

Pacific **ADVANTAGE** GDP Momentum Fund

FUND OBJECTIVE

Aims to achieve capital growth and income over the medium to long term by investing in a diversified portfolio of global equities, equity-related securities and collective investment funds and, Malaysian fixed income securities and money market instruments.

REVIEW & OUTLOOK AS AT END JUNE 2010

- Equities had a disappointing second half in June, erasing all the gains in the first half of the month. In June, MSCI World was down 4%, with YTD down 11%.
- Though the global economy still appears to be expanding at a reasonably firm pace thanks to robust growth in emerging markets, the slowdown in growth that started in May seemed to have extended into June. Manufacturing purchasing managers' indexes dropped in 70% of the countries reported. Interestingly, the weakness was greater outside Europe. The US PMI fell from 59.7 to 56.2. China PMI fell from 53.9 to 52.1. By comparison, Euro area PMI only dipped from 55.8 to 55.6, with German Ifo index improved and with better than market expectations. European manufacturing likely benefitted from the sharp drop in the Euro exchange rate.
- Investors have also taken notice in the recent fall in the ECRI index in the US and the downward revision to a leading index for China. With limited macro data, the validity for the "China leading index" needs qualification. Nevertheless, though the recent data are soft, they are still expansionary and in certain cases above historic averages. The broad message is confirmation that we are in a moderate, fragile recovery but not a double dip.
- If stock market is a "true" leading indicator of economy, this would have pointed to a recession. Paul Samuelson once quipped that the stock market had predicted 9 out of the last 5 recessions. The market is weak enough to qualify concerns, but the move is far from decisive.
- The Fund maintained similar exposures in June. Overall, the Fund is neutral in equities with a clear bias towards Asia and Japan and a major underweight position in Europe. Equity weight shifted to 50.09% from 53.91% recorded in the previous month.
- Fixed income allocation was slightly lower at 34.14% compared to 36.4% previously largely due to net selling activities. During the month, the Fund exited its position in a mid tenured development financial institution paper as part of its active duration management strategy. Cash management strategies were also adopted on redemption prospects as investors turn bearish on foreign equities exposures. Current allocation is within its long-term target allocation range, investment actions will remain neutral pending events that may require portfolio rebalancing.

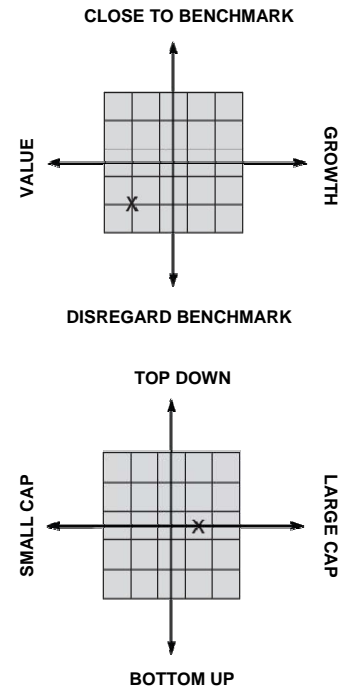
FUND MANAGER: PACIFIC MUTUAL FUND BHD

- Pacific Mutual Fund Bhd, a company incorporated in Malaysia, is an 85%-owned subsidiary of PacificMas Berhad, a company incorporated in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad.
- The principal activities of Pacific Mutual Fund Bhd are the establishment and management of unit trust funds as well as the management of private investment mandates.
- The designated person responsible for the investment management of this Fund (fixed income portion): Michael Auyeung.

EXTERNAL INVESTMENT MANAGER: HSBC GLOBAL ASSET MANAGEMENT (SINGAPORE) LIMITED

- HSBC Global Asset Management (Singapore) Limited ("HSBC Global") is a part of the core investment and distribution platform within HSBC Group Investment Businesses and is a wholly owned subsidiary of the HSBC Holdings Plc ("HSBC Group"). HSBC Group Investment Businesses consists of HSBC Global, the global investment solutions business of HSBC, plus subsidiaries dedicated to specialist focus, namely Halbis Capital Management, a fundamental active investment specialist; Sinopia Asset Management for active quantitative, structured and guaranteed investment solutions; and HSBC Specialist Investments for property and infrastructure investment. Collectively HSBC Group Investment Businesses provide investment management services to institutional, corporate and financial intermediary clients worldwide.
- HSBC Group Investment Business is part of HSBC Group, one of the largest banking and financial services organisations in the world.
- The designated person responsible for the investment management of this Fund (equity portion): Leon Goldfeld CFA.

INVESTMENT STYLE



BENCHMARK	%
COMPOSITE BENCHMARK	
NDDUWIL	50
3-MONTH KLIBOR	50

This leaflet provides general information and does not have regard to any specific investment objective, financial situation, or particular personal need. The performance of the Fund is calculated on a bid-to-bid basis including any capital gains and reinvested income distribution. Prospectus dated 3 September 2009 is obtainable at our offices. It has been registered with the Securities Commission, who takes no responsibility for their contents. Units will only be issued when we receive the official application form referred to in and accompanying the Prospectus. Investors should study the Prospectus, and consider the fees and charges before investing. It should also note that distributions and investment value do go up or down and past performance may not be repeated. The Fund is subject to currency risk. Description of the specific risk can be obtained from Prospectus dated 3 September 2009.

FUND INFORMATION

Launch date	3 September 2007
Fund category (as per Lipper)	Mixed Asset
Fund type	Growth & Income
Fund size in RM	139 million
Launch price	RM0.50
Initial investment (Cash/Saver's Plan)	RM500/RM100
Subsequent investment (Cash/Saver's Plan)	RM100/RM50
Sales charge	5.00% of NAV per unit
Annual management fee	1.60% p.a. of NAV
Exit fees	N/A
Annual expense ratio as at 30/06/09	1.69%
EPF investment scheme	No

RISK AS AT END 30/06/10

3-YEAR Annualized Volatility	N/A
3-YEAR Annualized Sharpe Ratio	N/A
HSBC Risk Classification	3

**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 30/06/10

52-Week High	0.4714
52-Week Low	0.4265

TRAILING RETURNS

	3 MTHS	6 MTHS	1 YR	2 YRS	3 YRS	5 YRS
Absolute Returns To Date (%)	-6.01	-7.86	0.02	-6.92	N/A	N/A
Annualized Returns To Date (%)	-22.00	-15.21	0.02	-3.52	N/A	N/A

PERFORMANCE FIGURES ARE BASED ON BID-TO-BID PRICES, DIVIDENDS RE-INVESTED IN MYD

CALENDAR YEAR RETURNS

	2006	2007	2008	2009
Pacific ADVANTAGE GDP Momentum Fund (%)	N/A	N/A	-18.18	15.65
Composite Benchmark * (%)	N/A	N/A	-19.62	15.11

PERFORMANCE FIGURES ARE BASED ON BID-TO-BID PRICES, DIVIDENDS RE-INVESTED IN MYD.

*Composite Benchmark = 50% NDDUWIL & 50% 3-Month KLIBOR

TOP 10 HOLDINGS# AS AT END 30/06/10

	% OF FUND
iShares MSCI Japan Index Fund (US)	6.83
HSBC GIF Hong Kong Equity Fund Class Z Dis (LU)	6.06
Consumer Staples Select Sector SPDR Fund (US)	5.10
HSBC GIF Euroland Equity Fund Class Z Dis (LU)	5.10
PowerShares QQQ (US)	3.55
iShares S&P North American Tech-Software Index Fund (US)	2.93
iShares MSCI Singapore Index Fund (US)	2.89
iShares Russell 2000 Index Fund (US)	2.76
iShares MSCI Emerging Markets Index Fund (US)	2.52
HSBC GIF Thai Equity Fund Class Z Dis (LU)	2.33

#Includes exchange traded funds (ETFs) and foreign collective investment schemes (CIS)

No of stocks Holdings 18 stocks (including collective investment scheme)

SOURCE: Lipper; Pacific Mutual; HSBC Global Asset Management (Singapore) Ltd

CHART 1: HISTORICAL PRICE FUND SINCE INCEPTION

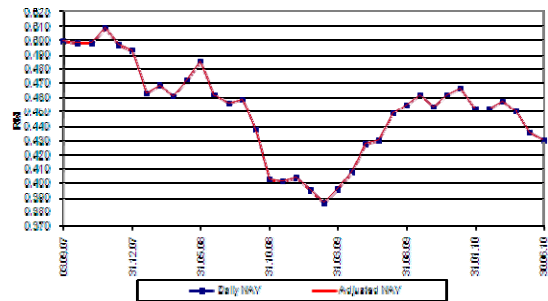
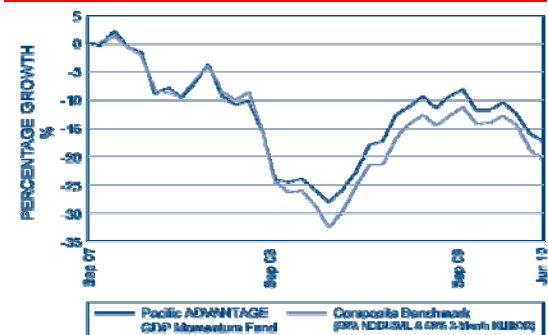
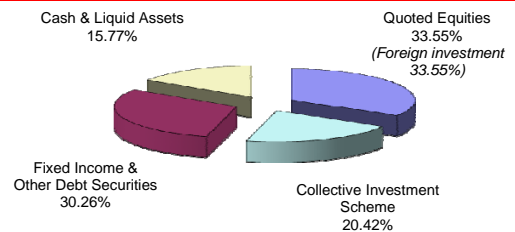


CHART 2: PERFORMANCE OF FUND SINCE 24 SEPTEMBER 2007



SECTOR ALLOCATION AS AT 30/06/10



COUNTRY ALLOCATION AS AT 30/06/10

