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AGGRESSIVE PORTFOLIO

Aug 2010

The portfolio aims to achieve a slow but steady return by investing 10% into bond funds and 90% into equity funds. The target allocation may change with our views on financial markets. Currently we have an ***overweight position in equities*** and we are targeting to have an exposure of 100% equity funds.

Total Investment:	RM41,000.00	**Absolute Return:**	-0.98%	**Annualised Internal Rate of Return:**	-0.73%
Portfolio Value:	RM40,597.26	**July '10 Return:**	3.84%		

AGGRESSIVE PORTFOLIO

Fund Name	Target Allocation (%)	NAV		% Change
		30/06/2010	31/07/2010	
Alliance Global Equities Fund	32.0%	0.4613	0.4859	5.33
Kenanga Growth Fund	16.0%	1.4868	1.5633	5.15
OSK-UOB Big Cap China Enterprise Fund	5.0%	0.4517	0.4692	3.87
OSK-UOB Emerging Opportunity Unit Trust	5.0%	0.5061	0.5289	4.51
OSK-UOB Global Capital Fund	5.0%	0.3436	0.3691	7.42
OSK-UOB Resources Fund	5.0%	0.5437	0.5664	4.18
Prudential Asia Pacific Equity	16.0%	0.4605	0.4808	4.41
Prudential Global Emerging Markets	16.0%	0.2177	0.2297	5.51

MARKET COMMENTARY

- Confidence returned to markets in July as global equities erased much of the losses in prior months. Better-than-expected corporate results lifted investor sentiment and counteracted concerns of global economic slowdown.
- IMF's latest forecast points to a better growth outlook, according to the World Economic Outlook for July 2010. The world is expected to grow at a higher rate of 4.6% this year, 0.4% higher than April's forecast. On the other hand, with only seven of the 91 European banks failed the stress test, led by financials, European equities posted a strong rebound although some argue the tests were not strict enough. The panic sentiment measured by the VIX index closed at 23.50 on 30 July, compared to 34.54 on 30 June.
- While some argue the strong corporate results largely represent historical business performance, various leading indicators like manufacturing PMI suggest the recovery is slowing. However, a slower growth is not equivalent to a double-dip recession because the low-base effect will eventually diminish in any recovery phase. We believe the strong fundamentals supported by earnings suggest the global economy will continue to grow amid a slower pace. Valuations of many equity markets become attractive.
- We remain mindful of the developments in Europe, including the likely eventual sovereign default and the possibility of negative spillover. In the developed economies, healthy corporate earnings might be a leading indicator to labour market recovery which subsequently helps support consumption. In Asia, increases in interest rates ought to be viewed as normalizing rather than tightening. Moreover, the Asian governments have fiscal ammo to give a stimulus jab to the economies if the need arises.

PORTFOLIO COMMENTARY

The portfolio value rose 3.84%, mainly driven by Alliance Global Equities Fund which rose 5.33%. This was further supported by Kenanga Growth Fund which rose 5.15%. All equity funds reported positive returns with OSK-UOB Global Capital Fund being the best performer by increasing 7.42%, followed by Prudential Global Emerging Markets and Prudential Asia Pacific Equity which rose 5.51% and 4.41% respectively.

ACTION TAKEN

The portfolio's allocations to Asia ex Japan and global emerging markets equities are currently at 14.08% and 14.72% respectively, below the targeted 16.0% for the Aggressive Portfolio, and we will utilise our month-end addition to top up Asia ex Japan and global emerging markets equity funds. Our monthly addition of RM1,000 is as follows:

Monthly top-up:

1. RM500 into Prudential Asia Pacific Equity
2. RM500 into Prudential Global Emerging Markets