

The fund's objective is to provide a steady appreciation of the net asset value of the Fund with a regular flow of income to our investors through investments in debt securities that are permissible under Shariah Principles.

### Income Fund

Smart Investment Choice for Constant Capital Growth

Fund Fact Sheet 31 October 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 31 OCTOBER 2011

Unit In Circulation	: 56.426 million
Unit NAV	: RM 0.5738
Financial Year	: May 31
Fund Category	: Bond Fund (Shariah)
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 of commercial banks
Asset Allocation	: Min 50% to Max 98% in Shariah - compliant debt securities : Min 2% to Max 50% in Shariah - compliant liquid assets

### SHARIAH COMMITTEE MEMBERS

- Dato' Dr. Abdul Halim bin Ismail (Chairman)
- Datuk Dr. Syed Othman bin Syed Hussin Alhabshi
- Prof. Dato' Dr. Abdul Monir bin Yaacob
- Prof. Dato' Dr. Mahmood Zuhdi bin Hj. Ab Majid

### FUND MANAGER'S REVIEW

#### Market Review

The MGS yield curve bullish steepened in October by 14 basis points (bps) m-o-m, widening the 10-year/3-year spreads to 63 bps from 49 bps. The 3- and 5-year benchmark yields settled 8 bps and 7 bps lower m-o-m at 3.12% and 3.34% respectively, whilst the 7-, 10- and 20-year benchmark yields closed higher by 1 bp, 6 bps and 3bps at 3.56%, 3.98% and 4.16% respectively. Trading volume fell substantially by 65% to RM36 billion in the MGS/GII market during the month as compared to RM103.1 billion in September.

Interest along the MGS market, especially the long end of the curve, was generally lacklustre as players stayed sidelined with the lingering uncertainties surrounding the European sovereign debt crisis. As resolutions from the European Union (EU) summit finally came through towards end of the month, the MGS market was under selling pressure with yields moving higher by 1.5-3 bps across the curve as risk appetite improved. However, the "risk on" sentiment was short lived due to the lack of implementation details on the European plan, with buying interest returning for the short- to mid-end benchmark MGS on the last day of the month.

September's CPI unexpectedly climbed up higher to 3.4% y-o-y as compared to the previous month's 3.3% y-o-y. During the month there were two MGS public auctions, namely the reopening 3-year and 10-year benchmark MGS of RM3.2 billion and RM3.0 billion respectively. The reopening of the MGS 8/14 attracted a fairly strong bid-to-offer ratio of 2.39 times, resulting in an average yield of 3.133%. Demand for the reopening of 10-year MGS 7/21 also garnered decent interest of 2.113 times (June's auction was 2.34 times) with an average yield of 3.792%. Post tender, the 10-year MGS was traded at 3.745%. With these two auctions, the total MGS/GII issuances to date stood at RM81.2 billion with another three remaining auctions for the year. It is noted that foreign holdings of MGS had declined in September to 34% from a high of 36% in August. Despite the unwinding, foreign holdings remain high. In absolute terms, foreign ownership stood at about RM92.7 billion in MGS.

Overall, movement in the corporate yield curve was less than that of the sovereign yield curve. Month-on-month, the AAA credit spreads inched up by 2-6 bps for 5 year and below, whilst credit spread of AAA for the longer tenure compressed marginally between 1-3 bps. Total Private Debt Securities (PDS) trading volume eased slightly by 3.5% m-o-m to RM11.1 billion in October 2011, from RM11.5 billion in the previous month. Interest was mainly seen in the government guaranteed and AAA papers, namely Syarikat Prasarana, Pengurusan Air SPV Bhd, Cagamas, OCBC Limited and Danga Capital Bhd.

#### Manager's Comments

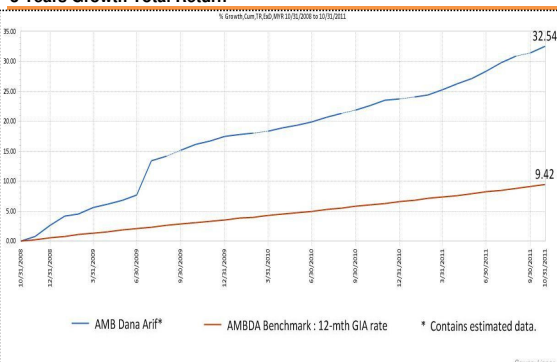
Domestically, the economy is closely tracking other countries' economic performance and the global data stream continued to display slowing global economic momentum. Regionally, several Asian countries were seen adjusting the GDP growth lower in view of a weak global outlook. In view of the ongoing concerns on the state of economic recovery in the US and the lingering sovereign debt crisis in the Europe, we expect the sovereign market to trade range bound.

Our strategy remains unchanged and continues to remain fully invested with higher weightings in corporate bonds versus government bonds. We maintain an opportunistic trading strategy on government bonds as the recent national budget announced indicates a consolidation in the budget deficit. As such, the lower supply into the market should see support from market players. We are still bullish on corporate bonds despite tighter credit spreads. We will aim to take profit on some of the existing holdings and switch to new issuances if primary yields prove attractive.

Notwithstanding the above, we will keep a close watch on leading economic indicators such as inflation data, real GDP growth, the pace of fund outflows from the market, and news out of Europe to gauge the direction of MGS.

### PERFORMANCE RECORD

#### 3 Years Growth Total Return



#### Cumulative Total Return

Period	Fund (%)	Rank
1 - Month (30 September 2011 - 31 October 2011)	0.84	1/22
6 - Month (30 April 2011 - 31 October 2011)	4.97	2/19
1 - Year (31 October 2010 - 31 October 2011)	8.04	2/17
3 - Year (31 October 2008 - 31 October 2011)	32.54	1/15
5 - Year (31 October 2006 - 31 October 2011)	21.49	9/13

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

#### High/Low NAV (RM)

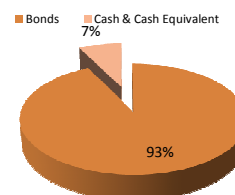
Period	High	Low
1 - Month (30 September 2011 - 31 October 2011)	0.5738	0.5690
6 - Month (30 April 2011 - 31 October 2011)	0.5738	0.5561
1 - Year (31 October 2010 - 31 October 2011)	0.5738	0.5472
3 - Year (31 October 2008 - 31 October 2011)	0.5738	0.4568
5 - Year (31 October 2006 - 31 October 2011)	0.5738	0.4451

#### Income Distribution

Period	Net (sen per unit)
Interim, Nov 2010	1.70
Interim, June 2011 *Declared on 30 June 2011	1.30

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

#### Asset Allocation as at 31 October 2011



Notes : The above asset allocation is based on the total investment value of the fund.

#### Top 5 Largest Holdings in Bond

- 1) GULF INVESTMENT CORPORATION
- 2) KONSORTIUM LEBUHRAYA UTARA-TIMUR KUALA LUMPUR S/B
- 3) BANK MUAMALAT BERHAD
- 4) KENCANA PETROLEUM BERHAD
- 5) MAJU EXPRESSWAY SDN BHD

\*Where a distribution is declared, investors are advised that following the distribution, the NAV per unit will be reduced from cum-distribution NAV to ex-distribution NAV

Based on the fund's portfolio returns as at November 15, 2011, the Volatility Factor (VF) for this fund is 2.9 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 17 September 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 office or any other IUTA branches appointed by the Manager.