

HWANGDBS SELECT BOND FUND



January 2008

FUND OBJECTIVE

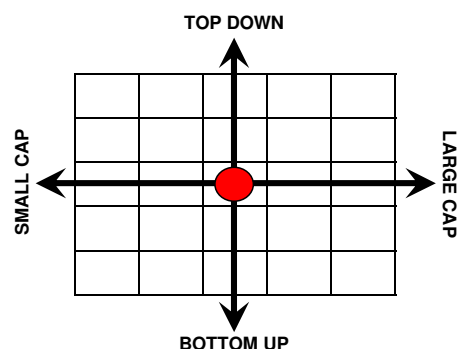
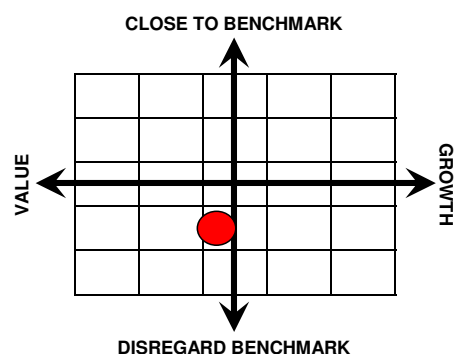
The **HWANGDBS Select Bond Fund** seeks to provide investors an affordable access into a diversified investment portfolio of fixed income securities. The objective of the Fund is to provide investors with a steady income stream in the form of distribution through investments primarily in bonds and other fixed income securities.

REVIEW & OUTLOOK AS AT END

31 DECEMBER 2007

- In December, the Malaysian yield curve continued to steepen on its long-end while the short end of the yield curve remained relatively stable and unchanged. There was a 3 year and 10 year Malaysian Government Securities tender, both for the amount of RM3.5 billion, of which had relatively soft demand with cover ratios of less than 2x.
- The widely anticipated corporate bond issue by Binariang (total issue size of RM12 bn) was twice oversubscribed. Roughly RM2 bn was offered to the open market while the remaining was taken up by the Employees Provident Fund (EPF) and the syndicated banks involved. Public demand was much higher on the shorter tenure offerings. The Fund managed to participate in the Binariang corporate bond issuance.
- As there was not much change in the short end of the yield curve, the Fund's performance in December was relatively flat (+0.39%) as it was more exposed to the short-end and was partly insulated against the increasing yield (and subsequently fall in prices) of the longer tenure issues.
- Despite rising inflationary pressures, the Manager expects Bank Negara Malaysia to keep the Overnight Policy Rate at 3.5% in order to maintain economic growth. Liquidity conditions should remain favourable to encourage economic growth amidst the uncertain external environment.

INVESTMENT STYLE



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.

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). 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. Past performance of the Fund is not indicative of its future performance and prices can go down as well as up. The Master Prospectus dated 28 July 2007 has been registered with the Securities Commission of Malaysia, who takes no responsibility for its contents. Investors are advised to read and understand the contents of the Prospectus before investing. Application for units can only be made on receipt of a form of application referred to in and accompanying the Prospectus. Investors should also consider the fees and charges involved. A copy of the Prospectus can be obtained at our office or any of our sales office located at the HWANGDBS Investment Bank Berhad (formerly known as Hwang-DBS Investment Bank Berhad) (formerly known as Hwang-DBS Securities 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



January 2008

FUND INFORMATION

Launch Date	28 July 2003
Fund Category (as per Lipper)	Bond MYR
Fund Type	Income
Fund Size in RM	RM107.819 million
Launch Price	RM0.50
Initial Investment	RM1,000
Subsequent Investment	RM100
Sales Charge	2.00% of NAV per unit
Annual Management Fee	1.00% p.a. of NAV
Exit Fees	Nil
Management Expense Ratio as at 30/06/2007 ^A	1.11%
EPF Investment Scheme	N/A

^A Management Expense Ratio as per latest audited annual report

RISK AS AT END 31 DECEMBER 2007

3-Year Annualised Volatility	1.73
3-Year Annualised Sharpe Ratio	1.06
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	RM0.5451
52-Week Low	RM0.5285

TRAILING RETURNS	3 M	6 M	1 YR	2 YR	3 YR	5 YR
Absolute Returns to Date (%)	0.47	1.07	4.41	11.5	16.83	N/A
Annualised Returns to Date (%)	3.69	3.69	3.70	3.75	3.73	N/A

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

TOP 10 HOLDINGS AS AT END

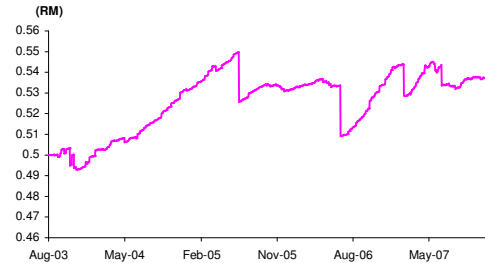
31 DECEMBER 2007

% OF FUND

6.7% Tanjung Bin Power SB (11.11.09)	4.84%
5.22% KL Sentral Sdn Bhd (04.04.2014)	4.77%
6.95% Konsortium Lebuhraya (18.10.2012)	4.73%
4.71% Cagamas MBS Bhd (07.08.2015)	4.70%
5.65% Binariang GSM Sdn Bhd (26.12.14)	4.69%
5.75% Sunway City Berhad (08.10.09)	4.66%
5.75% Sunway City Bhd (05.11.09)	4.66%
5.00% Sykt BkIn Air Selangor (30.09.2013)	4.65%
5.10% Public Bank Berhad (22.12.2016)	4.65%
4.0% Cagamas MBS Berhad (22.08.2010)	4.64%
TOP 10 HOLDINGS % OF NAV	46.99%

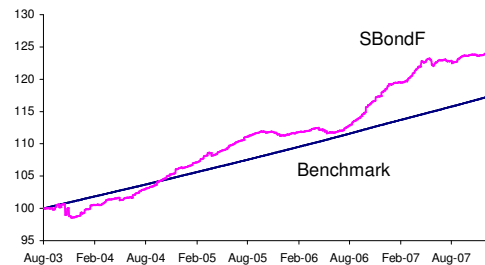
No. of Holdings	28
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CHART 1: HISTORICAL PRICE OF FUND OVER THE LAST 5 YEARS



August 2003 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.

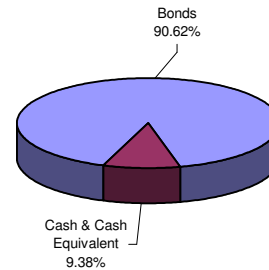
CHART 2: PERFORMANCE OF FUND



August 2003 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 AS AT END

31 DECEMBER 2007

The Fund currently does not hold any foreign investments

SOURCE:

- HWANGDBS Investment Management Berhad
- Bloomberg
- Lipper