

**Investment Objective**

The fund objective is to provide capital appreciation. This is achieved through investing in undervalued and high quality equities of fundamentally sound companies listed on the Bursa Malaysia.

**Fund Data**

NAV (as at 31<sup>st</sup> March 2010)      0.4200  
 Fund Value (RM)                      38,216,293

**Equity Market Review**

In March, the FBM KLCI continued on its rally from the 1,224 lows in February to record a new 52-week high of 1,334, taking out the January highs of 1,308. The steady rise of the US markets and two major conferences on Malaysia in the region participated by government officials and major corporates boosted interest in Malaysian stocks. Financial stocks led this rally with the others tagging along. The long awaited New Economic Model was announced towards end-March, which helped give the market a lift in the period before. For the month, the FBM KLCI rose 3.9% to 1,320. The broader market's performance was slightly better, with the FBM Emas gaining 4.6% to 8,957.

**Outlook & Strategy**

The continuation of good newsflow globally overshadowed the Greek crisis and normalisation fears, as firming equity markets seem to have priced in these events and possible outcomes appropriately. We continue to expect mini blowups to continue to occur as the global recovery continues to gain traction. However, we do not see these blowups as a threat to the recovery as a whole.

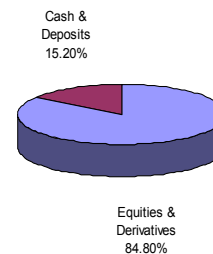
The exit strategies are working well, as markets know "unprecedented" measures cannot stay forever, and policy makers have announced these moves ahead of time to allow markets to appropriately adjust. Normalisation of interest rates are more delicate, as the countries which have raised rates, or the countries which markets deem to be biased to raising rates, have seen their currencies appreciate. The moves come from a carry trade pickup. These, however, carry unintended consequences, as most exporting countries still prefer a weaker domestic currency, or at the worst, a slowly appreciating domestic currency. Since BNM raised the OPR last month and with the expectations of another hike next month, the ringgit has strengthened almost 6% against the USD year-to-date. This hurts exports but helps moderate imported inflation. We are not against a firming of rates, as it does give back ammunition for policy makers to use again if the economy weakens. Inflation may creep up again as crude oil prices are rising. Although partially offset by a weaker dollar, it would continue to be in central bankers' sights as a side-effect, but a controllable factor by policy makers.

Domestically, the eagerly-awaited New Economic Model does highlight the challenges required for Malaysia to regain competitiveness. The tone of the PM's speech presents a frank acknowledgement of the tasks facing the country and the broad proposals present a refreshing change. Investors are cautiously positive about the PM's commitment, and await the details and implementation schedule of the announcements. As the economic events and markets are unfolding largely according to our predictions, we do not see a need for the broad asset allocation changes from previous months. We maintain a fully invested portfolio.

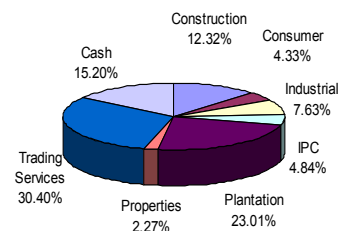
**Top Five Equity Holdings**

Sime Darby Berhad	9.46%
Tenaga Nasional Berhad	8.29%
IOI Corporation Berhad	8.18%
Axiata Group Berhad	7.81%
IJM Corporation Berhad	4.60%

**Asset Allocation**



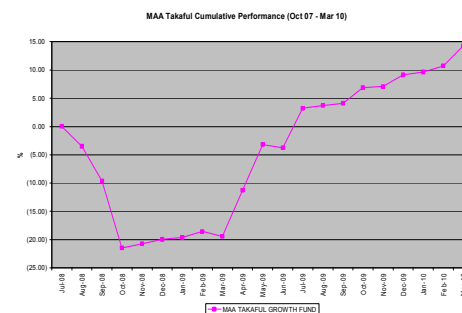
**Sector Allocation**



**Fund Review**

	<b>MOM</b>	<b>YTD</b>
<b>NAV(% change)</b>	2.62%	4.70%

**Performance (Since Inception)**



Fund's performance is calculated on NAV to NAV. The value of units may go up as well as down. Past performance is not indicative of future results