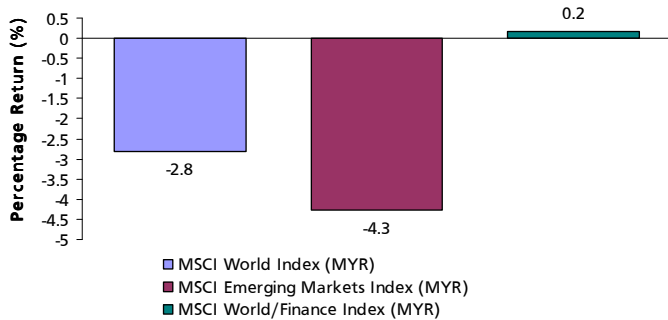




GLOBAL EQUITIES

Global Equities - Percentage Returns
(end Jul 08 - end Aug 08)



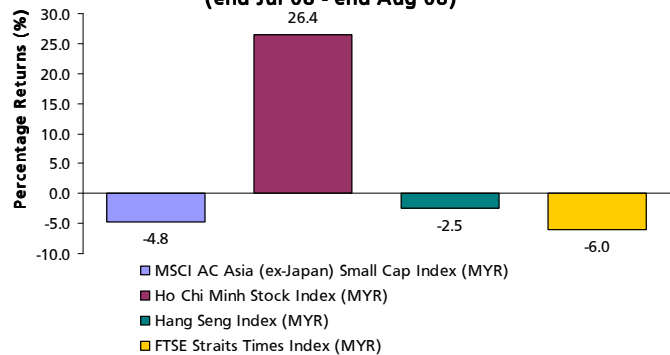
Source: Bloomberg

- Despite easing commodity prices (in particular crude oil prices,) and a relatively decent performance by developed market peers (such as American equities), emerging market (EM) equities continued to be highly volatile and underperformed global peers. Asian EM equities were amongst the worst performers within the overall EM segment and contributed to the -4.3% drop in the MSCI Emerging Markets Index (MYR) in August 2008. Concerns over slowing economic growth moving forward as well as weakening EM currencies against the resurgent US Dollar over the past month weighed down on EM equities throughout August.
- Financial stocks recorded a mixed performance for the month but were overall negatively skewed. However, due to the strengthening US Dollar, the MSCI World/Finance Index was marginally up when translated in Malaysian Ringgit terms.
- Continued fears over the financial health of global financial institutions and lack of positive newsflow indicating a potential recovery within the sector spurred on further selling and driving equity prices of the sector lower for the month. However, opportunistic investment flows were seen coming back to the sector (specifically on US banking stocks) nearing the end of August.

REGIONAL EQUITIES

- In August 2008, Asian equities continued to slide further into negative territory despite easing global commodity prices, in particular crude oil prices. Concerns over decelerating inflationary pressures were overshadowed by forecasts of weaker growth moving into the end of 2008 and into the beginning of 2009.
- Smaller capitalised and high growth companies were marginalised. The MSCI AC Asia (ex-Japan) Small Cap (MYR) Index shed -4.8% for the month.
- However, the Ho Chi Minh Index (MYR) (HCM Index) gained 26.4% for the month, representing its biggest monthly gain since January 2007. This performance is even more impressive when compared against regional peers and global equities which all trended negatively for the month, making Vietnam the hottest equity market in August 2008. Improved liquidity following a range of government pump-priming measures and decelerating inflation expectations for September 2008 helped propel the HCM Index forward in August, past the 500 index level.

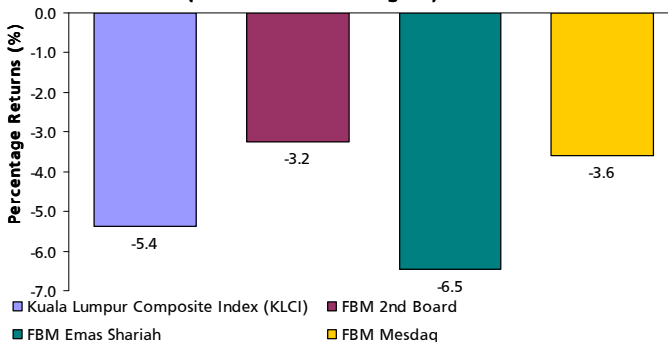
Regional Equities - Percentage Returns
(end Jul 08 - end Aug 08)



Source: Bloomberg

LOCAL EQUITIES

Local Equities - Percentage Returns
(end Jul 08 - end Aug 08)

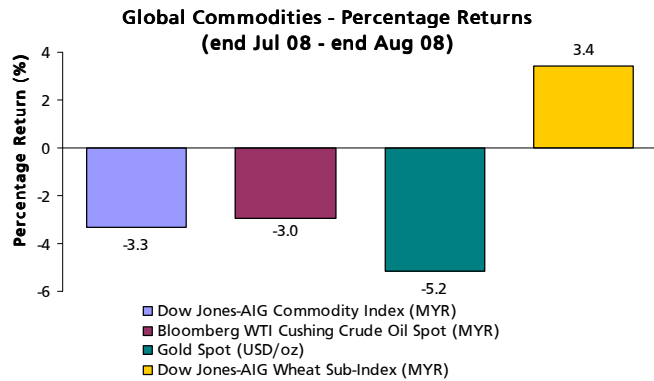


Source: Bloomberg

- For the month, local equities continued to slide alongside regional equity markets. Easing commodity prices failed to spur the domestic market as other factors overshadowed the potential deceleration in inflationary pressure over the coming months. Falling global crude oil prices negatively affected crude palm oil prices, thus leading to a decline in plantation stocks which represent a large proportion of the main local indices.
- The Kuala Lumpur Composite Index, 2nd Board Index and FBM Emas Shariah Index respectively moderated -5.4%, -3.2% and -6.5% for the month.
- Political uncertainty domestically and regionally (i.e. Thailand) also kept foreigners at bay. Locally, opposition party leader Datuk Seri Anwar Ibrahim managed to win the Permatang Pauh by-election by a vastly wider margin than earlier expected and thus allowing him to officially resume his political career.
- Given continued political uncertainty and domestic equity volatility, the Manager will continue to hold a defensive posture and relatively high cash buffer.



GLOBAL COMMODITIES

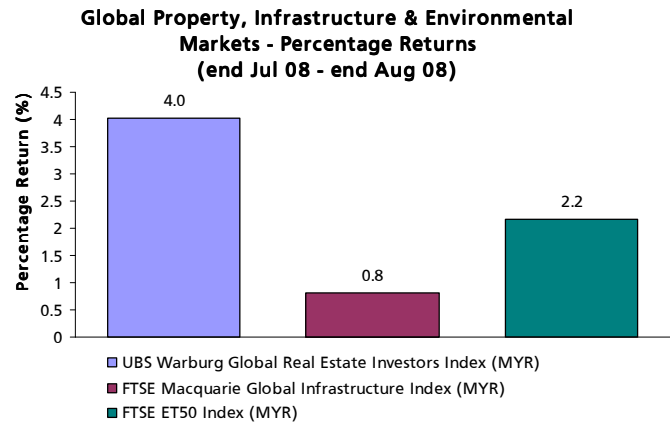


Source: Bloomberg

- Global commodity prices trended downwards over August. Most notably, crude oil prices continued to soften. The West Texas Intermediate Crude Oil Price Index (MYR) declined by 3% over the month. Gold prices also declined as the US Dollar continued to strengthen.
- Concerns over slowing economic growth leading to reduced demand for commodities needed in the production of goods and services primarily caused the downtrend in global commodity prices over the month.
- Despite the recent couple of months of negative performance, the investment manager of the HwangDBS Global Commodity Fund remains bullish on the long-term fundamentals of commodity prices. Recently announced potential plans by the Organisation of Petroleum Exporting Countries (OPEC) that they may decide to reduce output bodes positively for a near term recovery of crude oil prices.

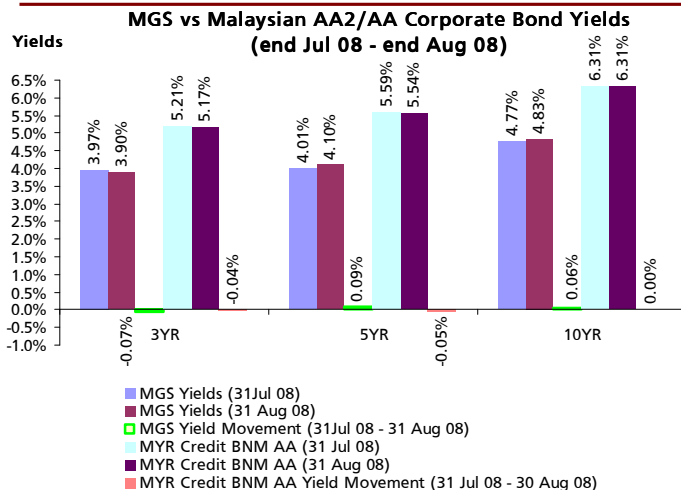
GLOBAL PROPERTY, INFRASTRUCTURE AND ENVIRONMENTAL MARKETS

- Persistent volatility in global equity markets over August also affected other specific equity subsectors as geopolitical tensions rose in Georgia, swings in oil prices, central bank announcements, mixed corporate earnings announcements, continued writedowns in the financial sector and mixed macroeconomic data.
- Despite the market gyrations, global REITs generally performed positively in August 2008 primarily due to decelerating inflation leading to decreased potential for interest rate hikes as well as significant discounted valuations drawing investors back into sector.
- As was the case in July, the operational performance of many infrastructure companies across the globe was generally in-line with market expectations and continued to demonstrate general resilience in the face of macroeconomic headwinds.
- While the macro economic climate remains volatile the global environmental sector was encouraged by a strong reporting season and, more importantly, generally positive guidance for the upcoming quarter.



Source: Bloomberg

LOCAL FIXED INCOME MARKET



Source: Bloomberg

- Activity on the Malaysian fixed income market continued to be sluggish. Malaysian Government Security (MGS) yields generally widened across the curve while domestic corporate bond yields were relatively unchanged from the levels seen in July 2008.
- The local currency also weakened in light of a resurgent US Dollar and expectations that Bank Negara Malaysia (BNM) would keep the Overnight Policy Rate (OPR) stable.
- BNM is expected to continue to maintain a stable OPR in light of potentially decelerating inflationary pressure moving forward as global commodity prices have eased substantially over the past month.
- The Manager intends to keep fixed income portfolios' duration relatively short in light of expectations of corporate bond yields to pick-up over the near term (potentially due to expected increase of primary issues over the coming months), thus minimising any potential mark-to-market impact.