	0.53
Trading/Services	2.38
Industrial	1.51
Properties	1.91
TOTAL	6.33

Top 5 Largest Holdings in Bond

1) KESAS SDN BHD
2) JIMAH ENERGY VENTURES SDN BHD
3) GAMUDA BERHAD
4) MALAYAN BANKING BERHAD
5) ENCORP BERHAD

** Investors are advised that unlike a guaranteed fund, this capital protected fund is protected by investments predominantly in Sukuk which is issued locally and not by a guarantee. Consequently the return of capital is SUBJECT TO the credit/default risk of the issuers of the fixed income securities.*

The fund is not guaranteed and subject to investment risks.The capital protection only applies to unit holders who hold their investments until maturity date specified in the prospectus. Any redemption before the maturity/specified date will be based on the NAV of the fund on that day and would be charged an exit fee, if any, and that the protection does not apply in this case. There may be dilution of performance due to the capital protection structure being put in place , compared to a conventional fund without capital protection. Investors are advised to read the prospectus for further details of the capital protection structure.

Investors are advised to read and understand the contents of the Prospectus dated March 9, 2010 (close ended fund) 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 for redemption will only be issued on receipt of a redemption form referred to in and accompanying the Prospectus, which is obtainable at Amanah Mutual Berhad or any of its distribution branches. Unit is no longer available for subscription.

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