

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

The Fund is suitable for investors who:

- require regular "halal" income from investing in a bond fund that conform to the principles of Shariah
- have medium to long-term investment goals

**Investment Strategy**

- short-term local credit rating of P2 (by RAM) or MARC2 (by MARC)
- long-term credit rating of BBB3 (by RAM) or BBB- (by MARC)
- conform to the principles of Shariah
- maturity profile is subject to duration management in view of the interest rate scenario
- the duration of investment will not exceed ±1 year from the benchmark

**Fund Details**

Fund Category / Type	Bond (Islamic) / Income
Fund Launch Date	26 November 2001
Offer Price at Launch	RM 1.0000
NAV (31 Dec 2011)	RM 1.2017
1-year NAV High (31 Dec 2011)	RM 1.2017 (30/12/2011)
1-year NAV Low (31 Dec 2011)	RM 1.1554 (12/04/2011)
Total Units (31 Dec 2011)	99.37 million
Fund Size (31 Dec 2011)	RM 119.41 million
Annual Management Fee	Up to 1.00% p.a. of the NAV of the Fund
Annual Trustee Fee	0.08% p.a. of the NAV of the Fund
Entry Charge	Nil
Exit Fee	Nil
Redemption Payment Period	By the 10th day of receipt of a repurchase notice
Investment Manager	AmIslamic Funds Management Sdn Bhd
Income Distribution	Income Distribution (if any) is paid at least twice every year
Duration (31 Dec 2011)	4.59 years

**Income Distribution History**

	FY 2011	FY 2010	FY 2009
Interim (sen)	1.50	1.50	1.50
Final (sen)	1.50	1.50	1.50
Total (sen)	3.00	3.00	3.00
Total (%)*	2.61	2.70	2.89

\* based on the NAV of the preceding financial year end

**Manager's Commentary**

The concerted efforts by the six major central banks to improve USD liquidity, together with a cut in reserve ratio requirement by China boosted risk appetite in December. The European Central Bank's ("ECB") lowering of interest rates to match record lows of 1% as well as a pledged to offer unlimited cash to banks in 36-month loans and loosened collateral rules also help instill further market confidence.

Nevertheless, expectations for a more aggressive ECB in supporting the peripheral Eurozone bond markets, including the possibility of expanding the bond purchase program or channeling ECB funds via the IMF is not something that the ECB is prepared for, yet. As such, we think volatility in the market will continue to persist in the near term. The Europeans have merely bought more time to resolve the simmering debt crisis.

Despite continued negative developments in the Euro zone (with S&P placing 15 euro nations' sovereign credit on review for possible downgrades), the United States has surprisingly reported more positive economic figures. Notably, the employment data appears to be on an upward momentum with the unemployment rate breaching the 9% mark (Dec: 8.6%) for the first time in more than a year. Hence, the possibility of a strengthening US economy may lessen the impact of Europe. Also helping is China's (re)focus towards maintaining growth after battling inflation for the past year. Monetary easing is gradually taking hold as well with most parts of Asia either reducing the benchmark interest rate or staying pat on concerns of emerging downside risks to growth.

We mentioned previously, that Malaysia's central bank, BNM had kept its benchmark interest rate ("OPR") unchanged at 3.00% due to concerns from the impact of slowing global growth as well as heightened market volatility. As Malaysia's consumer price index ("CPI") continues to moderate to 3.3% YoY in November, there is greater likelihood of an interest rate cut should Malaysia's domestic output deteriorates in the next two quarters. We continue to think that BNM's mantra for "sustainable growth" would see BNM stand pat till Q212, before reassessing its outlook based on the economic data at that point in time.

Meanwhile, we think that the Euro debt-crisis of 2011 will continue to be the major theme of 2012. In particular, the impact from the evolving policies of the European nations (in relation to the debt crisis) is certain to influence and dictate the directions of the markets, including Malaysia. In addition, the slowing economic momentum in advanced economies and the economic challenges faced by the US, particularly the still high jobless rate and a still-weak housing market will be keenly observed for signs of deterioration. These concerns coupled with 2012 being an election year in several countries including Malaysia is likely to dampen the domestic economic growth outlook for the next several quarters.

The Fund's yield and duration stood at 4.27% and 4.59 years. The Fund's exposure to single-A papers decreased to 8.75% while liquidity stood at 11.08%.

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.

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

Based on the fund's portfolio returns as at 30 November 2011, the Volatility Factor (VF) for this fund is 2 and is classified as "Very Low" (Source: Lipper). "Very Low" includes funds with VF that are lower 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.

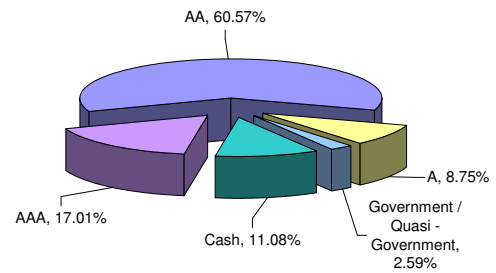
The information contained in this promotional material is general information only and does not take into account your individual objectives, financial situations or needs. You should seek your own financial advice from an appropriately licensed adviser before investing. We recommend that you read and understand the contents of the Master Prospectus dated 10 September 2011 (expires 9 September 2012) 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 trust funds carry risks. The specific risks of the Fund are credit & counterparty risk, shariah non-compliance risk, income distribution risk, interest rate risk and liquidity risk. Unit prices and income distribution, if any, may rise or fall. 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.

**Top Holdings\* (as at 31 December 2011)**

DRB Hicom Berhad / AA- IS	8.50%
Manjung Island Energy Berhad / AAA	8.40%
Jimah Energy Ventures Sdn Bhd / AA3	6.90%
Special Power Vehicle Berhad / A1	6.90%
Binariang GSM Sdn Bhd / A2	6.90%
Prai Power Sdn Bhd / AA3	5.10%
Naim Holdings Berhad / AA3	4.80%
Seafield Capital Berhad / AA2	4.50%
Maybank Islamic Berhad / AA+ IS	4.30%
Sarawak Energy Berhad / AA1	3.50%

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

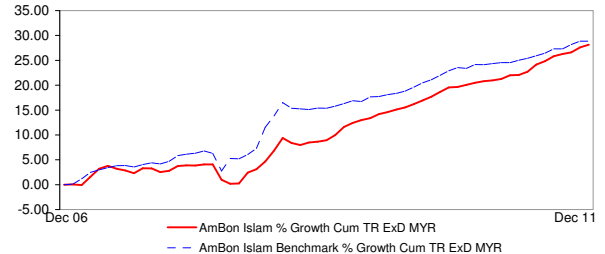
**Sector Allocation\* (as at 31 December 2011)**



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

**Fund Performance (as at 31 December 2011)**

**Cumulative performance over the period (%)**



The value of units may go down as well as up. Past performance is not indicative of future result. Source: Lipper

**Performance Data (as at 31 December 2011)**

	1 m	6 m	1 yr	3 yrs	5 yrs
Fund (%)	0.42	3.21	6.06	19.93	28.14
*Index (%)	0.00	2.32	3.80	13.21	28.85

\*RAM Quantshop Medium Gil Index Source: Lipper