

**Investment Objective**

The fund objective is to reward the unit holders with a reasonable rate of return on income and to realize capital growth. This is achieved through investing in undervalued and high quality equities of fundamentally sound companies listed on the Bursa Malaysia and halal money market and fixed income securities.

**Fund Data**

NAV (as at 31<sup>st</sup> May 2009) 0.4270  
Fund Value (RM) 17,255,226

**Equity market outlook**

We believe that the current rally (whether bear rally or emerging bull) is a massive mean reversion trade on risk. As the best case (2009 recession, 2010 recovery) seems to be panning out, and the global economy seem to have avoided a depression and possibly even a deflation, funds are trickling out of the USD and US Treasuries into non-US correlated assets. This means that the worst performers in 3rd and 4th quarter in 2008 will likely be the best performers this year. Hence the money moves away from USD instruments are driving up markets, rather than the underlying absolute performance in those asset classes.

It is important to note that while the deterioration in underlying fundamentals are still there, the rate of deterioration was not as bad as expected. Although some companies globally will still end up bankrupt, shuttered or sold, and while unemployment will still increase, it was not the end of the world as feared. The way the markets shrugged off a worse-than-expected US 1Q GDP and rallied seems to indicate weariness for pessimism and an eagerness to be optimistic for the future.

**Malaysian Economy**

Economically, there seems to be a disconnect with the market. Our Group economist lowered 2009 GDP growth from -1% to -3%. Local sentiment on the ground reflects that, with small businesses facing drop in business and making losses. Hence, it was a surprise the Malaysian stockmarket rising, and keeping pace with the region YTD despite being deemed a low beta market, having a relatively lower forecasted EPS growth and higher PER. Outperformers were plantations, construction, oil & gas and property sectors, although valuations are quite stretched in some instances.

**Outlook & Strategy**

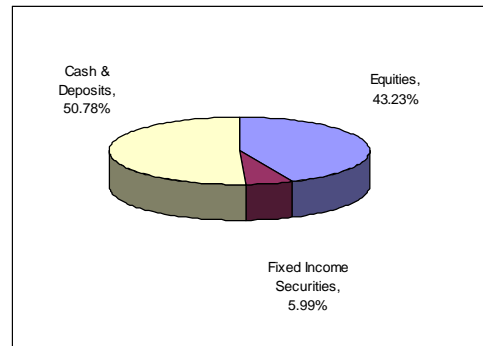
The market liquidity binge continued to confound fundamentalists as the current rally continues into the second month with no signs of any "normal" pullback and consolidation. The broad risk factors monitored continue to show improvement (or less deterioration as feared) emboldening more funds to be allocated to higher risk assets. Meanwhile, consumption in big-ticket items were surprisingly firm in this environment, judging from the 5/95 mortgage plans to stimulate property sales. We are seeing initial signs of upgrades coming in.

What could cause the liquidity run to falter? There are several possibilities. Firstly the fundamentals may not keep up with the market expectations. Secondly, the global economy could have an extended recovery or double dip recession. The trillions in new government debt issued and massive capital-raising could soak up a lot of the liquidity. However, there are no signs of that happening in the short term. Hence we are increasing our asset allocation marginally to accommodate the rising value of the portfolio, rather than for new purchases. We will continue to ride the current liquidity wave.

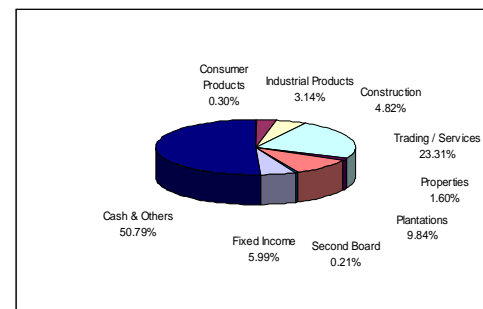
**Top Five Equity Holding**

Sime Darby Bhd	6.30%
Tenaga Nasional Bhd	6.00%
IOI Corporation Bhd	5.10%
Axiata Group Berhad	4.50%
Parkson Holdings Bhd	2.70%

**Asset Allocation**



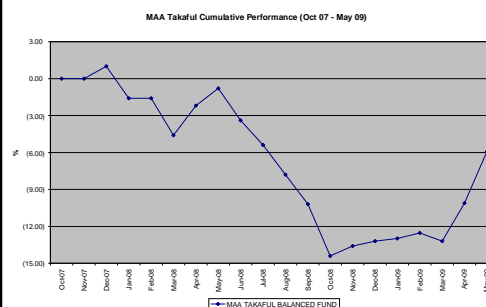
**Sector Allocation**



**Fund Review**

	MOM	YTD
NAV (% change)	4.45%	3.55%

**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