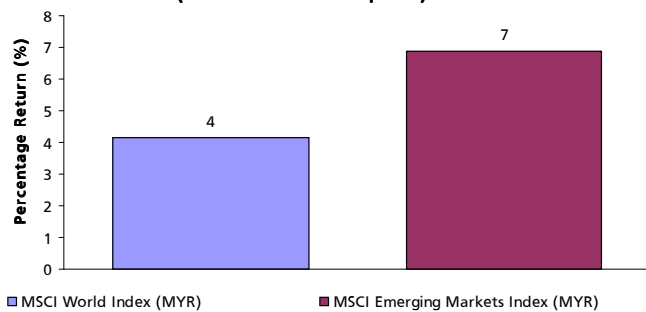




## GLOBAL EQUITIES

Global Equities - Percentage Returns  
(end Mar 08 - end Apr 08)



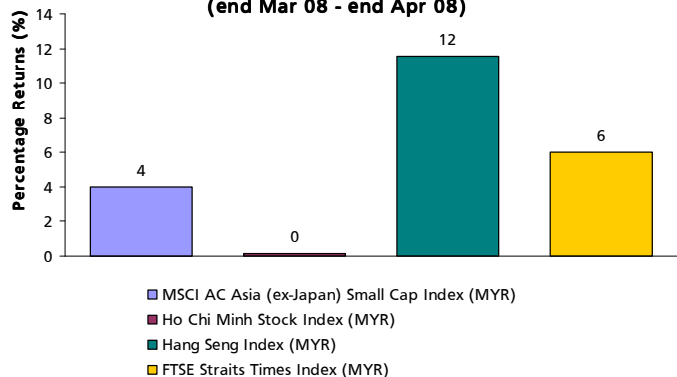
Source: Bloomberg

- Equity markets staged a rebound in April 2008 in line with increased investor risk appetite. Investors were relieved that further write-downs by global banks in relation to the credit crisis and subprime investments for the first quarter of 2008 were roughly in line with consensus expectations. The MSCI World Index (MYR) returned 4% for the month.
- The US Federal Reserve ("the Fed") also weighed in to support the markets by slashing its rates by another 25 basis points near the end of April.
- Emerging market ("EM") equities, as measured by the MSCI EM Index (+7%), outperformed global counterparts in April. Latin American and Asian EM equities were the strongest performers within the EM investment space.
- Strengthening EM currencies as well as expectations of continued economic growth, albeit slower relative to the previous year, are amongst positive factors supporting EM economies despite the rising rate of inflation experienced.

## REGIONAL EQUITIES

- Asian equities performed strongly in April with more developed markets such as Hong Kong (+12%) leading the pack. Markets closely linked to China's economy were favoured by global investors over other Asian counterparts.
- Hong Kong equities were lifted by positive newsflow from China, whose banks and insurance companies announced a strong set of first quarter 2008 earnings results with robust operating momentum.
- However, Vietnamese equities significantly lagged regional counterparts. The underperformance was primarily due to lack of foreign fund participation as most of the major blue-chip counters in Vietnam had already maxed out their respective foreign investment quotas. Domestic Vietnamese investors were still wary of re-entering the equity markets due to the heavy losses over the past one year.
- Over the near to medium term, regional equities are expected to be generally positive and continue to take cues from key players within the region such as China and Hong Kong and to an extent other developed global peers.

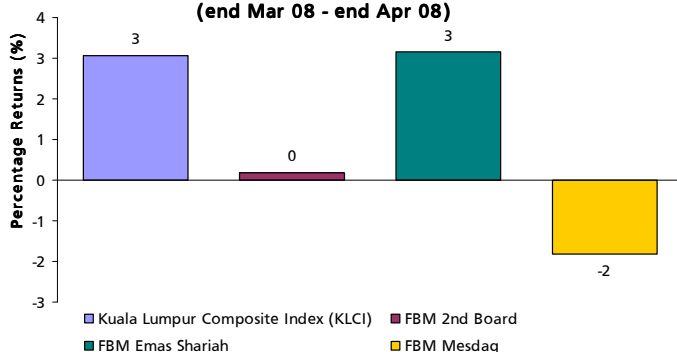
Regional Equities - Percentage Returns  
(end Mar 08 - end Apr 08)



Source: Bloomberg

## LOCAL EQUITIES

Local Equities - Percentage Returns  
(end Mar 08 - end Apr 08)

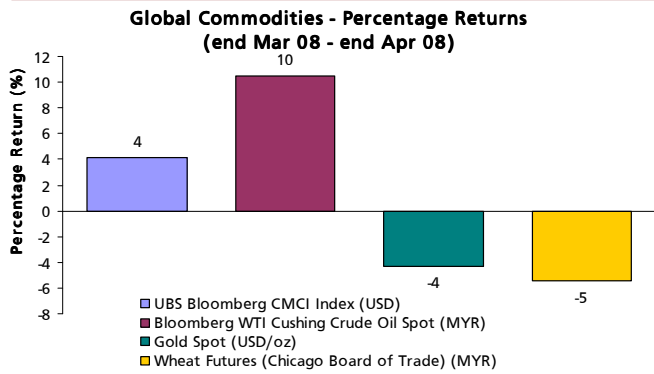


Source: Bloomberg

- Malaysian equities generally edged higher for the month but underperformed regional peers such as Singapore, Hong Kong and Thailand. The Kuala Lumpur Composite Index ("KLCI") and FBM Emas Shariah Index were both up 3% for the month while the Second Board Index was relatively flat. However, the FBM Mesdaq Index declined as investors favoured larger counters listed on the bigger exchanges.
- Lingering concerns over the state of political affairs and lower crude palm oil prices affecting plantation stocks were among the factors cited for Malaysia's subdued performance in April relative to regional and global peers.
- Additionally, foreign funds were mainly flowing towards more developed Asian economies such as Singapore and Hong Kong as compared to fringe countries such as Malaysia.
- For domestic equity funds, the Manager holds a trading view on plantation stocks based on volatile crude palm oil prices. The Manager is also positive over the short to medium term on the domestic oil and gas sector and those supporting the sector based on increased demand for their goods and services regionally and globally.



## GLOBAL COMMODITIES

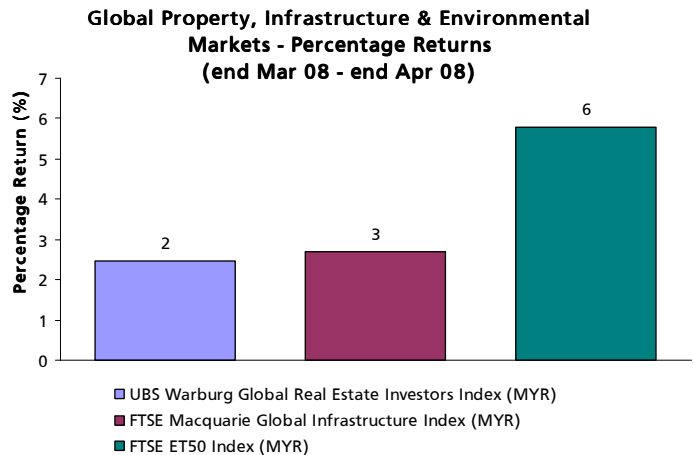


Source: Bloomberg

- April was a mixed month for global commodities but overall, the trend remained positive as the UBS Bloomberg CMCI Index (USD) ended the month up 4%.
- Crude oil prices rocketed to historic highs and was followed by sharp drops as well. As at end April, the Bloomberg WTI Cushing Crude Oil Spot Index was up by 10%.
- Soft commodities were brought back down to earth from their dizzying heights. Wheat futures eventually ended the month lower as newsflow came through on expected new supply.
- The strengthening US Dollar also weighed down on gold prices (a hedge against a weaker US Dollar). However, this trend is not expected to last as the US Dollar is still expected to weaken against its major trading currencies.
- However, other commodities such as rice rose strongly as supplies dwindled. "Energy-hungry" developing markets increased demand for coal (coal is a main source of fuel for power generation).

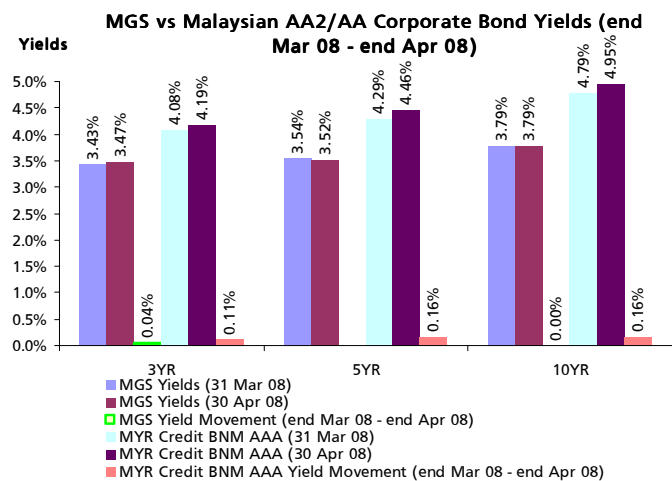
## GLOBAL PROPERTY, INFRASTRUCTURE AND ENVIRONMENTAL MARKETS

- In April, improved sentiment and the subsequent rebound in general global equities, helped prop up the performance of global REITs. US and Australian REITs were buoyed by better-than-expected earnings results while HK and Singapore REITs were outperformers in the sector, supported by increased occupancy rates (hotel sub-sector) and overall strong first quarter 2008 results.
- The global infrastructure sector also returned positively as narrowing credit spreads potentially indicated an easing of tight credit conditions. Fears over the level of gearing and refinancing risk associated with infrastructure projects were less pronounced. Additionally, positive earnings results in line with market expectations and reports of sustained fundamentals from key sector players helped to soothe investor concerns.
- The FTSE ET50 Index (MYR) returned 3% for the month, lagging broader global equities as measured by the MSCI World Index (MYR) (+4%). The environmental sector received less attention in April as the oil and gas sector and global financial institutions took centre-stage. However, fundamentals of the environmental sector remain intact. The steep rise in crude oil prices and other hydrocarbons (e.g. coal) highlight the increasing need for development of alternative fuels which are cleaner and sustainable.



Source: Bloomberg

## LOCAL FIXED INCOME MARKET



Source: Bloomberg

- As expected, Bank Negara Malaysia ("BNM") opted to retain its Overnight Policy Rate ("OPR") at 3.5% in April 2008 despite another round of rate cuts by the US Federal Reserve. Barring unexpected domestic or external shocks, the Manager expects BNM to retain the OPR at its current level over the short term.
- Yields of Malaysian Government Securities ("MGS") for tenures below one year moved lower as buying was concentrated on the shorter end of the yield curve.
- Longer tenure MGS yields generally moved higher, in particular those of 3 years duration, as uncertainties over the state of political affairs and increasing inflation weighed on investors.
- Corporate bond yields edged higher despite muted activity in the primary market in April. Given ample supply in the pipeline and increased pressure from investors, corporate yields are expected to continue to move upwards.
- The Manager intends to maintain a low duration of its fixed income portfolios as it would alleviate concerns of any inflationary pressures on the Fund's holdings.