

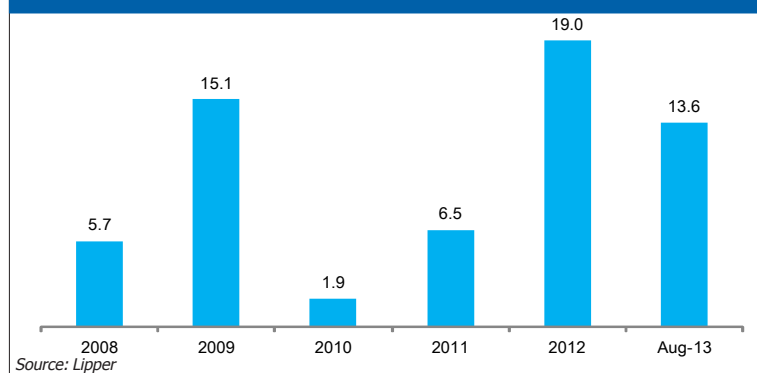
Aug 2013: Market volatility provides good buying opportunities for unit trusts

TABLE 1: MAJOR & REGIONAL INDICES AS AT 30 AUGUST 2013

Index	Points	Performance (%)		
		MOM	YOY	YTD
SOUTH EAST ASIA				
1. FBM KLCI	1,727.6	(2.5)	4.9	2.3
2. JCI Index	4,195.1	(9.0)	3.3	(2.8)
3. SET Index	1,294.3	(9.1)	5.4	(7.0)
4. STI Index	3,028.9	(6.0)	0.1	(4.4)
NORTH ASIA				
5. KOSPI Index	1,926.4	0.6	1.1	(3.5)
6. SSE Index	2,098.4	5.2	2.5	(7.5)
7. Hang Seng Index	21,731.4	(0.7)	11.5	(4.1)
8. TWSE Index	8,021.9	(1.1)	8.4	4.2
DEVELOPED COUNTRIES				
9. DJIA Index	14,810.3	(4.4)	13.1	13.0
10. DAX Index	8,103.2	(2.1)	16.2	6.4
11. Nikkei225 Index	13,388.9	(2.0)	51.5	28.8
MSCI INDICES				
12. MSCI World Index	1,472.7	(2.3)	15.1	10.0
13. MSCI Europe Index	420.1	(1.6)	14.8	4.7
14. MSCI SE Asia Index	784.6	(8.8)	(3.4)	(9.9)

Source: Bloomberg

CHART 1: UIC OF PRIVATE UTMCS IN MALAYSIA (% YOY)



Source: Lipper

TABLE 2: PRIVATE UNIT TRUST COMPANIES IN MALAYSIA

	# of UTMCS	# of funds	NF	UIC			NAV		
				B units	%mom	%yoy	RM B	%mom	%yoy
2008	38	553	86	157.3		5.7	64.5		(35.3)
2009	38	571	61	181.1		15.1	88.4		37.1
2010	37	605	76	184.5		1.9	98.9		11.9
2011	38	635	66	196.4		6.5	106.8		8.0
2012	41	653	77	233.8		19.0	143.2		34.1
2013 Jan	41	662	9	235.3	0.7	18.7	143.9	0.5	31.7
Feb	41	665	3	236.3	0.4	17.9	144.9	0.7	28.1
Mar	41	666	7	235.5	(0.4)	15.9	145.4	0.3	25.3
Apr	41	670	3	238.5	1.3	18.4	148.4	2.1	27.9
May	40	673	8	240.7	0.9	19.4	152.8	2.9	31.4
Jun	40	672	4	242.7	0.8	20.5	151.2	(1.1)	27.7
Jul	40	676	6	245.3	1.1	17.1	153.3	1.4	22.6
Aug	39	670	2	248.3	1.2	13.6	154.1	0.5	20.1
2012 J-Aug (2)		6	38	22.2		11.3	21.5		20.1
2013 J-Aug (2)		23	42	14.5		6.2	10.9		7.6

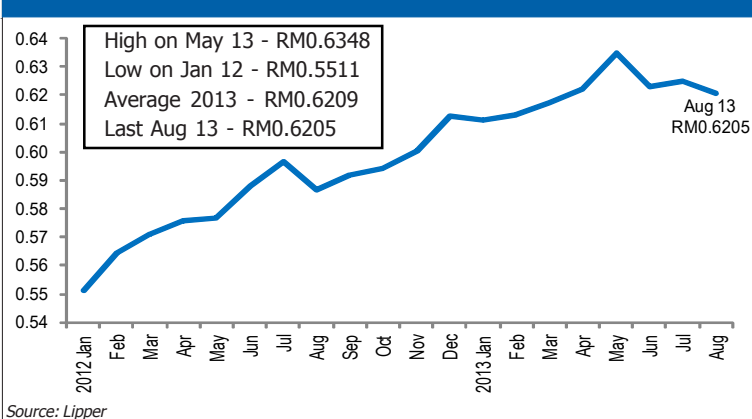
Source: Lipper, FIMM | NF: New funds; AFS: Approved Fund Size; UIC: Units in Circulation; NAV: Net Asset Value

- The South East (SE) Asian region's equity and currency markets experienced a selling-off in August as investors had weighed down the growth prospects of the global economy. The MSCI SE Asia index dropped to a 14-month low to 762.8 points on August 28, while most of the regional currencies had weakened against the dollar principally due to the outflow of foreign funds from the region. This had taken a toll on our local unit trust industry as its growth slowed tremendously this year on a year-to-date (YTD) basis as opposed to last year.
- To begin with, the South East Asian equity markets, which had been boosted to recent high levels by investment flows, had been under pressure since June this year following anxieties that the sustained monetary stimulus measures in the U.S. would shortly be withdrawn. A gradual pickup in U.S. and European growth outlook combined with slow progress on reforms in many Asian economies had caused many investors to look for better opportunities elsewhere.
- Thailand and Indonesia recorded the worst declines among equity markets in the SE Asian region falling 9.1% and 9.0% m-o-m respectively, following concerns that Thailand's economy would fall into recession and Indonesia's current account deficit would widen. (Table 1)
- This was followed by Singapore and Malaysia equity markets with 6.0% and 2.5% m-o-m declines respectively. On a year-to-date (YTD) basis, all SE Asian equity markets had fallen into negative territory except for Malaysia which still recorded a positive growth of 2.3% during the month. (Table 1)
- The unfavourable market condition saw the units in circulation (UIC) of the Malaysian unit trust industry (excluding ASNB funds) grow modestly in August at a pace of 1.2% m-o-m, bringing the y-o-y increase to 13.6%. (Table 2)
- As at YTD, the private UTMCS' UIC had recorded 248.2B units, charting an increase of 6.2% or 14.5B units since December 2012. This compared with the 11.3% gain or 22.2B units recorded during the same period a year ago. Meanwhile, net asset value had risen less by 7.6% or RM10.9B this year as compared with 20.1% or RM21.5B last year. (Table 2)
- By asset classes, money market funds continued to lead the recipients of unit inflows, taking in 7.9B units, followed by equity Malaysia and mixed asset categories which added 7.2B units and 4.2B units respectively. Target maturity and miscellaneous funds gained modestly by 1.3B units and 0.9B units. (Table 3)
- International equity category had suffered contraction this year by 2.5B units. Protected category had declined by 2.9B units as there were 6 out of 18 of its funds due to maturity. (Table 3)

TABLE 3: PRIVATE UTMCS'S NO OF FUNDS, UIC & NAV ON A YEAR-TO-DATE

No	Category	YTD											
		Dec-12			Aug-13			CHANGE			% YTD		
		# of funds	UIC (B Units)	NAV (RM B)	# of funds	UIC (B Units)	NAV (RM B)	# of funds	UIC (B Units)	NAV (RM B)	# of funds	UIC	NAV
1	EQUITY	294	124.0	51.8	299	128.2	55.4	5	4.2	3.6	1.7	3.4	6.9
	1.1 International Equity	112	34.0	8.8	118	31.5	8.9	6	(2.5)	0.1	5.4	(7.2)	1.2
	1.2 Equity By Sector	27	7.7	3.2	26	7.2	2.9	(1)	(0.5)	(0.4)	(3.7)	(7.1)	(10.8)
	1.3 Equity Malaysia	155	82.3	39.8	155	89.5	43.7	0	7.2	3.8	0.0	8.8	9.7
2	BOND	77	28.0	27.4	81	26.9	26.2	4	(1.1)	(1.1)	5.2	(4.0)	(4.1)
3	MIXED ASSETS	119	23.0	11.2	124	27.2	13.1	5	4.2	1.9	4.2	18.1	17.4
4	MONEY MARKET	101	49.7	43.9	105	57.6	51.5	4	7.9	7.6	4.0	15.9	17.4
5	OTHERS	62	9.1	8.9	61	8.3	7.8	(1)	(0.8)	(1.2)	(1.6)	(9.1)	(13.2)
	5.1 Protected	18	3.3	3.3	12	0.4	0.4	(6)	(2.9)	(3.0)	(33.3)	(87.3)	(89.3)
	5.2 Target Maturity	36	2.5	2.7	37	3.7	3.8	1	1.3	1.1	2.8	51.0	42.2
	5.3 Commodities	3	0.1	0.0	2	0.1	0.0	(1)	(0.0)	(0.0)	(33.3)	(39.2)	(45.1)
	5.4 Miscellaneous	5	3.2	2.9	10	4.1	3.5	5	0.9	0.7	100.0	26.9	23.8
	INDUSTRY	653	233.8	143.2	670	248.2	154.1	17	14.4	10.9	2.6	6.1	7.6

CHART 2: AVERAGE PRICE PER UNIT FROM JAN 2012 TO AUG 2013



- Nevertheless, we see that the sharp retreat of SE Asia’s stock markets in August offered opportunities to snap up cheap funds with a decent chance of capital gains when the market picks up. One indicator frequently used to measure if funds are indeed cheap or expensive is net asset value (NAV).
- In August, the average NAV price per unit had declined 0.7% m-o-m to RM0.6205, 2.3% drop from its highest level recorded in May this year (RM0.6348) and below this year’s average m-o-m price per unit of RM0.6209. (Chart 2)
- Going forward, we expect the price of unit trust as well as the overall growth of the local unit trust industry (UIC and NAV) will pick-up in tandem with the performance of global stock markets. As the U.S. Federal Reserve plans to continue its economic stimulus programme, we believe that the global markets will rally backed continuous foreign inflows until the next U.S. FOMC meeting on October 29. Market consensus does not expect a tapering until at least the FOMC meeting in December and that the current U.S. budget impasse and debt-ceiling would be raised on October 17th this year, thus further buoying market sentiments going forward.

Appendix I - New funds launched from January to August 2013

Management Companies Unit Trust	Lipper Global Classification	Launch Date	Value (RM)	AFS (M units)	UIC (M units)	SR (%)	Geo. focus
1 ABERDEEN ISLAMIC ASSET MANAGEMENT SDN BHD							
1 Aberdeen Islamic Malaysia Equity A	Equity Malaysia	17-Jan-13	1.00	300	3.2	1.1	Malaysia
2 Aberdeen Islamic World Equity A	Equity Global	17-Jan-13	1.00		2.2	0.7	Global
2 AFFIN FUND MANAGEMENT BHD							
1 Affin 3-iWholesale	Money Market MYR	15-Jan-13	1.00	100	0.0	0.0	Malaysia
2 Affin 4-iWholesale	Money Market MYR	15-Jan-13	1.00	100	12.5	12.5	Malaysia
3 Affin 2-iWholesale	Money Market MYR	15-Jan-13	1.00	100	0.0	0.0	Malaysia
3 AMINVESTMENT SERVICES BHD							
1 AmAsia Pacific Leisure Dividend	Equity Sector Cyc Cons Gds&S	25-Feb-13	0.50	200	265.5	132.7	Asia Pacific ex J
2 AmIncome Flexi 3	Target Maturity Other	9-May-13	1.00	200	232.0	116.0	Asia Pacific ex J
3 AmIncome Extra	Bond MYR	5-Jul-13	1.00	100	0.7	0.7	Malaysia
4 AmIncome Reward	Bond MYR	5-Jul-13	1.00	100	0.7	0.7	Malaysia
5 AmAsia Pacific REITs Plus	Equity Sector Real Est Asia Pac	1-Jul-13	0.50	200	91.7	45.9	Asia Pacific
4 ARECA CAPITAL SDN BHD							
1 Areca AUD Savings	Bond AUD	2-Jan-13	1.00	500	0.4	0.1	Australia
5 CIMB-PRINCIPAL ASSET MGMT BHD							
1 CIMB-Principal Enhanced Opportun	Target Maturity Other	19-Feb-13	1.00	100	101.9	101.9	Global
2 CIMB-Principal Wholesale Deposit	Money Market MYR	8-Mar-13	1.00	100	75.8	75.8	Malaysia
3 CIMB-Principal Institutional Bond 5	Bond MYR	2-May-13	1.00	200	149.6	74.8	Malaysia
6 EASTSPRING INVESTMENT BHD							
1 Eastspring Investments Bond Plus	Bond MYR	1-Apr-13	0.50	400	45.9	11.5	Malaysia
2 Eastspring Investments Target Inco	Target Maturity Other	27-Jun-13	1.00	100	203.1	203.1	Global
7 HONG LEONG ASSET MGMT BHD							
1 Hong Leong Islamic Inst Income Ma	Money Market MYR	22-Apr-13	1.00	100	2.5	2.5	Malaysia
8 HWANG INVESTMENT MGMT BHD							
1 Hwang Fixed Maturity Income VI	Target Maturity Other	25-Mar-13	1.00	100	194.7	194.7	Global
2 Hwang AIIMAN Select Income	Mixed Asset MYR Conservative	1-Mar-13	0.50	400	479.0	119.8	Global
3 Hwang Fixed Maturity Income VII	Target Maturity Other	28-May-13	1.00	100	136.2	136.2	Global
4 Hwang Cash Plus 2	Money Market MYR	3-Jun-13	1.00	200	0.0	0.0	Malaysia
5 Hwang Structured Income VIII	Unclassified	15-Aug-13	1.00	100	168.9	168.9	Malaysia
9 KENANGA INVESTORS BHD							
1 Kenanga Cash	Money Market MYR	22-Mar-13	1.00	500	5.8	1.2	Malaysia
2 Kenanga Asia Pacific Total Return	Equity Asia Pacific	11-Jul-13	1.00	100	54.8	54.8	Asia Pacific
10 MANULIFE ASSET MGMT SERVICES BHD							
1 Manulife Cash Management	Money Market MYR	25-Mar-13	1.00	100	134.3	134.3	Malaysia
2 Manulife Shariah - Dana Ekuiti	Equity Malaysia Diversified	27-May-13	0.50	100	20.0	20.0	Asia Pacific ex J
3 Manulife Shariah - Dana Sukuk	Bond MYR	27-May-13	0.50	100	93.2	93.2	Malaysia
4 Manulife Investment - Asia Target M	Target Maturity Other	15-Jul-13	0.50	200	112.5	56.3	Asia Pacific ex J
11 MAYBANK ASSET MANAGEMENT SDN BHD							
1 Maybank Institutional Islamic Mone	Money Market MYR	7-May-13	1.00	500	10.2	2.0	Malaysia
2 Maybank Shariah Money Market 1	Money Market MYR	23-May-13	1.00	3,000	0.0	0.0	Malaysia
12 OSK-UOB INVESTMENT MANAGEMENT BERHAD							
1 OSK-UOB Focus Bond Fund-Series	Target Maturity Other	14-Jan-13	1.00	120	49.4	41.1	Global
2 OSK-UOB Focus Bond Fund-Series	Target Maturity Other	7-Jan-13	1.00	120	272.3	226.9	Global
3 OSK-UOB Dana KidSave	Mixed Asset MYR Bal - Global	18-Feb-13	0.50	500	408.8	81.8	Asia Pacific ex J
4 OSK-UOB Focus Bond Fund-Series	Target Maturity Other	25-Mar-13	1.00	100	205.8	205.8	Global
5 OSK-UOB Absolute Return	Absolute Return Other	16-May-13	1.00	100	23.7	23.7	Asia Pacific ex J
6 OSK-UOB Capital Protected Essen	Protected	12-Jun-13	1.00	100	2.0	2.0	Malaysia
PACIFIC MUTUAL FUND BHD							
Pacific Dynamic AsiaPac	Mixed Asset MYR Flexible	29-Jul-13	0.50	200	15.6	7.8	Asia Pacific
13 PERMODALAN BSN BERHAD							
1 BSN Dana i-Cash	Money Market MYR	21-Jun-13	1.00	100	0.0	0.0	Malaysia
14 PUBLIC MUTUAL BERHAD							
1 PB Mixed Asset Conservative	Mixed Asset MYR Conservative	15-Jan-13	0.25	1,500	1,153.3	76.9	Malaysia
2 Public China Access Equity	Equity China	18-Apr-13		200	0.0	0.0	China
15 RHB INVT MGMT SDN BHD							
1 RHB Income Plus Fund 9	Money Market MYR	1-Mar-13	1.00	1,000	76.0	7.6	Malaysia
RHB Focus Income Bond - Series 1	Target Maturity Other	13-Aug-13	1.00	100	22.0	22.0	Global
		42		11,240	4,728.3	62.2	

Appendix II - No of Private UTMCS, New Funds, AFS, UIC & NAC

	No. of UTMCs	Funds	New funds	AFS			UIC			NAC		
				Billion units	% m-o-m	% y-o-y	Billion units	% m-o-m	% y-o-y	Million units	% m-o-m	% y-o-y
2005	34	323	54	192.472		21.1	85.847		26.6	2.5		11.8
2006	35	390	69	245.322		27.5	89.683		4.5	2.6		4.7
2007	37	507	111	361.619		47.4	148.729		65.8	3.7		41.3
2008	38	564	86	412.921		14.2	157.279		5.7	3.8		2.5
2009	38	582	61	435.011		5.3	181.074		15.1	4.1		8.7
2010	37	616	76	467.137		7.4	184.475		1.9	4.3		4.2
2011	38	646	66	501.400		7.3	196.439		6.5	4.7		9.6
2012	41	664	77	546.089		8.9	233.818		19.0	4.9		2.8
2013 Jan	41	662	9	550.219	0.8	9.0	235.346	0.7	18.7	4.9	0.1	2.6
Feb	41	665	3	553.089	0.5	9.2	236.348	0.4	17.9	4.9	0.0	2.5
Mar	41	666	7	571.929	3.4	11.5	235.462	-0.4	15.9	4.9	0.2	2.1
Apr	41	670	3	578.979	1.2	12.5	238.524	1.3	18.4	4.9	-0.4	1.3
May	40	673	8	586.479	1.3	13.8	240.731	0.9	19.4	4.9	0.1	1.3
Jun	40	672	4	602.710	2.8	16.8	242.693	0.8	20.5	4.9	0.2	1.5
Jul	40	676	6	600.310	-0.4	16.0	245.299	1.1	17.1	4.9	0.0	1.3
Aug	39	670	2	604.470	0.7	14.6	248.3	1.2	13.6	4.9	0.0	0.9
2012 J-Aug	-2	1	38	26.170		5.2	22.2		11.3	0.1		1.7
2013 J-Aug	-2	17	42	58.381		10.7	14.5		6.2	0.0		0.2
1Q12	39	555	14	512.910	2.3	7.9	203.108	3.4	11.2	4.8	1.1	7.4
2Q12	38	556	15	516.100	0.6	6.3	201.349	-0.9	6.5	4.8	0.4	6.3
3Q12	40	565	14	530.640	2.8	7.2	221.732	10.1	16.4	4.9	1.1	3.6
4Q12	42	564	34	546.089	2.9	8.9	233.818	5.5	19.0	4.9	0.2	2.8
1Q13	42	577	19	571.929	4.7	11.5	235.462	0.7	15.9	4.9	0.4	2.1
2Q13	41	583	15	602.710	5.4	16.8	242.693	3.1	20.5	4.9	-0.2	1.5
1H12	38	645	29	516.100	2.9	6.3	201.349	2.5	6.5	4.8	1.5	6.3
2H12	42	653	48	546.089	5.8	8.9	233.818	16.1	19.0	4.9	1.3	2.8
1H13	41	672	34	602.710	10.4	16.8	242.693	3.8	20.5	4.9	0.2	1.5

Source: Lipper

Appendix III - Private UTMC's NAV, Market Cap & FBM KLCI index

	NAV#			MCAP			KLCI		
	RM Billion	% m-o-m	% y-o-y	RMB	% m-o-m	% y-o-y	Points	% m-o-m	% y-o-y
2005	46.666		19.6	695.3		-3.7	899.8		-0.8
2006	51.783		11.0	848.7		22.1	1,096.2		21.8
2007	99.642		92.4	920.8		8.5	1,189.4		8.5
2008	64.477		-35.3	663.8		-27.9	876.8		-26.3
2009	88.370		37.1	985.1		48.4	1,246.9		42.2
2010	98.859		11.9	1,056.1		7.2	1,322.3		6.0
2011	106.798		8.0	1284.5		21.6	1530.7		
2012	143.203		34.1	1,465.7		14.1	1,689.0		10.3
2013 Jan	143.879	0.5	31.7	1,422.5	-2.9	8.5	1,627.6	-3.6	7.0
Feb	144.891	0.7	28.1	1,432.2	0.7	6.5	1,637.6	0.6	4.3
Mar	145.388	0.3	25.3	1,472.5	2.8	8.6	1,671.6	2.1	4.7
Apr	148.443	2.1	27.9	1,499.2	1.8	12.5	1,717.7	2.8	9.4
May	152.817	2.9	31.4	1,611.8	7.5	22.1	1,769.2	3.0	11.9
Jun	151.179	-1.1	27.7	1,598.8	-0.8	16.9	1,773.5	0.2	10.9
Jul	153.262	1.4	22.6	1,611.1	0.8	13.2	1,772.6	-0.1	8.6
Aug	154.060	0.5	20.1	1,563.9	-2.9	12.0	1,727.6	-2.5	4.9
		0.8							
2012 J-Aug	21.496		20.1	112.1		8.7	115.4		7.5
2013 J-Aug	10.857		7.6	98.1		6.7	38.6		2.3
1Q12	116.002	8.6	15.9	1,355.4	5.5	3.4	1,596.3	4.3	3.3
2Q12	118.414	2.1	11.9	1,367.9	0.9	1.9	1,599.2	0.2	1.3
3Q12	131.225	10.8	30.6	1,417.3	3.6	20.9	1,636.7	2.3	18.0
4Q12	143.203	9.1	34.1	1,465.7	7.2	14.1	1,689.0	5.6	10.3
1Q13	145.388	1.5	25.3	1,472.5	0.5	8.6	1,671.6	-1.0	4.7
2Q13	151.179	4.0	27.7	1,598.8	8.6	16.9	1,773.5	6.1	10.9
1H12	118.414	10.9	11.9	1,367.9	6.5	1.9	1,599.2	4.5	1.3
2H12	143.203	20.9	34.1	1,465.7	7.2	14.1	1,689.0	5.6	10.3
1H13	151.179	5.6	27.7	1,598.8	9.1	16.9	1,773.5	5.0	10.9

Source: Lipper

Appendix IV - Private UTMC's Ratios

	UIC/AFS	NAV/UIC	NAV/MC	NAV/NAC	AFS/NAC	UIC/NAC
	%	RM	%	RM	unit	unit
2005	44.60	0.5436	6.71	18,551	76,514	34,127.16
2006	36.56	0.5774	6.10	19,667	93,172	34,060.95
2007	41.13	0.6700	10.82	38,198	138,628	57,015.70
2008	38.09	0.4100	9.71	16,917	108,337	41,264.96
2009	41.63	0.4880	8.97	34,239	168,546	70,157.50
2010	39.49	0.5359	9.36	37,442	176,924	69,868.47
2011	39.18	0.5437	8.31	22,574	105,983	41,522.11
2012	42.82	0.6125	9.77	29,445	112,286	48,077.22
2013 Jan	42.77	0.6114	10.11	29,545	112,985	48,327.45
Feb	42.73	0.6130	10.12	29,741	113,529	48,513.56
Mar	41.17	0.6175	9.87	29,786	117,175	48,240.54
Apr	41.20	0.6223	9.90	30,536	119,102	49,066.94
May	41.05	0.6348	9.48	31,417	120,573	49,491.68
Jun	40.27	0.6229	9.46	31,029	123,703	49,811.73
Jul	40.86	0.6248	9.51	31,447	123,173	50,331.11
Aug	41.07	0.6205	9.85	31,606	124,010	50,935.45
2012 J-Aug	39.70	0.5763	8.68	24,588	107,406	42,648
2013 J-Aug	41.39	0.6209	9.79	30,638	119,281	49,340
1Q12	39.48	0.5622	8.43	23,694	106,745	42,143
2Q12	39.09	0.5802	8.72	24,359	107,395	41,981
3Q12	41.23	0.5918	9.07	26,526	108,712	44,829
4Q12	42.45	0.6023	9.55	28,395	111,036	47,137
1Q13	42.23	0.6139	10.04	29,691	114,563	48,361
2Q13	40.84	0.6267	9.61	30,994	121,126	49,457
1H12	39.29	0.5712	8.58	24,027	107,070	42,062
2H12	41.84	0.5970	9.31	27,460	109,874	45,983
1H13	41.53	0.6203	9.82	30,342	117,845	48,909

Source: Lipper