

**INVESTOR PROFILE**

The fund is suitable for investors 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 AS AT MAY 31, 2010**

|                       |                                       |
|-----------------------|---------------------------------------|
| Currency              | : Malaysian Ringgit MYR               |
| Unit In Circulation   | : 2,441.195 mil                       |
| Unit NAV              | : RM 1.0678                           |
| Financial Year        | : July 31                             |
| Fund Category         | : Mixed Assets                        |
| Fund Inception        | : May 12, 2008                        |
| Maturity Date         | : July 5, 2013                        |
| Tenure                | : 5 Years                             |
| Initial Sales Charge  | : 1.50% on the NAV per unit.          |
| Annual Management Fee | : 1.00% per annum of NAV              |
| Investment Manager    | : Permodalan Nasional Berhad          |
| Benchmark             | : 12-month Maybank fixed deposit rate |

**ASSET ALLOCATION**

- **Structured Products**  
Up to 80% of the Fund's NAV may be invested in Structured Products.
- **PNB REIT**  
Up to 50% of the Fund's NAV may be invested in PNB REIT.
- **Cash & Money market instruments**  
A minimum of 2% of the Fund's NAV will be invested in cash & any market instruments to provide for liquidity purposes.
- **Other Permitted Investment**  
Up to 80% of the Fund's NAV may be invested in any other Other Permitted Investment which include a diversified portfolio of listed securities, primarily on the Bursa Malaysia, unlisted securities & fixed income securities.

**FUND MANAGER'S REVIEW**

**Market Review**

The NAV of PNB SIF decreased by 0.97% to RM1.0678 per unit on May 31, 2010, as compared to RM1.0783 on April 30, 2010.

The FBM KLCI was down by 61.37 points or 4.78% to close at 1,285.01 from the previous month closing of 1,346.38 points due to concern on government debt in Europe and corporate governance issue at local front. As such, the fund took opportunity to increase back its equity in holding particularly in banking and utilities sectors.

Meanwhile, the structured products portfolio depreciated by 1.32% month-on-month, due to negative month-on-month performance of the underlying indices with the equity related indices fell more than that of interest rate related.

**Comments**

The fund would continue with its diversification strategy by investing across the asset classes of PNB REIT, structured products, equity, fixed income and cash equivalent instruments. Asset class rebalancing is expected to continue, as the fund would continue to prefer equity, fixed income and cash over structured products. This is due to the expected gradual increase in interest rates in 2010 and 2011, which will be negative to the market value of structured product's capital protection component.

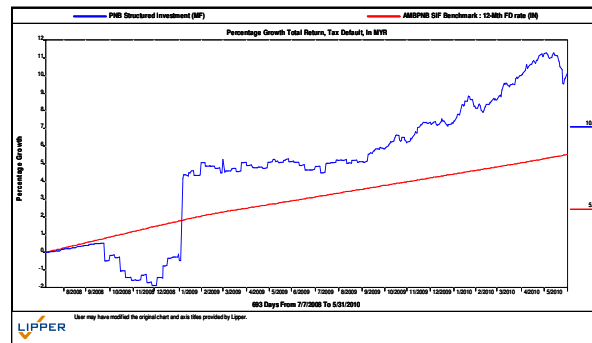
The fund would continue to lock profits by selling stocks on market uptrend, whilst also selectively buying stocks on any market dips. Focus will be on companies with good fundamentals and earnings visibility or dividend yields, that are trading at attractive valuations.

**PNB Structured Investment Fund**

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.

**PERFORMANCE RECORD**

**Total Return Since Inception**



**Cumulative Total Return**

|  | Fund (%) | Rank |
|--|----------|------|
| <b>6 - Month</b> (30 Nov 2009 - 31 May 2010) | 2.61     | 4/27 |
| <b>1 - Year</b> (31 May 2009 - 31 May 2010)  | 4.79     | 3/22 |

\* Source : Lipper (G) - Category of Protected-Non Islamic

**High/Low NAV (RM)**

|   | High   | Low    |
|---|--------|--------|
| <b>6 - Month</b> (1 Dec 2009 - 31 May 2010) | 1.0783 | 1.0411 |
| <b>1 - Year</b> (1 June 2009 - 31 May 2010) | 1.0783 | 1.0189 |

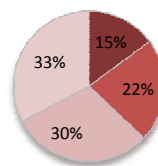
**Income Distribution**

|             | Net (sen per unit) |
|-------------|--------------------|
| <b>2009</b> | 3.25               |

\*Source : Extracted from the annual report of PNB SIF which has been audited by our external auditor

**Asset Allocation as at May 31, 2010**

- Short Term Deposit + Cash
- Equities
- PNB REITs
- Structured Product



**Equities**

|                   |               |
|-------------------|---------------|
| Consumer          | 6.00          |
| Construction      | 8.89          |
| Trading/Services  | 30.69         |
| Properties        | 2.32          |
| Industrial        | 5.49          |
| Plantations       | 13.32         |
| Finance           | 23.76         |
| REITs             | 1.05          |
| IPC               | 7.76          |
| Unquoted Equities | 0.72          |
| <b>TOTAL</b>      | <b>100.00</b> |

**General Info**

- FD Rate (12 Months) : 2.75%

**Top Largest Holdings**

- 1) MAYBANK BERHAD
- 2) SIME DARBY BERHAD
- 3) TENAGA NASIONAL BERHAD
- 4) KUALA LUMPUR KEPONG BERHAD
- 5) UMW BERHAD

Investors are advised to read and understand the contents of the Master Prospectus dated September 17, 2009, and the First Supplementary Master Prospectus dated October 30, 2009 before investing. These prospectuses have been registered and lodged with the Securities Commission. Among others, investor should consider the fees and charges involved. The price of units and distributions payable, if any, may go down as well as up. Past performances of the fund should not be taken as indicative of its future performance. Units will only be issued on receipt of an