

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>	1.41%	<i>The portfolio value is net of initial sales charge of 2% or lower for equity funds</i>
<b>Portfolio Value:</b>	RM20,282.43	<b>October 2011 Return:</b>	1.88%	

1 Month	3 Month	6 Month	1 Year	YTD	Since Inception
1.88%	-0.57%	1.02%	-	1.41%	1.41%

## CONSERVATIVE PORTFOLIO

Fund Name	Target Allocation (%)	NAV		% Change
		30/9/2011	31/10/2011	
AmBond Fund	42%	1.1602	1.1629	0.23
AmDynamic Bond Fund	14%	0.6106	0.6122	0.26
Alliance Asian Bond Fund	24%	0.5355	0.5523	3.14
Alliance Global Equities Fund	14%	0.4813	0.5082	5.59
Kenanga Growth Fund	6%	1.8931	2.0045	5.88

## MARKET COMMENTARY

- As we saw global equity markets bottomed in the third quarter this year, they have reversed course and surged in the month of October.
- Market reacted positively on the agreement that private investors would voluntarily take a 50% haircut on Greek sovereign bonds.
- European leaders agreed to increase the European Financial Stability Facility (EFSF) from EUR250 billion to approximately EUR1 trillion through either insuring a portion of sovereign debt or the creation of a special purpose vehicle (SPV) to involve private investors.
- Improving economic data and corporate earnings in the US also lead to the improvement of investor sentiment.
- As the market remains calm in the month of October, we expect volatility to persist in the coming months as there are still uncertainties in the Eurozone to solve their debt crisis and the focus will be on Spain and Italy and how the financial institutions recapitalized themselves to meet the Core Tier 1 equity ratio of 9%.
- MSCI AC World Index gained 6.14% in the month in MYR terms.
- MSCI Emerging Markets Index gained 8.80% while MSCI Asia Ex-Japan Index gained 7.78% in the month in MYR terms.
- In Malaysia, FBMKLCI gained 7.55% in the month.

## PORTFOLIO COMMENTARY

- 1.88% gain in October, following a 1.33% loss in September.
- Kenanga Growth fund was the best performing fund in the portfolio, by returning a 5.88% gain in October.
- Alliance Global Equities fund returns a 5.59% gain in October.
- In the bond universe, AmDynamic Bond fund, AmBond fund and Alliance Asian Bond fund returns a 0.26%, 0.23% and 3.14% gain respectively in October.
- As markets valuations still remain attractive, we maintain overweight on equities.

## ACTION TAKEN

NIL