

**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 30<sup>th</sup> April 2010) 0.4230  
 Fund Value (RM) 41,119,476

**Equity Market Review**

The month of April brought in commendable gains for the FBM KLCI, as a series of positive data from the US helped push the market higher. However, the gains were partially offset by negative news originating from Europe, as a stream of downgrades in Portugal, Greece and Spain weighed down global markets. Fortunately, the KLCI was not completely affected by the issue and continued to move on an uptrend after a slight slump. Despite the midmonth crisis in Europe, the KLCI made gains of 26 points or 2% to close at 1,346points.

**Outlook & Strategy**

The global noise emanating from the Greece and US is a bit unnerving, yet comfortingly familiar at the same time. The similarity was of course in broad strokes; the teetering Greece economy threatening to drag down EU growth prospects rings like the US housing bubble knee-capping the US economy. Similar noises were made then and are being echoed now.

EU will be dragged down for the next few years. The contagion effect and austerity drives will make European assets unattractive EU banking system will be under pressure from their loose lending standards to Emerging Europe. Similarly the SEC investigation into Goldman Sachs sales practices sounds like the same made by the Government on the banking system 2 years ago and very close to the Lehmans mini-bonds saga. The comfort part of the equation stems from the "been there, done that" approach that policymakers and markets are viewing these situations. The difference between now and 2 years ago was that markets know the ending, having seen the script. Global financial crises redux, or v2.

We expect similar measures to be implemented as they have worked before, as there is no point reinventing the wheel. Hence we expect government bailouts to continue (of other governments, not banks) and low interest regime to continue in EU and in the UK.

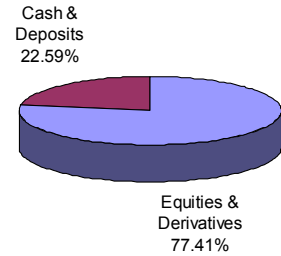
What does that mean for the rest of the world? The low rate regime in EU and the Fed continue holding low rates means that assets may underweight EU countries due to perceived currency weakness, benefitting Emerging markets and the US. In the near term, we see these markets and currencies rallying from flight of capital to better performing economies. This will add to central banks pressure to reconsider hiking rates, which will fuel further painful currency appreciation.

In this environment we believe the US markets and USD may be strong for several reasons. Firstly the safe haven status of the USD. Secondly the US bond market is the most liquid asset class globally that can absorb the billions of assets from rebalancing global portfolios. Hence, the US market may not underperform emerging markets in this scenario. This is actually perversely positive for emerging markets, as their markets would have been unable to absorb all the flows from Europe. It could have caused emerging markets to spike, than crash. Add the Chinese authorities tightening stance adds up to medium term bullishness for equities, hence we are not changing our view on equity allocations. While we are cognizant of the possible volatility as these events play out, we believe these aftershocks do not have the potential to drastically change the course of the economic recovery. We have increased the beta of the portfolios in light of the circumstances favoring equities.

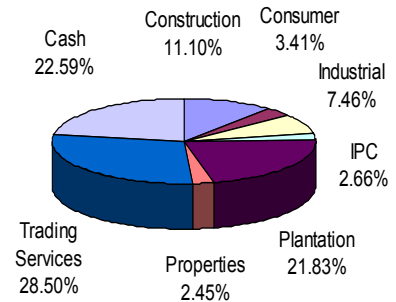
**Top Five Equity Holdings**

Sime Darby Berhad	9.24%
Tenaga Nasional Berhad	7.94%
IOI Corporation Berhad	7.67%
Axiata Group Berhad	5.89%
IJM Corporation Berhad	3.97%

**Asset Allocation**



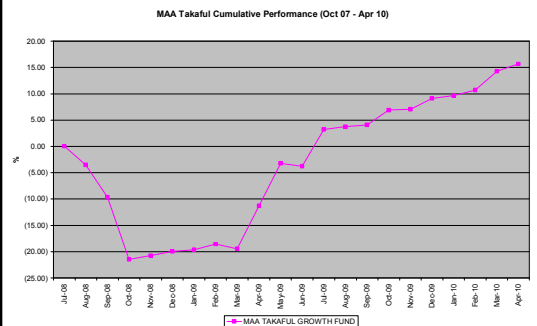
**Sector Allocation**



**Fund Review**

	MOM	YTD
NAV(% change)	0.71%	5.96%

**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