

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>	1.88%	<i>The portfolio value is net of initial sales charge of 2% or lower for equity funds</i>
<b>Portfolio Value:</b>	RM20,376.76	<b>November 2011</b>	0.47%	
		<b>Return:</b>		

1 Month	3 Month	6 Month	1 Year	YTD	Since Inception
0.47%	0.99%	0.64%	-	1.88%	1.88%

## CONSERVATIVE PORTFOLIO

Fund Name	Target Allocation (%)	NAV		% Change
		31/10/2011	31/10/2011	
AmBond Fund	42%	1.1629	1.1662	0.28
AmDynamic Bond Fund	14%	0.6122	0.6157	0.57
Alliance Asian Bond Fund	24%	0.5523	0.5552	0.53
Alliance Global Equities Fund	14%	0.5082	0.507	-0.24
Kenanga Growth Fund	6%	2.0045	2.0563	2.58

## MARKET COMMENTARY

- Market euphoria in October did not sustain into November as we saw global equity markets slumped during the month.
- The failed of the US "Super Committee" on the agreement for a USD1.2 trillion in deficit cuts planned for the next 10 years has led to a "downgrade" warning by Moody's Investors Service. This caused a major sell-off in November as investors worried that US credit rating will be downgraded by another rating agency after rating cut by Standard & Poor's in August.
- Poor bond sales by the Eurozone strongest country Germany has also attributed to the negative sentiment in November. German debt agency could not find buyers for around half a bond sales of EUR6 billion. This showed that investors have even begun to lost confidence on Germany and worried that Germany will be dragged by other weaker Eurozone countries.
- The surged of Italy bond's yield for tenure 6 months and longer above the "dangerous zone" of 7.0% has caused investors concern that Italy was unable to bear the high borrowing cost. Ireland, Portugal and Greece asked for bail-out funds when their respective bonds' yields cross the 7.0% border line.
- Even though the [USD swap arrangements costs cut by 6 major central banks](#) to increase liquidity funding in the Eurozone provided some light to the market, we are skeptical that this will solve the debt crisis and the meeting amongst European leaders in 9 December 2011 will be a decisive moment.
- MSCI AC World Index stayed flat at 0.0% return in the month in MYR terms.
- MSCI Emerging Markets Index declined 3.6% while MSCI Asia Ex-Japan Index dropped 5.3% in the month in MYR terms.
- In Malaysia, FBMKLCI fell 1.3% in the month.

## PORTFOLIO COMMENTARY

- 0.47% gained in November, following a 1.88% gained in October.
- Kenanga Growth fund was the best performing fund in the portfolio by returning a 2.58% gain in November outperformed the FBMKLCI which fell 1.3%.
- In the bond universe, AmDynamic Bond fund, AmBond fund and Alliance Asian Bond fund returned a 0.57%, 0.28% and 0.53% gain respectively in November.
- As markets valuations still remain attractive, we maintain overweight on equities. And here is our [Key Investment Theme and Outlook for 2012](#).

## ACTION TAKEN

NIL