

BREAK TIME

BONUS



Contest




And don't forget to take part in our next Investment Contest!

PART 2 Just "SHARE YOUR TIPS ON SAVINGS AND INVESTING IN UNIT TRUSTS" (in no more than 200 words)

Submit entries with details

- | | |
|---|-----------------------------|
| 1) Full Name / Pseudonym (if preferred) | 4) Contact No. |
| 2) NRIC No. | 5) Rate this column |
| 3) Address | a. Good b. Moderate c. Poor |

 HwangDBS
PO Box 179,
Jalan Sultan 46720
Petaling Jaya.

 investment@thesundaily.com

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About Us:

HwangDBS Investment Management Berhad is one of Malaysia's leading investment management companies. For more information, please log onto www.hdbsim.com.my

Q1: I heard that funds that are 'Actively Managed' reduces our portfolio returns in the sense that capital gains are being reduced by the increase in commission. Please clarify. *Little Fish, Petaling Jaya*

A1: What are 'Actively Managed Funds'?

The term 'Active Fund Management' simply means a portfolio asset allocation management strategy employed by a fund manager ('manager'). An actively managed portfolio is commonly distinguished from benchmark neutral allocation management in other words, passive portfolio management. In an actively managed portfolio, the manager does not depend on the weighting of a particular stock as it intends to outperform the benchmark instead of merely replicating the benchmark.

The manager may use the fundamental based or tactical asset allocation approach to "actively" select a specific stock, which, in the opinion of the manager is capable to enhance the returns of the portfolio as compared to merely replicating the stock universe of a particular benchmark. In actively allocating the assets, transactional cost may be incurred more frequently compared to passive portfolio management.

Going back to basics ...

As with all investments, the choice of investments should meet your investment objective(s), match your risk appetite and investment horizons. Be it for short term capital gains or longer term wealth accumulation, your decisions should be benchmarked against your expected returns. As such, you will need to understand the vehicle before deciding as each fund has a defined investment objective, strategy, level of risk and performance benchmark.

Q2: When is the appropriate time to sell my unit trust funds? What are the indicators to consider when deciding to sell my unit trust funds? *Kao Wei Xiang, Ipoh, Perak.*

A2: In ideal situations ...

Realistically, there is no way for even the best and most experienced fund manager to buy at the absolute bottom and sell at the highest point of the market. As with all investments, the best decisions are made when there are clear objectives, targets and timeframe in mind. A disciplined and realistic approach will also ensure investors will not always expect to gain maximum returns over a short period. Being

overly ambitious may have its upsides but more often than not, can be the downfall for most.

When to draw the line and call it quits?

The general principles of investing will always apply: set clear objectives, identify your risk appetite and investment horizon(s). Additionally, do not get carried away and hold on for 'just another week, month or two'.

Targets work both ways...

Decide on how much you aim to achieve and how much losses you can stomach. Walk away once you have hit them. Market sentiments and street talk may seem bullish but stick to your guns. Succumbing to speculation and greed may cause you losses instead. Be comfortable with walking away when you have met with your investment objectives and targets.

Rules & Regulations

1. Each participant can submit any number of entries.
2. Each winning entry will only be featured ONCE throughout the entire "HwangDBS Break Time Bonus" campaign
3. The Judges decision is final.
4. Winners will be notified by post and phone.
5. This contest is open to residents of Malaysia aged twelve (12) and above with the exception of employees and immediate relatives of The Sun Media Corporation, the Hwang-DBS Group and its agencies
6. Prizes must be collected from The Sun office within one (1) month from the date of publication of the winners' names
7. **Part 2:**
 - There will be only Two Winners Each Week
 - Winners will be chosen based on the most concise and relevant investment story in accordance to the weekly topics
 - Each winner will win RM 200 Cash Prize + 1 Year Subscription of Personal Money Magazine
 - Submission will be closed on the 29th August 2008 (Friday)

PRIZES for Part 2

Letters published will win

RM200

cash + 1 year subscription
of Personal Money
worth RM108 each!

