Amanah Mutual Berhad
(195414-U)

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

Income Fund

Smart Investment Choice for Constant Capital Growth

Fund Fact Sheet 30 September 2011

AMB Dana Arif

3-year Fund Volatility 3.0 Very Low Lipper Analytics 15 September 2011

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.

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 30 SEPTEMBER 2011

Unit In Circulation	: 56.641 millon
Unit NAV	: RM 0.5690
Financial Year	: May 31
Fund Category	: Bond Fund (Shariah)
Fund Inception	: April 27, 2004
Initial Sales Charge	: 2.00% 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

Sovereign debt concerns coupled with the banking crisis and possible recession in the Eurozone was highly contagious to the global financial market. Overall, the market was in "risk off" mode for the entire month of September, causing investors to retreat to a safe haven in the form of US Treasuries ("UST"). The US Dollar has also strengthened against all major currencies as a result. The UST yield curve bullish flattened following the announcement of "Operation Twist" by the US Federal Reserve ("Fed") where the Fed will shift USD400 billion of its own portfolio from shorter term securities to longer term securities. Subsequently, 10-year and 30-year UST were traded lower and closed the month 30 and 69 bps lower at 1.92% and 2.91% respectively.

The local government bond market continued with its bullish stance from the prior month, gaining strong buying interest from both local and foreign investors early in the month, pushing the 3-year, 5-year and 10-year MGS benchmark yields lower to 2.97%, 3.20% and 3.53% respectively from previous month's closing of 3.15%, 3.38% and 3.65%. Buying interest flowed in after Bank Negara Malaysia ("BNM") kept its overnight policy rate ("OPR") unchanged at 3.00% at the 8 September monetary policy committee ("MPC") meeting due to increased uncertainty on global and domestic economic growth prospects that could ease the inflationary pressure.

The momentum turned bearish in mid-September on concerns that some European banks are finding difficulty getting USD funding. This was in view of the European debt crisis, which resulted in global market scurrying for USD and creating strong demand. Consequently, most regional currencies weakened vis-à-vis the USD with USD to MYR exchange rate strengthening from a low of 2.9700 to close at 3.2070 at the end of the month. The market reacted negatively to the weakening of the MYR as benchmark MGS yield bearish steepen, with yields closing the month higher at 3.20%, 3.41% and 3.69% for the 3-year, 5-year and 10-year MGS respectively. Both local and foreign players were taking the opportunity to cut their position due to the uncertainty, in order to avoid a possible repeat of the 2008 global financial crisis (where MGS yields spiked up, triggered by foreign selling as a result of weak Ringgit).

Market support from local investors and some foreign investors calmed the panic sell-off as the 10-year MGS yield traded as high as 3.80% before closing the month at 3.69%. Fears of another global recession triggered global growth forecasts for 2011 and 2012 to be downgraded. This has inadvertently resulted in regional central banks taking a breather from raising the interest rates amid the challenging external environment. Foreign holdings in MGS reached a record high of RM98.7 billion in August (RM95.4 billion in July) but with the recent foreign selling, we expect their holdings to reduce in September.

Manager's Comment

The Malaysian local bond market currently hinges upon the prospects of potential outflows from foreign investors which as at August are holding closed to RM98.7 billion, roughly 35% of total outstanding MGS (although the amount should be lower with the recent selling by hedge funds in September). To date, we have not seen large disposals from the real foreign investors. We believe any form of panic selling would be contained, as foreign investors would still require some form of exposure into Malaysian government bonds as long as Malaysia remains fundamentally strong.

Nevertheless, we do expect to see volatility in the MGS market as long as the USD continue to strengthen as the US Dollar Index (DXY) is approaching 80.0 and still climbing. Any unresolved issues pertaining to the European debt crisis will likely create nervousness in the market. We will continue to monitor the developments in the US and the Eurozone as further escalations in the European debt crisis may still trigger panic selling in the market although our view is that that is unlikely.

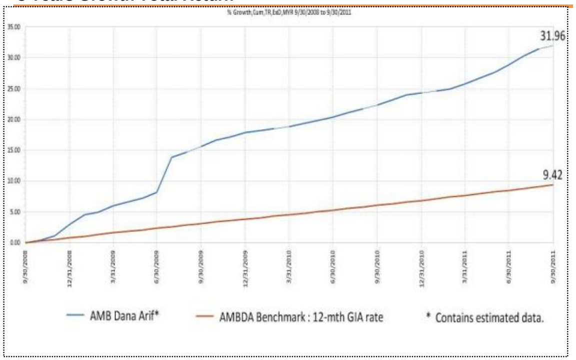
Overall, the risk of a global recession and continued slump in the European financial markets has heightened. The European Central Bank (ECB) is doing all it can do mitigate or rather reduce the impact of a possible Greek debt default. The introduction of the European Financial Stability Facility ("EFSF") is one of the actions the policymakers have in place. The impact of a failure of the EFSF to the Eurozone is inevitable as it may cause global slowdown or even recession. Therefore, in the next MPC meeting to be held on 11 November 2011, we do expect BNM to hold the OPR steady given the weaker economic outlook and lower inflationary pressures.

In the corporate bond space, supply of new issuances has not been forthcoming. Demand continues to outstrip supply as we still see ample liquidity in the market. Following the sell down in MGS in September, credit spreads have further compressed for the year and will expect corporate bond yields to be range bound. However, there is anticipation of sizable new issuances to be launch soon to take advantage of the low yields. As such, do expect market to rebalance their portfolio to cater for the new issuances. We will also be taking the opportunity to switch to the new primary issues and take profit on some of the existing holdings in the portfolio.

Despite tighter credit spreads, we are still bullish on corporate bonds. Nonetheless, as the global growth shows some signs of lethargy, we will be maintaining the current portfolio duration and will be selective on corporate credits with focus on issuers with steady cashflow streams. Meanwhile, we are cautiously optimistic in MGS and will slowly increase our position for trading opportunity.

PERFORMANCE RECORD

3 Years Growth Total Return



Cumulative Total Return

	Fund (%)	Rank
1 - Month *(31 August 2011 - 30 September 2011)*	0.37	13/21
6 - Month *(31 March 2011 - 30 September 2011)*	4.92	3/19
1 - Year *(30 September 2010 - 30 September 2011)*	7.85	2/17
3 - Year *(30 September 2008 - 30 September 2011)*	31.96	1/15
5 - Year *(30 September 2006 - 30 September 2011))*	21.70	9/13

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

High/Low NAV (RM)

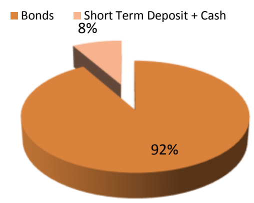
	High	Low
1 - Month *(31 August 2011 - 30 September 2011)*	0.5690	0.5671
6 - Month *(31 March 2011 - 30 September 2011)*	0.5690	0.5550
1 - Year *(30 September 2010 - 30 September 2011)*	0.5690	0.5472
3 - Year *(30 September 2008 - 30 September 2011)*	0.5690	0.4550
5 - Year *(30 September 2006 - 30 September 2011))*	0.5690	0.4451

Income Distribution

	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 30 September 2011



Top 5 Largest Holdings in Bond

1) BANK MUAMALAT BERHAD
2) JIMAH ENERGY VENTURES SDN BHD
3) KENCANA PETROLEUM BERHAD
4) KONSORTIUM LEBUHRAYA UTARA-TIMUR KUALA LUMPUR S/B
5) SUNRISE BERHAD

**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 September 15, 2011, the Volatility Factor (VF) for this fund is 3.0 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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