

## AmBond



### FUND OBJECTIVE

The Fund is a medium to long-term bond fund that aims to provide investors with a stream of income.

### INVESTORS PROFILE

The Fund is suitable for investors who:

- require regular income from investing in a bond fund
- have medium to long-term investment goals

### MARKET BRIEF

June CPI came in a tad better than market consensus following the electricity tariff hike and removal of diesel subsidies for some commercial vehicles in June. Second round effect of inflation seems to be well contained. This should ease concerns of inflationary pressures gaining momentum in the near term. Last month, we wrote that IEA release of oil stockpile could cap price upside in the short term. Oil prices have gradually moved higher since the announcement by IEA on 23rd June 2011. In recent weeks, prices have stayed ranged bound. The price direction will be dictated by economic conditions in emerging markets because these countries tend to be heavy users. In China, the slowdown is still playing out a result of the government's tightening measures to curb inflation. The slowdown in China would undoubtedly affect other countries in the region especially those countries whose exports are dependent on China. Malaysia will not be spared from China's growth moderation. Indeed, recent economic data have been consistent with general economic moderation in Malaysia.

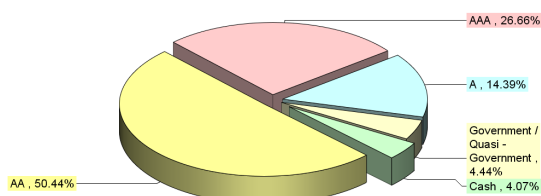
Recently, BNM Governor said that the increased downside risks to growth may not materialize which is different from her MPC statement in July. This recent change in the statement is viewed material from the timing perspective. She further said that current rate is supportive of economic growth and loan growth remains robust. We feel that the OPR direction will be data dependent especially the external environment has begun to weaken. Until the economic moderation begins to reverse, there could be no further rate hike for this year. For now, we maintain the view that BNM will deliver one more rate hike this year in order to bring about a positive real savings rate to pensioners. We will adjust our OPR expectations if future economic data point to further weakness.

Foreign exchange market has gathered a lot of attention in recent weeks leading up to debt ceiling issues in the US and the European debt crisis. Emerging market currencies have been stronger despite negative news flow and risk off trades. We view the currency gains encouraging for good reasons. The fund inflows have spilled over to MGS and short term bills. Already, foreign holdings of MGS for June reached a new high at RM91.6 billion (33% of outstanding MGS). Foreign holdings will be higher again in the coming months which shall lend support to the market.

The Fund's yield and duration stood at 4.52% and 5.05 years. The Fund's exposure to single-A papers decreased to 14.39% while liquidity stood at 4.07%. We will continue to target a portfolio duration of around 4 to 5 years.

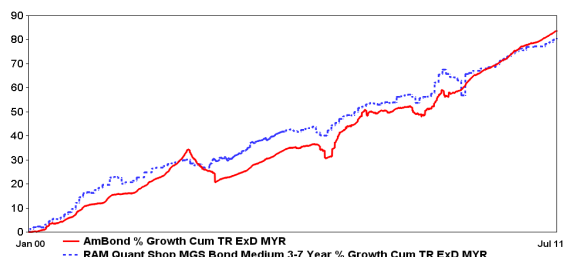
We will actively participate in the new issuance in the pipeline for diversification and yield enhancement for the Fund. Strategy wise, we have changed our duration positioning strategy to neutral from overweight previously.

#### RATING COMPOSITION\* as at 31 July 2011



\* as percentage of NAV. Please note that asset exposure for the Fund is subject to frequent change on a daily basis.

#### Cumulative Performance over the period %



\*RAM quant shop MGS Bond Medium 3-7 Year

Source: Lipper

The value of units may go down as well as up. Past performance not indicative of future performance.

#### LARGEST HOLDINGS\* as at 31 July 2011

ADCB Finance (Cayman) Limited	13.50%
CIMB Group Holdings Berhad	8.20%
Public Bank Berhad	6.40%
Eon Bank Berhad	6.00%
Prominic Berhad	5.90%
RHB Capital Bhd	5.10%
Alliance Bank (Malaysia) Berhad	4.40%
Jimah Energy Ventures Sdn Bhd	4.20%
Ranhill Powertron Sdn.Bhd	3.20%
Konsortium Lebuhraya Utara-Timur(KL) Sdn.Bhd	3.10%

\*as percentage of NAV

#### FUND PERFORMANCE DATA as at 31 July 2011

	1 m	6 m	1 yr	3 yr	5 yr	Since Inception
Fund (%)	0.51	2.80	5.64	23.64	40.31	83.71
*Index (%)	0.32	1.88	3.65	15.99	26.90	80.56

\*RAM quant shop Medium Duration MGS Bond Index

Source: Lipper

#### FUND DETAILS as at 31 July 2011

NAV (31 July 2011)	RM 1.1560	Trustee Fee	0.05% p.a. of the NAV of the Fund
Fund Size (31 July 2011)	RM 699.16 million	Initial Charge	Nil
Units in Circulation (31 July 2011)	604.82 million	Redemption Payment	By the 10th day of receipt of a repurchase notice
Fund Currency	Ringgit Malaysia	Investment Manager	AmInvestment Management Sdn Bhd
Fund Launched	20 January 2000	Distribution Frequency	Income distribution (if any) is at least paid twice every year
Offer Price at Launch	RM 1.0000	Min. Initial Investment	RM 1,000
Annual Fee	Up to 1.00% p.a. of the NAV of the Fund	Min. Additional Investment	RM 500

Note: Source of the Fund's information from AmInvestment Services Bhd.

Based on the fund's portfolio returns as at 30 June 2011, the Volatility Factor (VF) for this fund is 2.2 and is classified as "Very Low" (source: Lipper). "Very Low" includes funds with VF that are lower than 3.775 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date 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.

The information contained in this promotional material is general information only and does not take into account your individual objectives, financial situations or needs. You should seek your own financial advice from an appropriately licensed adviser before investing. We recommend that you read and understand the contents of the Master Prospectus dated 10 September 2010 (expires 9 September 2011) and Supplementary Master Prospectus dated 1 June 2011 (expires 9 September 2011) that is registered with the Securities Commission, who takes no responsibility for its contents. For copies of the prospectus, visit us at our nearest representative office. You should be aware that investments in unit trusts funds carry risks. The specific risk of the Fund is the credit and counterparty risk. Unit prices and income distribution, if any, may go down as well as up. Past performance of a fund is not indicative of future performance. Please consider the fees and charges involved before investing. Units will be issued upon receipt of completed application form accompanying the prospectus and subject to terms and conditions therein. AmInvestment Services Berhad does not guarantee any returns on the investments. In the event of any dispute or ambiguity arising out of the other language translation in this leaflet, the English version shall prevail.