

Adjustments to FSM Portfolios For 31 July 2009

Aggressive Portfolio

Commentary

After a flat performance in June, equities market rallied in the month of July in response to more positive economic news flow. China, Singapore and Korea reported strong GDP growth in the second quarter of 2009 while the fall in US's was lower than consensus estimates. Companies are also reporting better-than-expected earnings in the second quarter as economies showed signs of stabilization. In the US, 61% of the 197 companies (as at 24 July) reported earnings that beat estimates. As a result, investors flocked towards riskier assets such as equities, emerging market bonds and high yield bonds.

The portfolio has gained about 19.4% from April 09 to July 09. Within the Aggressive portfolio, OSK-UOB Big Cap China Enterprise Fund, Prudential Global Emerging Markets Fund, and Pheim Asia Ex-Japan Islamic Fund delivered double-digit returns with the OSK-UOB Big Cap China Enterprise Yield Fund being the best performer.

The portfolio continues to benefit from the large exposure to Asian ex-Japan and global emerging market equities. While we still find Asia Ex-Japan and emerging markets to be more attractive regions of investment, we are adding investments into global equity fund which give us exposure to US and Europe to ensure proper diversification as our two favorite regions have benefited significantly over the past few months.

Table 1: Year-To-Date Performance of Markets

Market	Indices	YTD as at 31 July 2009 (RM terms)
Indonesia	JCI	91.2%
India	BSE SENSEX	67.0%
Taiwan	TWSE	56.6%
Asia ex-Japan	MSCI Asia ex-Japan	53.2%
Singapore	FTSE STI	53.0%
Asian Tech	Bloomberg AP Tech	51.2%
Emerging Markets	MSCI Emerging Markets	51.1%
China	HSMCLI	48.6%
Korea	KOSPI	48.4%
Hong Kong	HSI	45.2%
Thailand	SET	43.2%
Tech	Nasdaq 100	34.3%
Malaysia	KLCI	34.0%
Europe	DJ Stoxx 600	17.5%
World	MSCI World	15.3%
Japan	Nikkei 225	12.8%

Source: Bloomberg, returns in RM terms

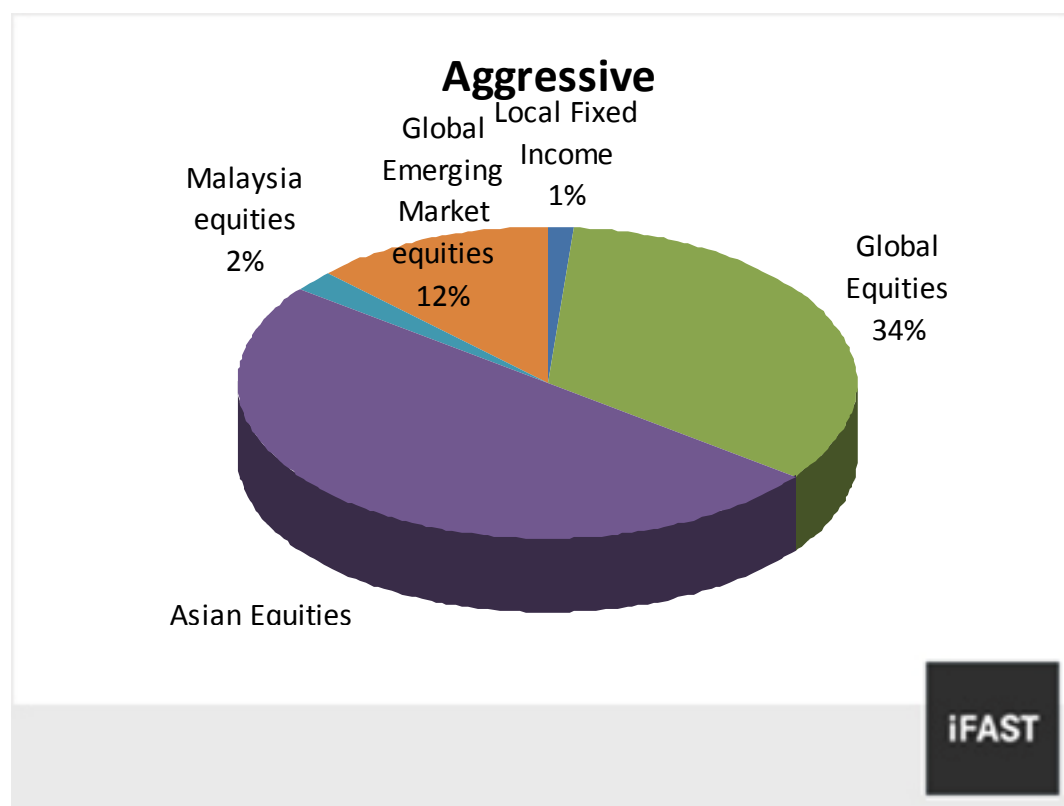
Table 2: Aggressive Portfolio Returns

Date of Inception:	7 August 2008
Total Amount Invested	RM27,000
Portfolio Value As At End July 2009	RM 27,420.26
Absolute Return:	<u>1.56%</u> as at end July 2009

Source: iFAST Compilations

Actions Taken in July 2009:

- 1) Added RM4,000 into Alliance Global Equities Fund.



Reasons for Action Taken

Equity markets, especially Asia Ex-Japan and the emerging markets, have performed well over the past few months. We have decided to add on to global equities fund which give us US and European equities exposure to balance out the impact from the market rally which as caused the Asian equities exposure to increase.