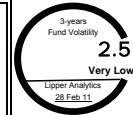


# HwangDBS Select Bond Fund



April 2011



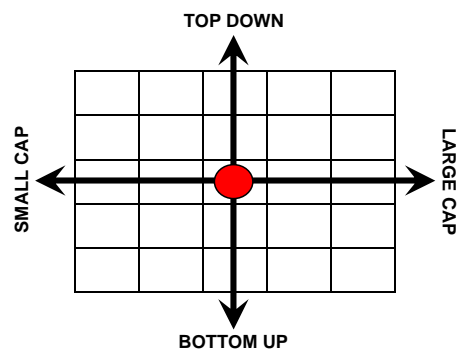
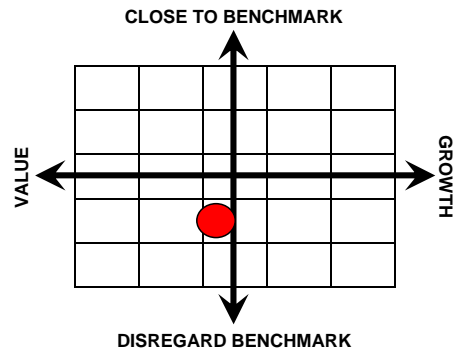
## FUND OBJECTIVE

The *HwangDBS Select Bond Fund* seeks to provide investors with a steady income stream over the medium to long term period through investment primarily in bonds and other fixed income securities.

## REVIEW & OUTLOOK AS AT 31 MARCH 2011

- Over March 2011, Malaysian Government Securities (MGS) yields rose along the curve. The longer end of the yield curve widened by 3 to 26 basis points which was potentially driven by higher oil prices.
- Bank Negara Malaysia has increased the Statutory Reserve Requirement from 1% to 2%, effective from 1 April 2011.
- Market consensus remains that Bank Negara Malaysia is expected to only raise Overnight Policy Rate (OPR) to its end 2008 levels at 3.25% during the 2nd half of 2011. OPR currently stands at 2.75%.
- The global fixed income market was impacted by net outflow of funds into equities in the first quarter as heating up of economies could drive further rate hikes across the globe.
- The Fund recorded a gain of 0.76% over the month of March, outperforming its benchmark by 0.52%.
- The Manager maintains a strict focus on credit quality while looking for opportunities to augment the yield of portfolios without assuming too much duration risk in view of potential rate hikes in the 2nd half of 2011.

## INVESTMENT STYLE



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

## DESIGNATED FUND MANAGER

Esther Teo is the Head of Fixed Income Investment. She is also the portfolio manager with HDBSIM and responsible for managing fixed income investment of corporate clients and unit trust funds. Prior to this, she was attached with the fixed income division of RHB Asset Management Sdn Bhd covering both institutional and unit trust mandates for 3 years. She began her career in KPMG Malaysia in 1999 as a consultant in financial advisory services specializing in corporate debt restructuring and recovery. Esther graduated from University of Melbourne, Australia with a Bachelor of Commerce majoring in Accounting and Finance. She has also obtained her licence from the Securities Commission Malaysia since 29 April 2004 to act as a fund manager.

Based on the Fund's portfolio returns as at 28 February 2011, the Volatility Factor (VF) for this Fund is 2.5 and is classified as Very Low (source : Lipper). Very Low includes funds with VF that not more than 4.325.

The Volatility Factor (VF) means there is a possibility for the Fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six month. The Fund's portfolio may have changed since this date and there is no guarantee that the Fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

This document is prepared by HwangDBS Investment Management Berhad (429786-T). It is not intended to be an offer 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. Past performance of the Fund is not indicative of its future performance and prices and distribution payable, if any, can go down as well as up. The Master Prospectus dated 18 July 2010, First Supplementary Prospectus dated 1 December 2010 and Second Supplementary Prospectus dated 1 January 2011 have been registered with the Securities Commission Malaysia, who takes no responsibility for its contents. Investors are advised to read and understand the contents of the Prospectuses before investing. Application for units can only be made on receipt of a form of application referred to in and accompanying the Prospectuses. Investors should also consider the fees and charges involved. A copy of the Prospectuses can be obtained at our office or any of the sales office located at the HwangDBS Investment Bank Berhad branches and also at all HSBC Bank branches. The Fund may not be suitable for all and if in doubt, investors should seek independent advice.

# HwangDBS Select Bond Fund



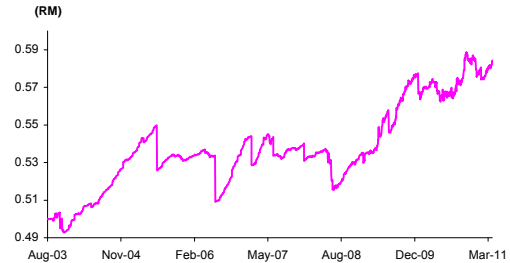
April 2011

## FUND INFORMATION

Launch Date	28 July 2003
Fund Category (as per Lipper)	Bond MYR
Fund Type	Income
Fund Size in RM	RM173.052 million
Launch Price	RM0.50
Initial Investment	RM1,000
Subsequent Investment	RM100
Sales Charge	1.00% of NAV per Unit
Annual Management Fee	1.00% p.a. of NAV
Exit Fees	Nil
Management Expense Ratio as at 30/06/10 <sup>^</sup>	1.11%
EPF Investment Scheme	No

<sup>^</sup> Management Expense Ratio as per latest audited annual report

## CHART 1: HISTORICAL PRICE OF THE FUND



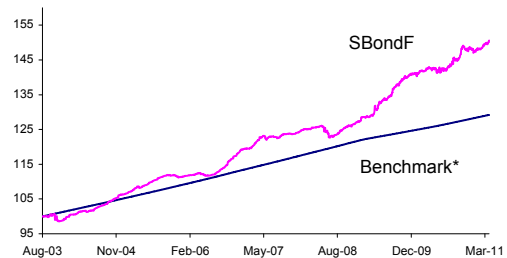
August 2003 to March 2011 NAV-NAV prices & assuming reinvestment of distributions into the Fund, gross investment based in MYR. The value of Units may go down as well as up. Price of the Fund is not indicative of total returns of the Fund.

## RISK AS AT 31 MARCH 2011

3-Year Annualised Volatility**	2.46
3-Year Annualised Sharpe Ratio**	1.31
HSBC Risk Classification	2

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

## CHART 2: PERFORMANCE OF FUND



August 2003 to March 2011 NAV-NAV prices & assuming reinvestment of distributions into the Fund, gross investment based in MYR. The value of Units may go down as well as up. Past performance is not indicative of future results.

## FUNDS NAV AS AT 31 MARCH 2011

52-Week High	0.5888
52-Week Low	0.5623

## TRAILING RETURNS

	3 M	6 M	1 YR	2 YR	3 YR	5 YR
Absolute Returns to Date (%)	2.04	3.23	5.66	16.55	20.01	34.18
Annualised Returns to Date (%)	8.54	6.57	5.66	7.96	6.27	6.05

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

## CALENDAR YEAR RETURNS

	2007	2008	2009	2010	2011
HwangDBS Select Bond Fund (%)	6.79	2.38	11.06	4.35	2.04
Benchmark (%) <sup>*</sup>	3.79	3.68	2.62	2.74	0.70

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

<sup>\*</sup> Benchmark = 12 Month Maybank Fixed Deposit Rate

## TOP 10 HOLDINGS AS AT

31 MARCH 2011

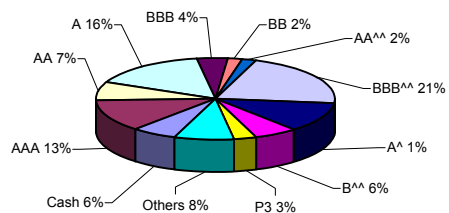
% NAV OF FUND

Rank	Percentage	Company Name	Date	% NAV OF FUND
1	9.25%	European Bank Recon & Dev	(10.09.2012)**	8.80%
2	6.409%	Standard Chartered Plc	(30.01.2017)**	7.66%
3	8.50%	Bank of East Asia	(05.11.2019)**	6.51%
4	4.60%	Hellenic Republic GGB	(20.05.2013)**	6.26%
5	6.62%	SBB Capital Corp	(29.11.2049)**	4.26%
6	8.50%	Banco Do Brasil	(31.12.2020)**	4.14%
7	4.61%	HSBC Capital Funding	(27.06.2013)**	4.04%
8	6.90%	Travel Int Hotel Grp Inc	(03.11.2017)**	3.61%
9	6.25%	CLP Australia Finance	(16.11.2012)**	3.49%
10	10%	RGB International Bhd	(17.02.2011)	3.52%
<b>TOP 10 HOLDINGS % OF NAV</b>				<b>52.29%</b>

\*\*Foreign Bonds

## CREDIT PROFILE AS AT

31 MARCH 2011<sup>\*</sup>

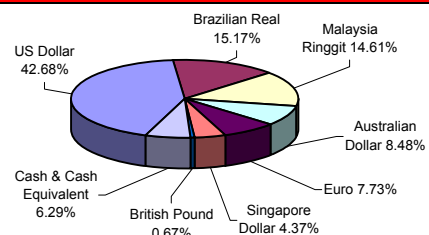


<sup>\*</sup> As percentage of NAV. Please note that asset exposure for the Fund is subject to frequent change on a daily basis.

<sup>^</sup> Foreign bonds rated either by Standard&Poor's or Moody's

## CURRENCY EXPOSURE AS AT

31 MARCH 2011



<sup>\*</sup> As percentage of NAV. Please note that currency exposure for the Fund is subject to frequent change on a daily basis.

## SOURCES:

- Bloomberg  
- Lipper