

# HWANGDBS GLOBAL BANKS STRUCTURED FUND

**HWANGDBS**  
INVESTMENT MANAGEMENT

January 2008

## FUND OBJECTIVE

The *HWANGDBS Global Banks Structured Fund* aims to provide capital appreciation by investing in a structured product linked to the performance of a basket of up to three (3) global banks stocks whilst seeking to provide capital protection.

## REVIEW & OUTLOOK AS AT END

31 DECEMBER 2007

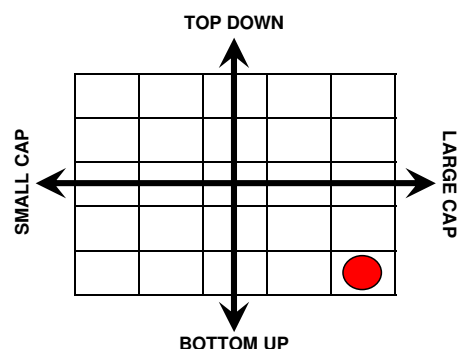
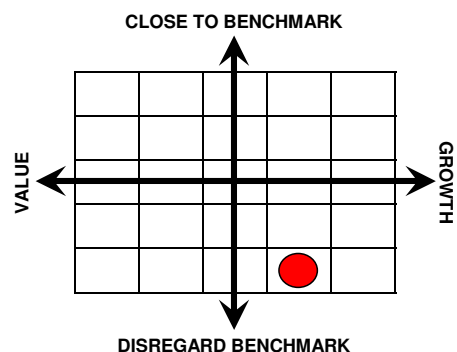
- The US Federal Reserve cut rates again in December by 25 basis points to 4.25%, in an attempt to prop up the US economy. The weakening credit markets and its repercussions to the broader market still dominated headlines. The situation is compounded further as central banks grapple with the need to lower interest rates to support their domestic economies while facing rising inflationary pressures, which require an increase in rates to combat inflation.
- The 3 stocks which the Structured Product is exposed to continued to fall in December, causing the Fund's NAV to dip (-0.19%). Concerns in the global bank sector followed through in December as they persisted over additional provisions or write-offs of US subprime mortgage assets.
- Further volatility is expected moving into 2008 until there is clarity on how liquidity providers intend to deal with their commitments to off-balance sheet investment vehicles, and how much risk will eventually flow back onto their balance sheets. In light of this, many banks have been taking measures to boost their capital base by attracting strategic investors such as sovereign funds while central banks have also been injecting liquidity into the markets, providing credit markets with some breathing space. Further rate cuts are anticipated should the situation persist.
- The global banks sector is expected to rebound over the medium to long term as it may be oversold and many banking institutions are trading at attractive discounts in respect to their future earnings potential, providing buying opportunities and potential capital gains when the sector recovers.

## FUND MANAGER

HWANGDBS Investment Management Berhad (formerly known as Hwang-DBS Investment Management Berhad) ("HWANGDBS IM") was incorporated in Malaysia on 2 May 1997 under the Companies Act, 1965 and begun operations under the name Hwang-DBS Unit Trust in 2001. It is supported by Hwang-DBS (M) Berhad (HDBS) which has over 35 years of experience in the securities industry, and DBS Asset Management Ltd Singapore, an award winning Fund Management Company with more than 24 years investment management expertise.

HWANGDBS IM offers a complete and essential range of products, comprising conventional equity, balanced, bond, money market, capital guaranteed, capital protected, global, structured and feeder funds, as well as Islamic equity, money market and balanced funds. To date, the HWANGDBS IM funds have garnered a total of 13 awards from The Star Standard & Poor's and the Edge-Lipper.

## INVESTMENT STYLE



BENCHMARK	%
12-Month Malayan Banking Berhad fixed deposit rate	100

This document is prepared by HWANGDBS Investment Management Berhad (Formerly known as Hwang-DBS Investment Management Berhad) (429786-T) for information only. It is not intended to be an offer or invitation to subscribe or purchase any securities. The information contained herein has been obtained from sources believed in good faith to be reliable, however, no guarantee is given in its accuracy or completeness. Based on 200,000,000 units approved for sale at RM 1.00 per unit, the protection covers 100% of capital investment, subject to investors holding the Units until its maturity. Investors redeeming prior to maturity will not enjoy the protection on capital and will redeem at the relevant market Net Asset Value per unit of the Fund. Additionally, investors will be charged an exit fee. The capital protection may be terminated under certain circumstances as described in the Fund's prospectus. The capital protection is provided by HSBC Bank Malaysia Berhad and Rating Agency Malaysia has rated the bank's long-term general bank rating at AAA while its short-term rating is P1. The Fund is not guaranteed and is subject to investment risk. The Prospectus dated 8 January 2007 has been registered with the Securities Commission, who takes no responsibility for its contents. A copy of the Prospectus can be obtained at our office and at all our authorised distributor's branches. Units will only be issued on receipt of an application form referred to in and accompanying the Prospectus. Investors are advised to read and understand the contents of the Prospectus for further details of the capital protection structure and to consider the fees and charges involved before investing in the Fund. The price of units may go down as well as up and investors are advised that there may be a dilution of performance due to the capital protection structure being in place compared to a conventional fund without capital protection. Past performance of the Fund is not indicative of future performance.

# HWANGDBS GLOBAL BANKS STRUCTURED FUND



January 2008

## FUND INFORMATION

Launch Date	18 January 2007
Fund Category (as per Lipper)	Protected
Fund Type	Growth
Fund Size in RM	RM170.445 million
Launch Price	RM1.00
Initial Investment	Closed for purchases
Subsequent Investment	Closed for purchases
Sales Charge	1.50% of NAV per unit
Annual Management Fee	0.80% p.a. of NAV
Exit Fees	
- Up to 12 mths	1.50% of NAV per unit
- More than 12 mths & up to 18 mths	1.00% of NAV per unit
- More than 18 mths & up to the day before the Maturity Date	0.50% of NAV per unit
- At Maturity Date	Nil
Management Expense Ratio <sup>^</sup>	N/A
EPF Investment Scheme	N/A

<sup>^</sup> Data is unavailable as latest audited annual report or unaudited interim report has yet to be published.

## RISK AS AT END 31 DECEMBER 2007

3-Year Annualised Volatility	N/A
3-Year Annualised Sharpe Ratio	N/A
HSBC Risk Classification	2

\*\* 3-Year Volatility and Sharpe Ratio figures are based on bid prices, adjusted for dividends re-invested and in MYD.

## FUNDS NAV AS AT END 31 DECEMBER 2007

52-Week High	RM0.9979
52-Week Low	RM0.9506

## TRAILING RETURNS

	3 M	6 M	1 YR	2 YR	3 YR	5 YR
Absolute Returns to Date (%)	-1.8	-2.47	N/A	N/A	N/A	N/A
Annualised Returns to Date (%)	-6.80	-4.82	N/A	N/A	N/A	N/A

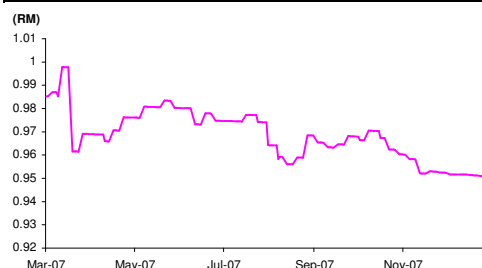
Performance figures are based on bid-to-bid prices, dividends re-invested in MYD.

## COMPOSITION OF CALL OPTION

HSBC Holdings Plc
Citigroup Inc
Bank of America Corp.

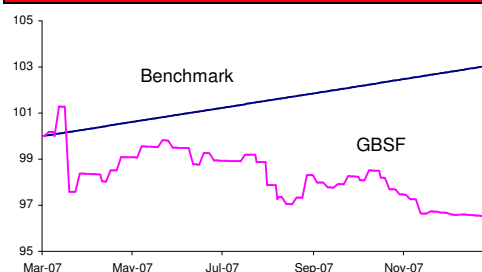
No. of stocks Holdings	N/A
------------------------	-----

## CHART 1: HISTORICAL PRICE OF FUND



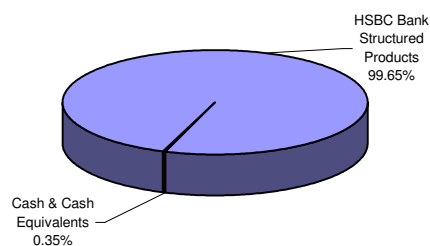
March 2007 to December 2007 NAV-NAV prices & assuming reinvestment of distributions into the Fund, gross investment based in RM. The value of units may go down as well as up. Past performance is not indicative of future results.

## CHART 2: PERFORMANCE OF FUND



March 2007 to December 2007 NAV-NAV prices & assuming reinvestment of distributions into the Fund, gross investment based in RM. The value of units may go down as well as up. Past performance is not indicative of future results.

## SECTOR ALLOCATION AS AT END 31 DECEMBER 2007\*



\* As percentage of NAV. Please note that asset exposure for the Fund is subject to frequent change on a daily basis.

## COUNTRY ALLOCATION

- Not Applicable -

### SOURCE:

- HWANGDBS Investment Management Berhad
- Bloomberg
- Lipper