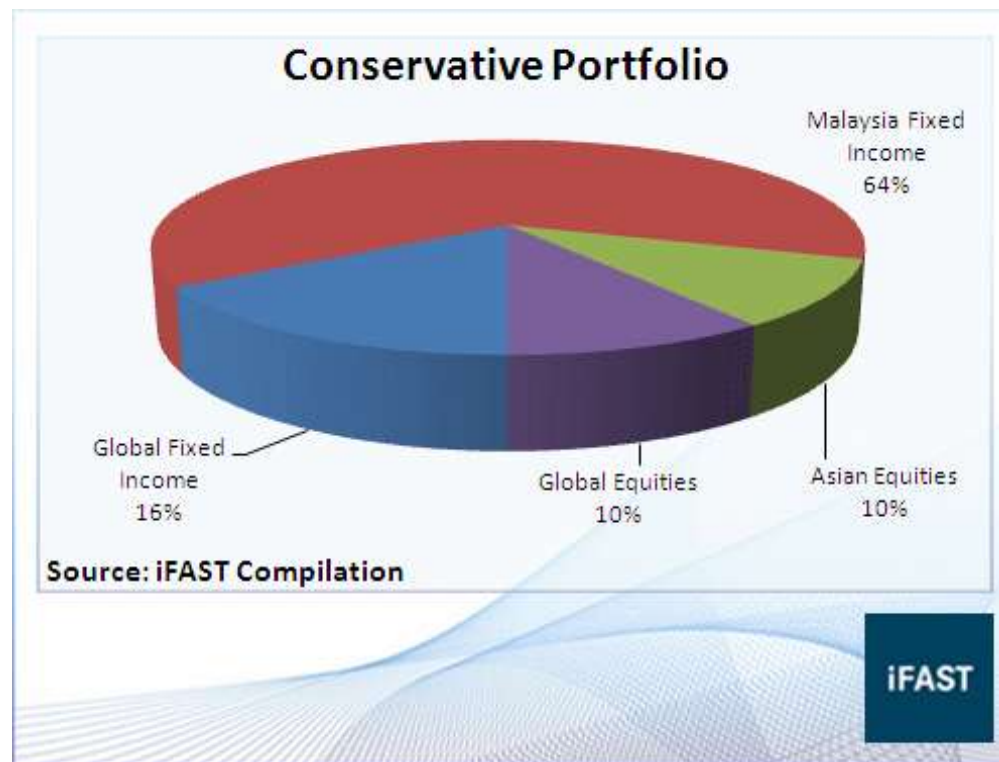


# FUNDSPERMART.COM RECOMMENDED PORTFOLIO AUGUST 2008

## CONSERVATIVE PORTFOLIO

	Conservative
Portfolio Objective	To take on low risk and achieve low but steady returns for an investment horizon of up to 3 years. This portfolio was started on August 7th 2008.
Suitable For	This Portfolio is suitable for all conservative investors who want a stable, low-risk portfolio which require minimal action and monitoring. Specific examples include retirees and housewives. The portfolio is also suitable for investors who require the invested money within the first 3 years.
Portfolio Strategy	<p>The portfolio is divided into two portions. The main bulk of the portfolio consists of bond funds which are expected to deliver slow and steady returns. The pie chart shows the targeted long term asset allocation for the fund. However, in the short term, there may be fluctuations in the asset allocation due to short term market movements.</p> <p>The rest of the bond portion is divided into 2 different bond funds. The highest exposure is in Malaysia fixed income fund that is the least risky, as it has little exchange rate risk and hence would be the most stable.</p> <p>The global bond fund has exchange rate risk as it is exposed to US and Europe bonds in comparison to bonds denominated in RM, but it can benefit from the potentially higher yields that these countries can offer.</p> <p>The growth portion consists of Prudential <b>Asia Pacific Equity</b> and <b>Alliance Global Equities Fund</b>. The Prudential Asia Pacific Equity Fund has the investment mandate to invest at least 80% of the NAV of the fund in equity and equity-related securities with consistent or potential increase in dividend yields. It may also invest up to 20% of its NAV in fixed income securities during a declining dividend yield environment</p> <p>Alliance Global Equities Fund feeds into Fullerton Global Equities Fund which similarly focuses its investment into financial related sectors. This fund has exposure into 15 global markets which provide a good diversification tool for the equity exposure.</p>
Ongoing investment strategy	<p>As this portfolio requires minimal changes, for a start, the minimum investment amount to start building this portfolio is RM 10,000.</p> <p>As the investment objective for this portfolio is to gain consistent return over the investment</p>

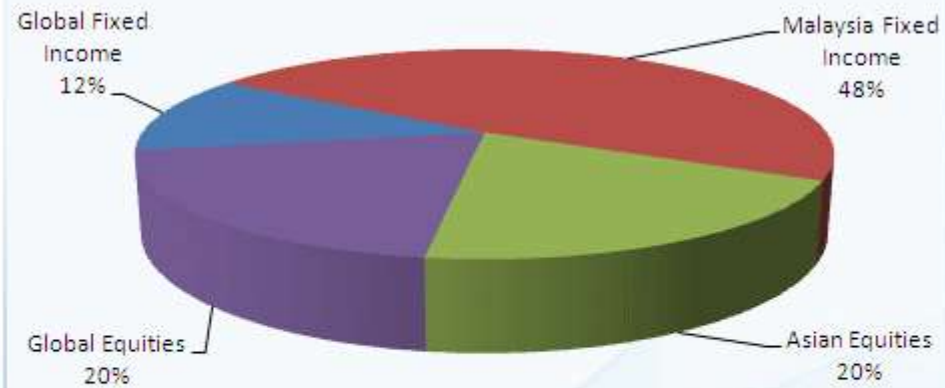
	period, we will practise tactical asset allocation only among the equity funds allocation. This is to increase the allocation in Asian equity Funds when it is relatively attractive. This could mean that when we are overweight on equities because we find that asset class attractive, we are underweight on fixed income and vice versa.
Optional investment strategy	To be updated soon.



## MODERATELY CONSERVATIVE PORTFOLIO

	Moderately Conservative
Portfolio Objective	To take on moderately low risk and achieve higher returns than a full fixed income portfolio over an investment horizon of 3 years or more. This portfolio was started on August 7th 2008.
Suitable For	This portfolio is suitable for investors who want reasonably good returns and are able to bear some risk for these returns. Specific examples include a middle age person who has no immediate cash commitments like housing or cars and those with 5 or more years before retirement. The portfolio is also suitable for investors who have medium to long term financial goals like saving for the children's education or to upgrade a house.
Portfolio Strategy	<p>The portfolio's intended asset allocation over the medium term is 60% in bonds and 40% in equities. This is a fairly balanced combination with a bias towards being conservative with its greater exposure in fixed income funds. The actual allocation at any one time may be different based on our research views and market movements.</p> <p>The fixed income exposure of the portfolio is divided into a Malaysia fixed income fund and a global fixed income fund. The Malaysia fixed income fund is the least risky, as it has little exchange risk and hence would be the most stable. The global bond fund has a higher exchange rate risk as it is exposed to US and Europe bonds. However, they can benefit from the potentially higher yields that these countries can offer.</p> <p>The equity portion consists of four funds – the <b>Pheim Asia Ex-Japan Islamic, Prudential Asia Pacific Equity, Alliance Global Equities Fund</b> and <b>Prudential Global Leaders</b> This portfolio only constitute the core equity portion of the portfolio and is expected to contribute significantly to growth over the long term.</p> <p>We overweigh Asia ex Japan as this region has compelling value at this moment in time. However, as this fund is likely to be the more volatile than the others, we will strive not to let exposure into Asia equity funds go above 30% of the equity portion.</p>
Ongoing investment strategy	<p>For a start, the minimum investment amount to start building this portfolio is RM10,000.</p> <p>Moving forward we look into buying into more Asia equity funds when markets appear more attractive and valuation is low.</p>
Optional investment strategy	To be updated soon.

## Moderately Conservative Portfolio



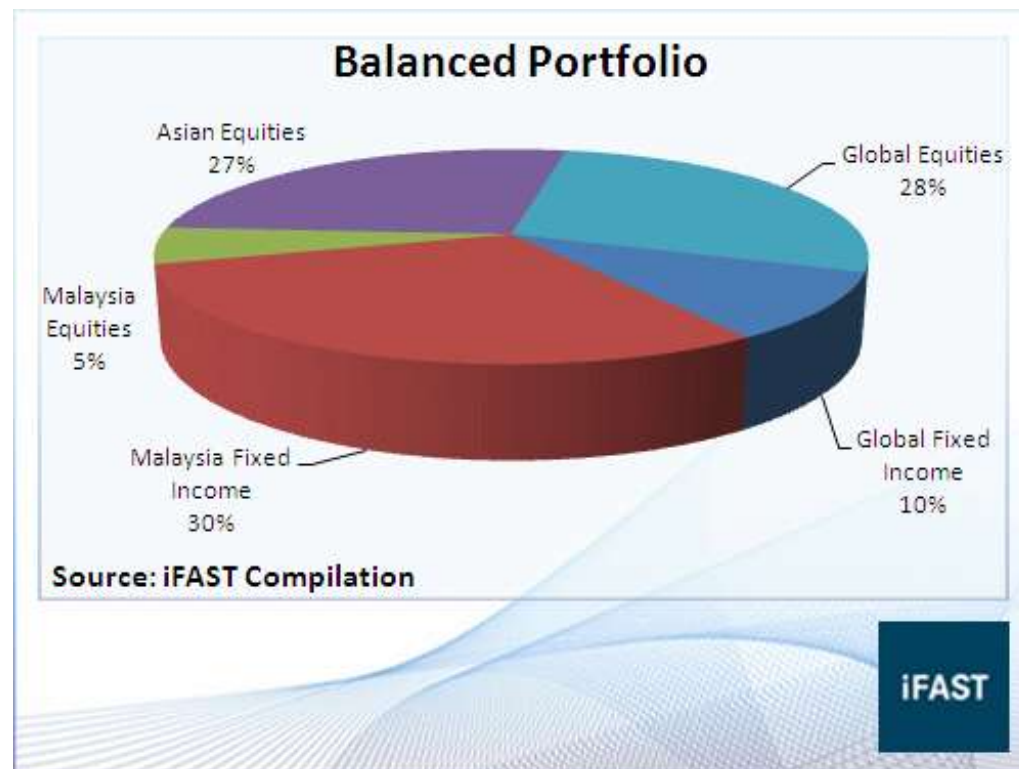
Source: iFAST Compilation

iFAST

## BALANCED PORTFOLIO

	Balanced
Portfolio Objective	To take on medium risk and achieve moderate returns over an investment horizon of 5 years or more. This portfolio was started on August 7th 2008.
Suitable For	This portfolio is suitable for investors who want reasonably good returns and are able to bear some risk for these returns. Specific examples include middle age persons who have no immediate cash commitments and those with 5 or more years before retirement. The portfolio is also suitable for investors who have medium to long term financial goals like saving for the children's education or to upgrade a house.
Portfolio Strategy	<p>The portfolio's long term asset allocation is targeted to be 40% in bonds and 60% in equities. The actual asset allocation from time to time may vary within a range of time based on our research views and market movements. The higher equities exposure is to achieve reasonably good returns while still deriving a certain amount of stability from the bond funds.</p> <p>The bond exposure of the portfolio is divided into a Malaysia fixed income fund and global fixed income fund. The Malaysia fixed income fund is the least risky, as it has little exchange risk and hence would be the most stable. The global bond fund has a higher exchange rate risk as it is exposed to US and Europe bonds. However, they can benefit from the potentially higher yields that these countries can offer.</p> <p>The portfolio gains diversified equity exposure by investing into <b>Alliance Global Equities Fund</b> and <b>Prudential Global Leaders</b>. However we have a slightly higher weighting on Asia ex Japan when compared to a typical global index because we feel that this region will outperform the rest in the medium term. We have also chosen the <b>Pheim Asia Ex-Japan Islamic</b> and <b>Prudential Asia Pacific Equity Fund</b>.</p> <p>The remaining portion of the fund is invested into a supplementary fund that is <b>Prudential Asia Select Income Fund</b>. This fund has the investment mandate to invest 30% to 60% of its NAV in Malaysian investment-grade fixed income securities. It may also invest 10% to 40% of its NAV in a collective investment scheme primarily the International Opportunities Fund – Dragon Peacock. The <b>OSK-UOB Smart Treasure</b> invests into Malaysia equity and fixed income related securities. It has the flexibility to increase or reduce its equity exposure. We will monitor closely the effective asset allocation between equity and fixed income exposure to maintain the neutral asset allocation of this portfolio.</p>

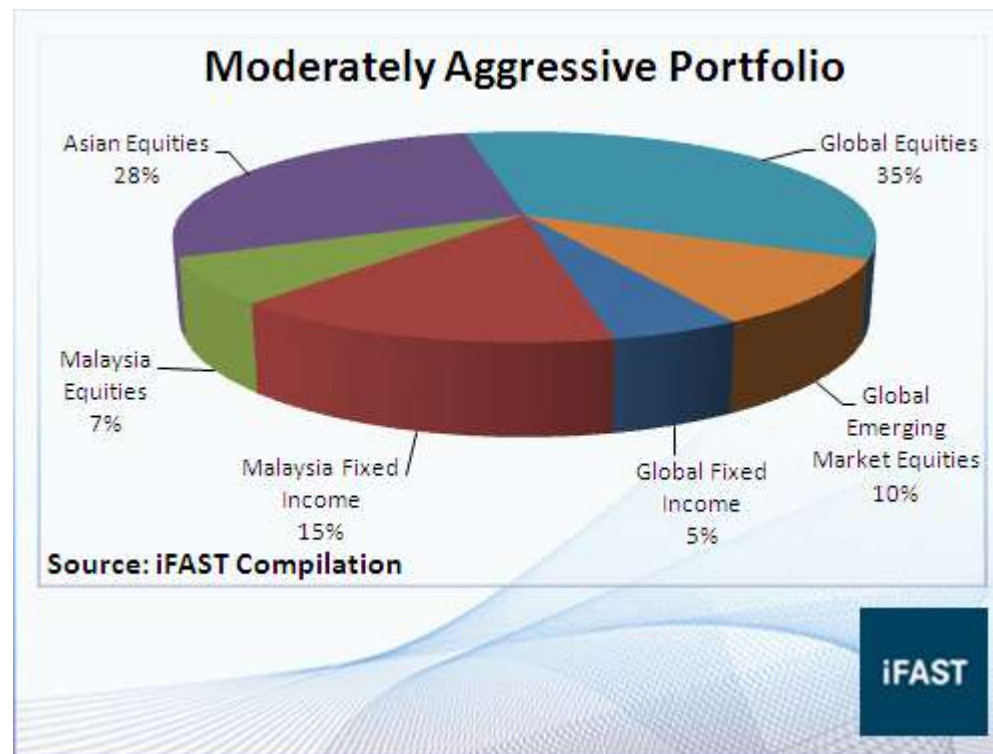
	We will increase exposure into Asia equity funds when markets are cheap and attractive.
Ongoing investment strategy	<p>The minimum initial capital to start this portfolio is RM17,000, higher than a more concentrated portfolio. This is because there are more funds in this portfolio and hence the requirement to meet the minimum investment amount of RM1,000 per fund.</p> <p>Moving forward we look into buying more Asia equity funds when markets appear more attractive and valuation are low.</p>
Optional investment strategy	To be updated soon.



## MODERATELY AGGRESSIVE

	Moderately Aggressive
Portfolio Objective	To take on moderately higher risk and achieve higher returns than a balanced portfolio over an investment horizon of 8 years or more. This portfolio was started on August 7th 2008.
Suitable For	This portfolio is suitable for investors who are moderately aggressive, want good returns and are willing to withstand some short-term fluctuations in their portfolio to achieve this. Specific examples include singles, young couples building up wealth and middle aged couples who are saving for retirement.
Portfolio Strategy	<p>This portfolio consists of mostly equity funds. 15% of the portfolio is invested in a Malaysia fixed income fund to provide some stability and to reduce the correlation to stock markets that the portfolio will naturally have. The bond portion is further increased by exposure to a global fixed income fund.</p> <p>The core equity portion consists of five funds, two of which invests into regional funds, two into global funds while one into Malaysia equity fund. This segregation into 3 different geographical focus funds gives us flexibility in choosing our relative weightings in each area.</p> <p>The portfolio gains diversified equity exposure by investing into <b>Alliance Global Equities Fund</b> and <b>Prudential Global Leaders</b>. However we currently overweight in Asia ex Japan compared to typical global indices. We have chosen <b>Pheim Asia Ex-Japan Islamic</b> and <b>Prudential Asia Pacific Equity</b>.</p> <p>The <b>OSK UOB Smart Treasure</b> invests into Malaysia equity and fixed income securities. It forms part of the core portfolio of funds and helps to reduce the exchange risk of the portfolio. We have capped this at 7% as the Malaysia market is small relative to the rest of the world.</p> <p>We will rebalance the 5 funds periodically. As our research articles (found in research archives) have shown, rebalancing regularly helps to improve the returns of the portfolio.</p> <p>The remaining portion of the fund is invested into a supplementary fund. This is the highest risk portion of the portfolio and thus, we started out with just a 10% allocation. Here, we allow ourselves to take shorter term views and invest into more volatile market such as Global Emerging Markets. We may switch into bond funds when we feel that it is necessary. Currently, we are taking a position in <b>Prudential Global Emerging Markets Fund</b> as we feel that these markets are relatively ignored and there could be a potential upside going forward. This view may change over time, and when it does, we will switch to another fund or another sector. We will reflect these actions in the</p>

	Action column below.
Ongoing investment strategy	<p>The minimum initial capital to start this portfolio is RM15, 000, higher than a more concentrated portfolio. This is because there are more funds in this portfolio and hence the requirement to meet the minimum investment amount of RM1,000 per fund..</p> <p>Moving forward we look into buying more Asia and Global Emerging Markets equity funds when markets appear more attractive and valuation is low.</p>
Optional investment strategy	To be updated soon.





# AGGRESSIVE PORTFOLIO

	Aggressive
Portfolio Objective	To take on higher risk and achieve higher returns over an investment horizon of 10 years or more. This portfolio was started on August 7th 2008.
Suitable For	This portfolio is suitable for aggressive investors who are able to handle risk and who understand the fluctuations in stock markets. Also suitable for investors who have a long-term horizon and who can bear temporary market setbacks. Specific examples include singles with no near term commitments and couples saving for long term retirement.
Portfolio Strategy	<p>The portfolio entirely consists of equity funds. Although this makes it the most risky among all the recommended portfolios we have, this portfolio also has the biggest potential to achieve high returns. As mentioned, the portfolio will go through short term slumps, but we expect that in the long term, this portfolio's returns will be the best amongst the featured five portfolios.</p> <p>The core equity portion consists of five funds two of which invests into regional funds, two into global funds while one into Malaysia equity fund. This segregation into the 3 different geographical focus funds gives us flexibility in choosing our relative weightings in each area. We are currently overweight in Asia ex Japan when compared to typical global indices.</p> <p>The portfolio gains diversified equity exposure by investing into <b>Alliance Global Equities Fund</b> and <b>Prudential Global Leaders</b>. However we currently overweight in Asia ex Japan compared to typical global indices. We have chosen <b>Pheim Asia Ex-Japan Islamic</b> and <b>Prudential Asia Pacific Equity</b>.</p> <p>The <b>OSK UOB Smart Treasure</b> invests into Malaysia equity and fixed income securities. It forms part of the core portfolio of funds and helps to reduce the exchange risk of the portfolio</p> <p>We can rebalance this core equity portion periodically. As our previous research articles (found in research archives) have shown, rebalancing regularly helps to improve the returns of the portfolio.</p> <p>The remaining portion will be invested into a supplementary portfolio. This is the highest risk portion of the entire portfolio and so, we started out with just 20% allocation. Here, we allow ourselves to take shorter term views and invest into more volatile markets such as Global Emerging Markets. We may go into bond funds if and when we feel it is necessary.</p> <p>We are taking a position in Prudential <b>Global Emerging Markets Fund</b> as we feel these markets are relatively ignored and there could be a potential upside going forward. This view may change over</p>

	<p>time, and if and when it does, we may switch to another fund or sector and reflect that in the Action column below.</p> <p><b>Prudential Asia Select Income Fund</b> has the investment mandate to invest 30% to 60% of its NAV in Malaysian investment-grade fixed income securities. It may also invest 10% to 40% of its NAV in a collective investment scheme primarily the International Opportunities Fund – Dragon Peacock.</p>
Ongoing investment strategy	<p>As the above portfolio is more concentrated, the initial capital to start this portfolio is RM10,000.</p> <p>This portfolio currently relatively overweighs its position into Asian market. Due to its high allocation in Asia, we are looking into adding sectorial specific funds which invest into global markets that we believe are attractive and undervalued. Meanwhile we will retain our position and closely monitor the market movement.</p>
Optional investment strategy	To be updated soon.

