

FUND OBJECTIVE

The fund seeks to provide investment opportunities that generate reasonable returns and growth over the tenure of the Fund while endeavouring to provide capital protection to Unit Holders.

INVESTOR PROFILE

The fund is suitable for Investor who:-

- Seek capital protection
- Wish to participate in the potential upside of global equities, interest rates or any other indices.
- Have low risk tolerance.
- Have a medium-term investment horizon.

FUND DETAILS

- Currency : Malaysian Ringgit MYR
- Fund Size : 2,447.00 mill
- NAV per unit : 0.9813
- Financial Year : July 31
- Fund Category : Mixed Asset
- Fund Type : Income & Growth
- Commencement : July 7, 2008
- Initial Sales Charge : 1.50% on the NAV per unit.
- Management Fee : 1.00% per annum of NAV
- Investment Manager : Permodalan Nasional Berhad
- Benchmark : 12-month Maybank fixed deposit rate
- Tenure : 5 Years
- Maturity Date : July 5, 2013

ASSET ALLOCATION

- Structured Products : Up to 80% of the Fund's Net Asset Value may be invested in Structured Products.
- PNB REIT : Up to 50% of the Fund's Net Asset Value may be invested in PNB REIT.
- Cash & any other capital market instruments : A minimum of 2% of the Fund's Net Asset Value will be invested in cash & any market instruments to provide for liquidity purposes.

MANAGER'S REVIEW

Fund Manager's Comments

In November 2008, PNB SIF had neither purchase nor sell any new structure product. The investment remains status quo in six structured products issued by Deutsche Bank (Malaysia) Berhad, with underlying linked to interest rates and equities indices globally. During the month we had seen the deepening of financial crisis had taken its toll on global equities market. It had also sparked the worry on global economic recession as a result of low consumer and business confidence, low manufacturing production and the expected lower corporate profitability. We also saw a clearly deteriorated economic performance with countries such as Japan and Singapore already in recession. The situation had prompted global effort to utilize monetary and fiscal measure to re-stabilise the economy. The underlying indexes of PNB SIF's structured products were not exempted. However, this fall was mitigated by the unrealized gain recorded from the capital protection component which the price had increased from the entry of 4.89% to 3.20% (as at Nov 30, 2008) as a result of the high demand for safe assets. Combining both, the structured products portfolio declined minimally, resulting in the fund's NAV declining by 0.31% m-o-m.

PNB REIT on the other hand, had invested in 7 real estates at a total cost of RM 967.3 mill an average occupancy rate of 91.41%, 5 of the real estates are enjoying more that 90% occupancy level while PNB Damansara is at 89%.

Economic Outlook

A global recession now seems unavoidable with the UK, US and Eurozone reporting decline in economic growth. Expect more companies to go under in the next few months as they can no longer cope with the tight credit conditions and asset market weakness as a result of the deepening financial crisis. The equities market globally is expected to continue its fall as investors avoid risky assets and move to safer haven in view of a possible recession in the United States and slowing GDP growth elsewhere. Meanwhile, the 5 year swap rate is expected to remain low for the next few months, as investors continue to overweight safe assets in their portfolio.

PERFORMANCE RECORD

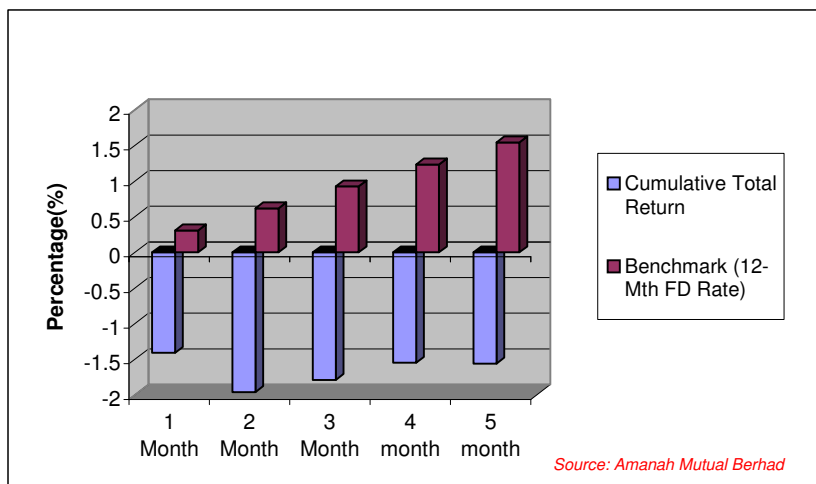
Cumulative Total Return

	%	Rank
• 6 month	-1.87	12 / 22

* Source : Lipper (G) - Category of Protected-Conventional

High/Low NAV

	High	Low
• November 08	0.9988	0.9813



TOP 5 LARGEST HOLDINGS

- Cash : 38%
- Structured Product : 39%
- PNB REIT : 27%

ASSET ALLOCATION AS AT NOVEMBER 30, 2008

