AMB
Amanah Mutual Berhad (185414-U)

Income & Growth Fund

Smart Investment Choice for Constant Capital Growth

Fund Fact Sheet 31 October 2011

Morning Star Rating	★★
Lipper Total Return	2
Lipper Consistent Return	2
Lipper Preservation Return	Leader

AMB Enhanced Bond Trust Fund

3-year Fund Volatility 2.1 Very Low Lipper Analytics 15 November 2011

The fund's objective is to provide investors with a stable income stream and an opportunity for capital appreciation over the medium to long-term horizon through investments in securities issued by corporations, governmental and/or statutory bodies as provided in the Prospectus.

INVESTOR PROFILE

This fund is suitable for investors who:-

- Prefer a conservative investment approach but are willing to exploit opportunities presented in the capital markets.
- Possess an investment horizon in excess of 5 years.

FUND DETAILS AS AT 31 OCTOBER 2011

Unit In Circulation	: 47.707 million
Unit NAV	: RM 0.4168
Financial Year	: March 31
Fund Category	: Bond Fund
Fund Inception	: May 27, 2003
Initial Sales Charge	: 2.00% of NAV per Unit
Annual Management Fee	: 1.00% of NAV (Bond)
	1.75% of NAV (Equity)
Benchmark	: 100% of the Quantshop MGS Medium Index
Asset Allocation	: Min 85% in fixed income securities
	: Max 15% in equities
	: Min 2% in liquid assets

FUND MANAGER'S REVIEW

Market Review

Equity

After two months of sharp declines, October was a month of recovery as the FTSE Bursa Malaysia KLCI ("FBM KLCI") staged strong gains across the board. The local market rebound was due to renewed confidence in Europe and Wall Street that a resolution was at hand for the debt crisis in Europe. The 2012 Budget announced on October 7 also lifted sentiment as there were hardly any sectors negatively affected, with the exception of the property sector where the real property gains tax was raised from 5% to 10% for the first two years. Even then, the quantum of increase was mild and the impact should only be temporary.

For the month, the FBM KLCI rallied 105pts or 7.6% to 1,492pts. The broader market outperformed the FBM KLCI as the FBM EMAS Index rose 8.2% to 10,169 pts. Smaller caps also outperformed the FBM KLCI as the FBM Small Cap Index jumped 11.1% to 11,546 pts and the FBM ACE Index surged 12% to 4,031pts. The average value traded on Bursa Malaysia eased 18% m-o-m to RM1.48 billion per day (RM1.81 billion previously).

Fixed Income

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

Equity

The FBM-KLCI is currently trading at 13.8 times (compared to 12.5 times last month) 2012 earnings. Equity allocations for the domestic funds have been increased to 80-85% for the all core and aggressive equity funds (from 70-75% previously). Small cap equity funds weightings have been raised to 90-95%.

Fixed Income

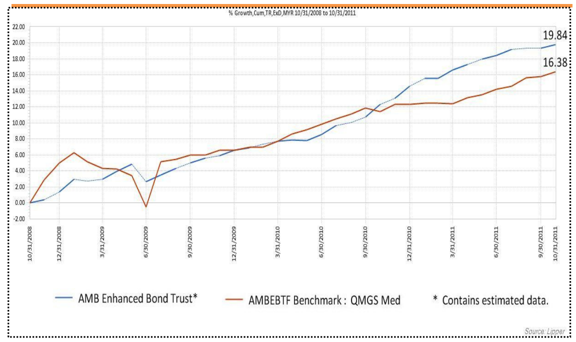
Domestically, the economy is closely tracking other countries' economic performance and the global data stream continued to display slowing global economic momentum. Regionally, several Asian countries were seen adjusting the GDP growth lower in view of a weak global outlook. In view of the ongoing concerns 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

	Fund (%)	Rank
1 - Month *(30 September 2011 - 31 October 2011)*	0.39	11/14
6 - Month *(30 April 2011 - 31 October 2011)*	2.13	4/14
1 - Year *(31 October 2010 - 31 October 2011)*	6.68	1/14
3 - Year *(31 October 2008 - 31 October 2011)*	19.84	10/14
5 - Year *(31 October 2006 - 31 October 2011)*	-13.85	12/12

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

High/Low NAV (RM)

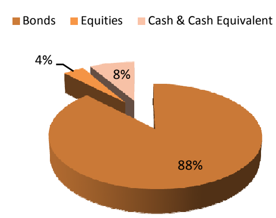
	High	Low
1 - Month *(30 September 2011 - 31 October 2011)*	0.4168	0.4149
6 - Month *(30 April 2011 - 31 October 2011)*	0.4168	0.4082
1 - Year *(31 October 2010 - 31 October 2011)*	0.4168	0.3908
3 - Year *(31 October 2008 - 31 October 2011)*	0.4168	0.3477
5 - Year *(31 October 2006 - 31 October 2011)*	0.5075	0.3421

Income Distribution

	Net (sen per unit)
2011	NIL

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

Asset Allocation as at 31 October 2011



Equities	
Infrastructure	0.71
Property Co.	
Industrial	0.15
Trading & Services	1.20
Finance	0.54
Consumer	0.87
Construction	0.41
TOTAL	3.88

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

Top 5 Largest Holdings in Bond

1) SPRINT EXPRESSWAY
2) SARAWAK ENERGY BERHAD
3) EON BANK BERHAD
4) BANK MUAMALAT BERHAD
5) YTL CORPORATION BERHAD

Based on the fund's portfolio returns as at November 15, 2011, the Volatility Factor (VF) for this fund is 2.1 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.

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