

PressRelease

21 December 2009

Early Closing, Outstanding Response for AmConstant 11/11

AmConstant 11/11, AmMutual's latest two-year close-ended bond fund having received overwhelming response from investors, is closed earlier than the offer period, with a total fund size of RM250.4 million. The encouraging sales of the fund exceeded the initial authorised limit of 200 million units. The fund, which was launched on 23 October 2009, had to seek for an increase in the initial authorised fund size to meet the demand.

"The fast take-up for AmConstant 11/11 underscores the continuing investors' interest towards funds that offer capital protection and exposure to high quality local bonds. Amid the current volatility in the market, improving business credit and prevailing low interest rates, bonds continue to be investors' preferred asset class as it provides regular income distributions with potentially higher returns than fixed deposit investments," said Datin Maznah Mahbob, Chief Executive Officer, Funds Management Division of AmInvestment Bank Group.

"We are looking to offer more of such products in response to the encouraging demand from our investors. AmConstant 11/11 is the fifth fund under the AmConstant series and has been introduced following the success of preceding AmConstant funds which have matured, namely AmConstant, AmConstant-Series 2 and AmConstant 12/07. The previously launched AmConstant funds have provided annualised returns* higher than the fixed deposit rate in Malaysia during their tenure," she added.

AmConstant 11/11 aims to provide consistent returns above the prevailing fixed deposit rate with annual income distribution over the fund's two-year tenure. It invests mainly in Malaysian Government Securities and local bonds carrying a minimum "A" rating by Rating Agency Malaysia Berhad (RAM) or its equivalent. Investment in high quality local bonds will minimize credit risk with no exposure to currency risk. The fund adopts a conservative buy and hold strategy, investing in short-term local bonds. This strategy aims to minimize volatility and interest rate fluctuations while preserving the fund's capital when investors hold the investments until maturity.

"The fantastic response received for AmConstant 11/11 is a testimony to investors' confidence in AmInvestment Bank Group's Funds Management Division, the largest fixed income fund manager in Malaysia**. By investing in the AmConstant fund series, investors can leverage on the expertise of award-winning fund managers such as The Best Bond Group Award from the Edge-Lipper Malaysia Fund Awards 2009 and most recently, Malaysia's bond house with the most nominated astute investors by The Asset Benchmark Research***. Our Head of Fixed Income, Goh Wee Peng has been voted by peers as Malaysia's Most Astute Investor in Asian Currency Bonds for three consecutive years since 2007 by The Asset Benchmark Research***," she continued.

There are 47 unit trust funds marketed under the brand name of AmMutual (for conventional fund) and AmIslamic Funds Management (for shariah-compliant fund). The total assets under the management of AmMutual and AmIslamic Funds Management funds, together with two exchange-traded funds and discretionary mandates, were RM18.6 billion as at 30 November 2009.

Source:

* AmInvestment Services Berhad's AmConstant Annual Report (29 January 2007), AmConstant-Series 2 Annual Report (20 August 2007) and AmConstant 12/07

Annual Report (24 December 2007)

** Malaysian Association of Asset Managers and Lipper Hindsight as at 30 September 2009

*** The Edge-Lipper Malaysia Fund Awards, 5 February 2009 and the Asset Benchmark Research Awards, 24 November 2009

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