

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>	2.00%	<i>The portfolio value is net of initial sales charge of 2% or lower for equity funds</i>
<b>Portfolio Value:</b>	RM20,399.72	<b>July 2011 Return:</b>	0.67%	

## CONSERVATIVE PORTFOLIO

Fund Name	Target Allocation (%)	NAV		% Change
		30/6/2011	29/7/2011	
AmBond	42%	1.1501	1.156	0.51
AmDynamic Bond	14%	0.6089	0.6176	1.43
RHB Asian Total Return Fund	24%	0.4097	0.4141	1.07
Alliance Global Equities Fund	14%	0.5563	0.5518	-0.81
Kenanga Growth Fund	6%	2.037	2.0698	1.61

## MARKET COMMENTARY

- Global stock markets lower on renewed European debt concerns.
- Agreements have been achieved to restructure Greece's debts however this does not wipe off the negative sentiment in the market as investors turn their focus on Italy and Portugal.
- Agreement still have not been achieved between the Republican and Democrat to increase the debt ceiling while S&P and Moody have subsequently warning on reduce credit rating on U.S. government bonds.
- Credit tightening due to inflation concern has a negative impact on the markets.
- MSCI AC World dropped 3.38% in the month in MYR terms.
- MSCI Emerging Markets dropped 2.40% while MSCI Asia Ex-Japan dropped 0.90% in the month in MYR terms.
- Malaysian market has been affected by the external sentiment causing FBMKLCI to drop 1.91% in the month.

## PORTFOLIO COMMENTARY

- 0.67% gain in July, following a 0.08% gain in June.
- Alliance Global Equities Fund was the worst performing fund in the portfolio, by returning a 0.81% loss in July, outperformed the 3.38% loss in the MSCI AC World.
- Kenanga Growth Fund was the best-performing fund in the portfolio. Its 1.61% gain outperformed the 1.91% loss in the FBMKLCI
- Due to the concerns on the markets, investors have chosen to invest in safer vehicle like bond. As a result, AmBond and AmDynamic Bond have achieved return of 0.51% and 1.43%.
- Negative sentiments have hurt the performances of global markets, however when all of these have been priced in, markets will start to catch up with its strong fundamentals.
- Global economic growth remains on track, maintaining overweight in equities.

## ACTION TAKEN

The following **fund switch** will be taken place on 01 August 2011 based on our recommended funds for 2011 / 2012 launching on 13 July 2011:-

1. Existing RHB Asian Total Return Fund to Alliance Asian Bond Fund.