

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>	RM20,000.00	<b>Absolute Return:</b>	-0.46%	<i>The portfolio value is net of initial sales charge of 2% or lower for equity funds</i>
<b>Portfolio Value:</b>	RM19,907.82	<b>September 2011 Return:</b>	-1.33%	

1 Month	3 Month	6 Month	1 Year	YTD	Since Inception
-1.33%	-1.76%	0.26%	-	-0.46%	-0.46%

## CONSERVATIVE PORTFOLIO

Fund Name	Target Allocation (%)	NAV		% Change
		29/8/2011	30/9/2011	
AmBond Fund	42%	1.1679	1.1602	-0.66
AmDynamic Bond Fund	14%	0.6082	0.6106	0.39
Alliance Asian Bond Fund	24%	0.5604	0.5355	-4.44
Alliance Global Equities Fund	14%	0.4939	0.4813	-2.55
Kenanga Growth Fund	6%	1.9938	1.8931	-5.05

## MARKET COMMENTARY

- Continue from August, Global stock markets did not perform well in the month of September as the European sovereign debt problem magnified.
- Investors are waiting for a certain plan from the European Union-IMF-European Central Bank troika to release the next tranche of bail-out funds for Greece in October.
- Slower economy growth in US also impacted the global markets negatively.
- We have revised down the Euro-zone GDP forecasts and expect a mild recession in the Euro-zone for the next coming 12 months.
- We have also revised down the US economic growth forecasts and expect a slower growth in 2011 and 2012. Please refer to "[Key Changes To Investment Outlook](#)".
- Even though we expect a recession in Euro-zone and slower growth in US, based on our stress test on the earnings forecasts for those markets under our coverage, we still see very attractive valuation. Please refer to "[Looking Past The Current Turmoil – Upgrading 12 Markets; Downgrading Europe](#)".
- MSCI AC World Index dropped 2.93% in the month in MYR terms.
- MSCI Emerging Markets Index dropped 8.44% while MSCI Asia Ex-Japan Index dropped 6.95% in the month in MYR terms.
- Malaysian market has been affected by the global slowdown causing FBMKLCI to drop 4.16% in the month.

## PORTFOLIO COMMENTARY

- 1.33% loss in September, following a 1.09% loss in August.
- Kenanga Growth Fund was the worst performing fund in the portfolio, by returning a 5.05% loss in September which underperformed the 4.16% loss in the FBMKLCI.
- Alliance Global Equities fund returns a 2.55% loss which outperformed the 2.93% loss in the MSCI AC World Index.
- AmDynamic Bond fund was the best-performing fund in the portfolio with 0.39% gain.
- AmBond fund returns a loss of 0.66% due to dividend payout on 20 September 2011 however extra 97 units have been added into the total units. (The adjusted return was 0.63%)
- As markets valuations still remain attractive, we maintain overweight on equities.
- Investors should not be panic during this period and take the recent market downturn as an opportunity to buy into the cheaper markets.

## ACTION TAKEN

AmBond has distributed a dividend of RM 0.015 per unit with Ex-date 20 September 2011.