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INVEST GLOBALLY AND PROFITABLY

CONSERVATIVE PORTFOLIO

January 2014

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:	RM20,000.00	**Absolute Return:**	13.65%	*The portfolio value is net of initial sales charge of 2% or lower*
Portfolio Value:	RM22,759.49	**December 2013 Return:**	0.94%	

1 Month	3 Month	6 Month	YTD	1 Year	2011^	2012	Since Inception*
0.94%	2.14%	3.63%	4.22%	4.22%	2.07%	6.84%	13.65%

^2011 return starting from 1 January 2011 since portfolio revamped. *Cumulative Return

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Fund Name	Target Allocation (%)	NAV		M-o-M Returns (%)
		30-Nov-13	31-Dec-13	
AmBond	16%	1.1767	1.1725	-0.36
Hwang AIIMAN Income Plus	18%	0.5526	0.5535	0.16
AmDynamic Bond	14%	0.595	0.5967	0.29
Hwang Select Bond Fund	12%	0.60574	0.6104	0.77
RHB-OSK Emerging Markets Bond Fund	10%	0.5058	0.5157	1.96
Hwang Select Income Fund	10%	0.65359	0.6562	0.40
Kenanga Growth Fund	6%	0.9266	0.9633	3.96
Pacific Global Stars Fund	7%	0.4068	0.4097	0.71
CIMB-Principal Global Titans Fund	7%	0.6327	0.652	3.05

MARKET COMMENTARY

- **Commentary:** Global stocks higher for the last quarter of 2013, led by US, Japan and European equities. Developed Markets gained 8.9% in MYR terms, outperforming Emerging Markets and Asia ex Japan which gained 2.6% and 4.2% respectively. During the quarter, India was the best performing market as it rose 11.6%; Thailand was a standout underperformer, declining -9.5% on rising political tensions. Bond markets were volatile due to Fed tapering announcements, but overall ended the quarter up by 0.3%, recovering from the sell-off during the first half of the year.
- **Equity Market Strategy**: Equities remain an attractive investment proposition on the back of rising yields environment and improving global economic outlook. We continue to favour Asia ex-Japan and Emerging Markets region although we recognise selected EM markets are facing some domestic economic issues. These two regions continuing to offer some of the most attractive upside potential as their valuation still sport a substantial discount to its estimated fair value.
- **Bond Market Strategy**: We continue to underweight fixed income asset class to guard against the potential rise of interest rate. Within the fixed income portion, we prefer EM debts and Asian bonds which are expected to fare better in a growth-centric environment given their lower sensitivity on interest rate risk and positive correlation on economic activity. Locally, we believe the negative impact of the rising yields might be milder on local bonds especially corporate debts, because of the higher credit spread over Malaysia government bonds, stable interest rate environment and no signs of rising credit risk observed so far

[All returns in Ringgit terms unless otherwise stated]

PORTFOLIO COMMENTARY

- Portfolio grew 0.94%, adding its year-to-date return to 4.22%.
- Kenanga Growth Fund was the best performing fund in the month by returning a 3.96% gain.
- AmBond was the worst performing fund in the month by losing -0.36%

ACTION TAKEN

- N/A