

Adjustments to FSM Portfolios For 30 Oct 2009

Aggressive Portfolio

MARKET COMMENTARY

- Most equity market fell in October but Asia ex-Japan manage to trade flat due to strong contributors like China and Malaysia, each returning 4.2% and 3.4% (in terms of RM, as of 30th October 2009) respectively while the other Asia markets fell
- Developed markets (Europe, US, Japan) all returned lower on profit taking towards end of the month and uncertainties over the slow global economic recovery
- Energy and agriculture commodities prices rose 9.1% & 6.1% (as of 30th October 2009) on average respectively while metals commodities prices remained largely unchanged
- Gold price is trading range bound while USD continues to weaken against major currencies. However USD strengthened slightly against most Asian currencies
- Central banks in Asia maintained rates in October amidst slow economic recovery data and low inflationary pressure while we cannot rule out rate hikes as early as 2010 due to rising commodities prices
- Bonds returns remain flattish but emerging market debts and high yield bonds did well in October.

Table 1: Year-To-Date Performance of Markets

Market	Indices	YTD as at 30 Oct 2009 (RM terms)
Indonesia	JCI	96.6%
India	BSE SENSEX	68.3%
Taiwan	TWSE	59.0%
Emerging Markets	MSCI Emerging Markets	58.9%
Thailand	SET	55.4%
Asia ex-Japan	MSCI Asia ex-Japan	55.0%
Singapore	FTSE STI	52.1%
Korea	KOSPI	50.4%
Hong Kong	HSI	49.0%
China	HSMCLI	47.8%
Malaysia	KLCI	41.8%
Tech	Nasdaq 100	35.6%
Europe	DJ Stoxx 600	24.3%
World	MSCI World	18.5%
US	S&P 500	13.0%
Japan	Nikkei 225	11.6%

Source: Bloomberg, returns in RM terms

PORTFOLIO COMMENTARY

The portfolio returned 8.07% as at end of Oct 2009. The strongest performers were Prudential Asia Pacific Equity, Prudential Global Emerging Markets Fund, returning 8.2% and 5.4% during the period from end July to end Oct 09.

Table 2: Aggressive Portfolio Returns

Date of Inception:	7 August 2008
Total Amount Invested	RM31,000
Portfolio Value As At End July 2009	RM 33,501.89
Absolute Return:	<u>8.07%</u> as at end Oct 2009

Source: iFAST Compilations

ACTION TAKEN

We are adding our RM4000 into equity funds to keep the allocation of the portfolio at our target of 100% in equities. Portfolio additions are as follow:

RM1000 into Kenanga Growth Fund

RM3000 into Pheim Asia Ex-Japan

Along with more new funds were made available in our FSM platform, we opt to add a new Malaysia equity fund into our recommended portfolio by adding RM1000 into Kenanga Growth Fund. In addition, we have added RM3000 into Pheim Asia Ex-Japan as we are still favour to Asia Ex-Japan region.

