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AmIslamic Funds Management Manages Global Sukuk Fund – AmDynamic Sukuk

AmIslamic Funds Management (AIFM) is the investment manager of Malaysia's new global sukuk fund – AmDynamic Sukuk¹ ("the Fund"). This Shariah-compliant Fund is denominated in Ringgit Malaysia and aims to provide capital appreciation by investing primarily in sukuk both locally and globally.

AIFM is part of Funds Management Division (FMD), a member of the AmBank Group and manages its Shariah-compliant investments.

"AIFM will rely on its stringent Shariah-compliant investment process coupled with superior credit selection, through its proprietary in-house credit research unit to find favourable return in light of calculated risks, among other considerations. We will also consider sukuk with favourable or improving credit outlook that provide the capital appreciation for these investments," said Datin Maznah Mahbob, Chief Executive Officer of FMD, a member of the AmBank Group.

She added, "The sukuk market has registered remarkable growth and it is an asset class with growing investment opportunities and is essential for portfolio diversification. Compared to the asset class of equities which is subject to uncertainty and volatility, sukuk has so far outperformed Islamic

and conventional equities. Over the last five years, sukuk had registered positive returns of 24% while Islamic equities and conventional equities indexes ended in the red by producing negative returns of -14% and -27% respectively². Sukuk's total returns of 24% have even outperformed its returns from conventional bonds by three times over the same period as well³."

To achieve the Fund's investment objective, the Fund will undertake active management to enhance and optimise returns from investing in sovereign, quasi-sovereign and corporate sukuks. The sectorial weightings may be adjusted to maximize the performance. The Fund may invest in sukuk of varying maturities. The Fund's investment maturity profile is subject to active tactical duration management in view of the interest rate scenario without any portfolio maturity limitations. There is no minimum rating for a sukuk purchased by the fund.

Value-add of the Fund is derived from active tactical duration management, yield curve positioning and credit spread arbitrage. Yield curve positioning and credit rate arbitrage is part of the relative value approach involving analysis of general economic and market conditions including the use of models to analyse and compare expected returns as well as the assumed risk.

FMD has an award-winning 30-year track record in managing investments. The accolades include being named the Best Bond Fund Group by The Edge-Lipper for the fifth consecutive year⁴ as well as being the Most Outstanding Islamic Fund Manager⁵. Most recently, FMD was awarded the prestigious Islamic Asset Management House of Malaysia by The Asset⁶.

The Fund is a suitable investment for investors who want steady growth in value by investing in sukuk as an asset class; have Medium to Long term⁷ investment goals and are willing to assume additional interest rate risk,

duration risk and liquidity risk associated with investing in sukuk with longer duration and lower credit ratings.

The Fund's approved size is 100 million units and its initial and additional investments are RM1,000 and RM500 respectively. The Fund is exclusively available at all AmBank branches and AmPriority Banking.

Sources

1 Lipper Investment Management, as at 19 June 2012

2 Lipper Investment Management, data from 31 May 2007 to 31 May 2012, returns based on capital return and net of income distributions. Conventional equities represented by MSCI World Index; Islamic Equities represented by MSCI World Islamic; Sukuk represented by Dow Jones Citigroup Sukuk; Data Extracted 25 June 2012.

3 Lipper Investment Management, data from 31 May 2007 to 31 May 2012, returns based on capital return and net of income distributions. Sukuk represented by Dow Jones Citigroup Sukuk; conventional global bonds represented by Barclays Global Aggregate Bond. Data Extracted 25 June 2012.

4 The Edge-Lipper Malaysia Fund Awards, February 2012

5 KLIFF Islamic Finance Awards 2011, September 2011

6 The Asset Triple A Awards for Islamic Finance 2012, June 2012

7 The investment horizon should be at least three (3) years

About AmIslamic Funds Management

AmIslamic Funds Management is the Shariah-compliant arm of Funds Management Division (FMD) of the a member of the AmBank Group, Malaysia. FMD is one of the leading fund management houses in Malaysia and has approximately RM30 billion assets under management as at 30 June 2012.

To date, FMD markets 74 unit trust funds under the brand name of AmMutual (for conventional funds) and AmIslamic Funds Management (for shariah-compliant funds). These funds include Malaysia's series of firsts* in the unit trust industry, such as the first cash management trust, the first bond and equity exchange-traded fund, the first global Islamic equity fund, the first agribusiness fund as well as the first precious metals fund.

Both AmMutual and AmIslamic Funds Management funds are managed by award-winning FMD of a member of the AmBank Group. FMD has been named Malaysia's Asset Management Company of the Year for 2 consecutive years. The award recognizes the best asset management company in Malaysia that has built a comprehensive platform for investing in different asset classes and servicing the investing needs of institutional, corporate and retail clients. AmIslamic Funds Management (for shariah-compliant funds) won Islamic Asset Management House of the Year for Malaysia.

**Sourced from Lipper Investment Management and Funds Management Division (FMD), a member of the AmBank Group as at 30 June 2012*

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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 AmMutual Prospectus for AmDynamic Sukuk dated 12 June 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. An outline of some of the risks is contained in the Prospectus. The specific risks associated with the Fund are credit (default) & counterparty risk, interest rate risk, liquidity risk, currency risk, high duration risk, emerging markets risk and Shariah non-compliance risk as contained in the Prospectus. 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.