

1 April 2010

The portfolio aims to achieve a slow but steady return by investing 90% into bond funds and 10% 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 80% bond funds and 20% equity funds.

<b>Total Investment:</b>	RM37,000	<b>Absolute Return:</b>	4.3%	<b>Annualised</b>	
<b>Portfolio Value:</b>	RM38,600.32	<b>March '10 Return:</b>	-0.5%	<b>Internal Rate of Return:</b>	3.8%

## CONSERVATIVE PORTFOLIO

Fund Name	Target Allocation (%)	NAV		% Change
		25/02/2010	31/03/2010	
Affin Capital Fund	28%	0.5226	0.5251	0.48%
AmDynamic Bond	28%	0.5800	0.5833	0.57%
RHB Asian Total Return Fund	24%	0.4397	0.4214	-4.16%
OSK-UOB Smart Treasure Fund	10%	0.6062	0.6074	0.20%
OSK-UOB Global Equity Yield Fund	10%	0.3257	0.3316	1.81%

## MARKET COMMENTARY

- Global equity markets rebounded strongly in March following the recent bottom hit in February 2010 over concerns of monetary tightening, regulatory reforms and Europe debt worries. The initial sell-downs in February 2010 were reversed with most markets hitting a new 2010 high in March.
- In Asia, inflationary concerns are real, with statistics showing risks to the upside. However, most central banks within Asia continued to maintain a loose monetary policy and kept rates unchanged. The only two exceptions are Malaysia and India, who both raised benchmark interest rates by 25 bps, surprising the markets. As a result of the rate raise, both Malaysia Ringgit and India Rupee were the best performing Asian currencies against the USD in March 2010, rising by 4.7% and 3.0% respectively.
- A new agreement on Greece's bailout was forged on 25 Mar 10, which now involves IMF. However, details on how the bailout will work out technically have yet been disclosed. The objective of this new agreement was to stabilise market expectations, lowering the additional premium investors presently demand so as to allow Greece to borrow at lower cost and see out their austerity package aimed at reducing debts levels by the country's own ability.
- Both Financials and Technology companies were the biggest winners for Mar 10. The latest US financial reform bill announced by Senator Dodd appears much moderated from the initial intention of US President Obama (which triggered Feb 10 sell-off) and US Financials rebounded strongly, pulling up global financials performance which has a heavy weighting in US. On the other end, the Tech sector rebounded strongly on the back of strong earnings results, particularly in US Tech companies within the communication and internet subsector.

## PORTFOLIO COMMENTARY

The portfolio value shed 0.5%, mainly dragged down by RHB Asian Total Return Fund which declined by 4.16%. With the exception of this fund, all other funds delivered positive returns which were still insufficient to offset the loss. The biggest gainer was OSK-UOB Global Equity Yield Fund which rose by 1.81%, in tandem with the rise in global equity markets. On the other hand, Malaysia bond funds such as Affin Capital Fund and AmDynamic Bond were shielded from the effects of OPR hike by the central bank on 4<sup>th</sup> Mar 2010. Both bucked the trend by rising 0.48% and 0.57% respectively.

## ACTION TAKEN

Portfolio allocation did not run too far away from our target allocation, thus we would not perform rebalancing for now. Our monthly addition of RM1,000 is as follows:

RM800 in OSK-UOB Smart Treasure Fund  
RM200 in OSK-UOB Global Equity Yield.