

Jan 2011

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.

Total Investment:	RM46,000.00	Absolute Return:	3.47%	Annualised	
Portfolio Value:	RM47,598.13	Dec 2010 Return:	-2.32%	Internal Rate of Return:	2.09%

## CONSERVATIVE PORTFOLIO

Fund Name	Target Allocation (%)	NAV		% Change
		30/11/2010	30/12/2010	
AmBond	28%	1.1338	1.1373	0.31
AmDynamic Bond	28%	0.6023	0.6045	0.37
RHB Asian Total Return Fund	24%	0.4363	0.4146	-4.97
Alliance Global Equities Fund	10%	0.5357	0.5525	3.14
Kenanga Growth Fund	10%	1.7542	1.7903	2.06

## MARKET COMMENTARY

- Global stock markets posted healthy gains, despite on-going euro debt concerns
- China continue to tighten monetary policy, leading to underperformance of Chinese equities in the month
- Bond yields rose marginally, resulting in poor performance for fixed income funds

## PORTFOLIO COMMENTARY

The portfolio value decreased 2.32%. All funds except RHB Asian Total Return Fund in the portfolio were positive for the month. The best performing fund in the portfolio was Alliance Global Equities Fund which gained 3.14%. Equities remain attractive relative to bonds; therefore, we maintain "overweight" position in equities for portfolio.

## ACTION TAKEN

Please refer to our article "[FSM Portfolio: Portfolio Revamp With Effect From January 2011](#)", dated 30 December 2010, for details on portfolio revamp effective from 1 January 2011.