



# East beats West: Why Asia is the place to be.

**Presentation by  
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Chief Sales Officer (CSO)  
HwangDBS Investment Management  
April 2011**

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# Our Agenda

## Our Views On the Market

- The Positives
- The Negatives
- Our Strategy Moving Forward

## Our Choices of Fund

- ✓ Select Opportunity Fund
- ✓ Asia Quantum Fund
- ✓ AIIMAN Growth Fund
- ✓ Select Balanced Fund

# Our View on the Market - Positives

## 1. Global recovery continues:

### a) Economic data in DM strong

- ✓ Jobless claims declining
- ✓ Company surveys rising
- ✓ Capex spending rising

### b) Rest of the world

- ✓ Global industrial production
- ✓ Employment strength

*Self-sustaining global expansion in place*

## 2. Low return on cash will encourage risk-taking

## 3. Core inflation in DM still low, while in EM shows signs of stabilizing

# Our View on the Market - Negatives

## 1. Black swans

- a) Middle East crisis – outcome uncertain and could have long-lasting implications
- b) Japan earthquake and nuclear disaster – outcome uncertain but we think this is a one-off and will fade away

## 2. Global structural problems persist

- a) US government debt continues to balloon
- b) European peripherals turmoil – for the moment appears to be contained
- c) US housing market – prices still weak






## 3. Potential resumption of inflationary pressures

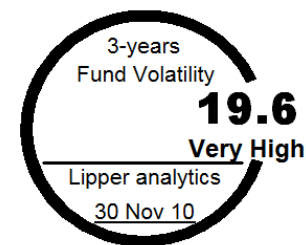
## 4. End of fiscal stimulus

# Our Strategy Going Forward

1. Market uncertainties on the back of inflation fears and events in Middle East and Japan. In our view, we think these will pass and focus will return to fundamentals.
2. Investing in the right themes is important – whether country, sector or stock.
3. Maintain fairly high invested levels with some cash buffer to be deployed on corrections.
4. Shift from cash to risky assets will continue.
5. For fixed income, we will focus on Asian corporate credits on the back of stronger economic growth and will look for opportunities to re-deploy money into Asian/EM sovereigns.

# Our Choices of Funds

Cash Funds	EPF Approved Funds
  	    



## HwangDBS Select Opportunity Fund (SOF)

# HwangDBS Select Opportunity fund

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# HwangDBS Select Opportunity Fund

Targeting 10% - 12% return p.a.\*



## 1. Absolute Return Focus

- Actively Managed
- Unconstrained Mandate
- Tactical Asset Allocation
- Diversified Globally



## 2. Opportunistic – taking the best ideas

- Identifying the best opportunities domestically & globally
- Holistic analysis of fundamentals, valuations and technicals



## 3. Strong Track Record

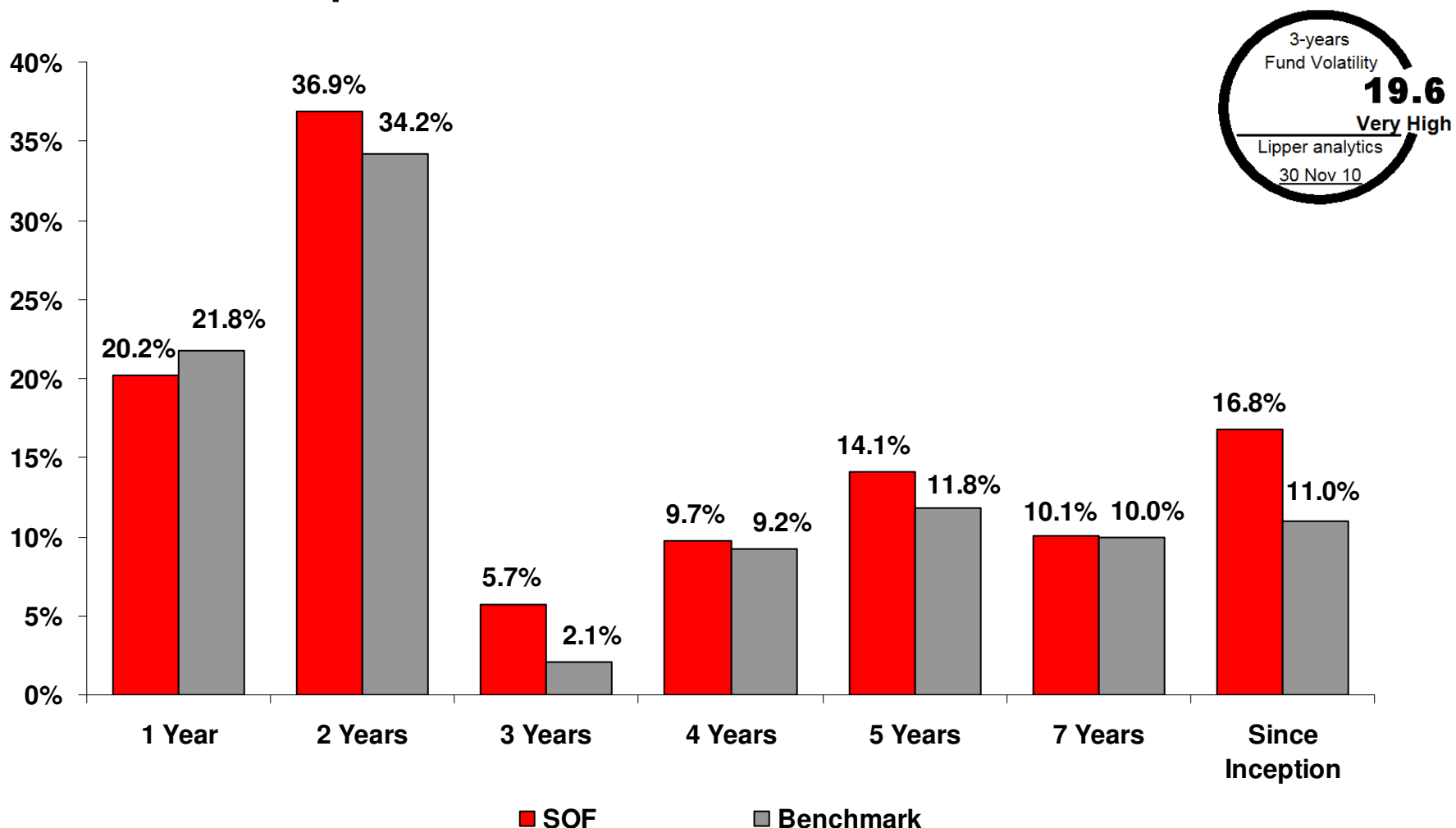
- +168% Outperformance against Benchmark since Inception
- Regular income distribution

Note: \*over a 3-year rolling basis. Benchmark: FTSE Bursa Malaysia Top 100 Index.  
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### 3) Strong Track Record

Annual Compounded Returns as at 31 Dec 2010



The past performance of the Fund should not be taken as indicative of its future performance.

Source : Lipper, as at 31 Dec 2010

Benchmark: FTSE Bursa Malaysia Top 100 Index

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# Providing Consistent Cash Flow

## Regular Income Distribution

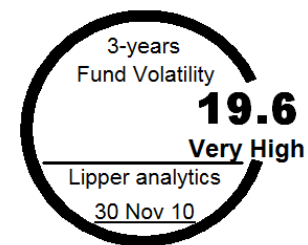
Year	Dividend Payout Amount	Dividend Yield
2002	6.50 sen	9.7%
2003	6.50 sen	9.0%
2004	10.00 sen	11.1%
2005	10.00 sen	12.2%
2006	8.00 sen	10.5%
2007	12.00 sen	11.5%
2008	10.00 sen	15.6%
2009	2.00 sen	3.2%
2010	5.00 sen	7.6%

- SOF continues to provide regular annual income distribution despite challenging conditions over 2008.
- SOF is expected to continue to declare annual income distributions going forward.

# Fund Facts

Launch Date	7 September 2001
Fund Category / Type	Equity / Growth
NAV per Unit @ 31 Dec 2010	RM0.7667
Fund Size @ 31 Dec 2010	RM177.6 million
Investor Profile	Suitable for investors who: <ul style="list-style-type: none"> <li>• Have a medium to long-term investment horizon</li> <li>• Are risk tolerant</li> <li>• Seek higher returns for their investments</li> </ul>
Investment Objective	To achieve consistent capital appreciation over medium to long term by investing mainly in listed Malaysian companies with good growth prospects
Investment Strategy	Invest primarily in companies that practice good corporate governance. Investment process will be driven by key investment and sectoral themes prevailing in the market at any period in time.
Asset Allocation	Equity - Maximum 99.8% of the Fund's NAV
Benchmark	FTSE Bursa Malaysia Top 100 Index
Distribution Policy	The Fund is not expected to make regular distribution. However, incidental distribution may be declared whenever appropriate
Minimum Investment	Initial: RM1,000 Additional: RM100
Sales Charge	Maximum 5.5%
Annual Management Fee	1.5% per annum of the NAV of the Fund
Redemption Policy / Fee	Every Business Day / Nil
Trustee / Trustee Fee	HSBC (Malaysia) Trustee Berhad / 0.07% p.a. of the NAV of the Fund subject to a minimum of RM18,000 per annum

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## HwangDBS Asia Quantum Fund (AQF)



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# The HwangDBS Asia Quantum Fund (AQF)

Why?



## 1) Growth in Asia to outpace the rest

**Positive demographics and rapid urbanization** to drive the region

Asia's fast growth is expected to continue in the foreseeable future



## 3) Stock picking to achieve outperformance

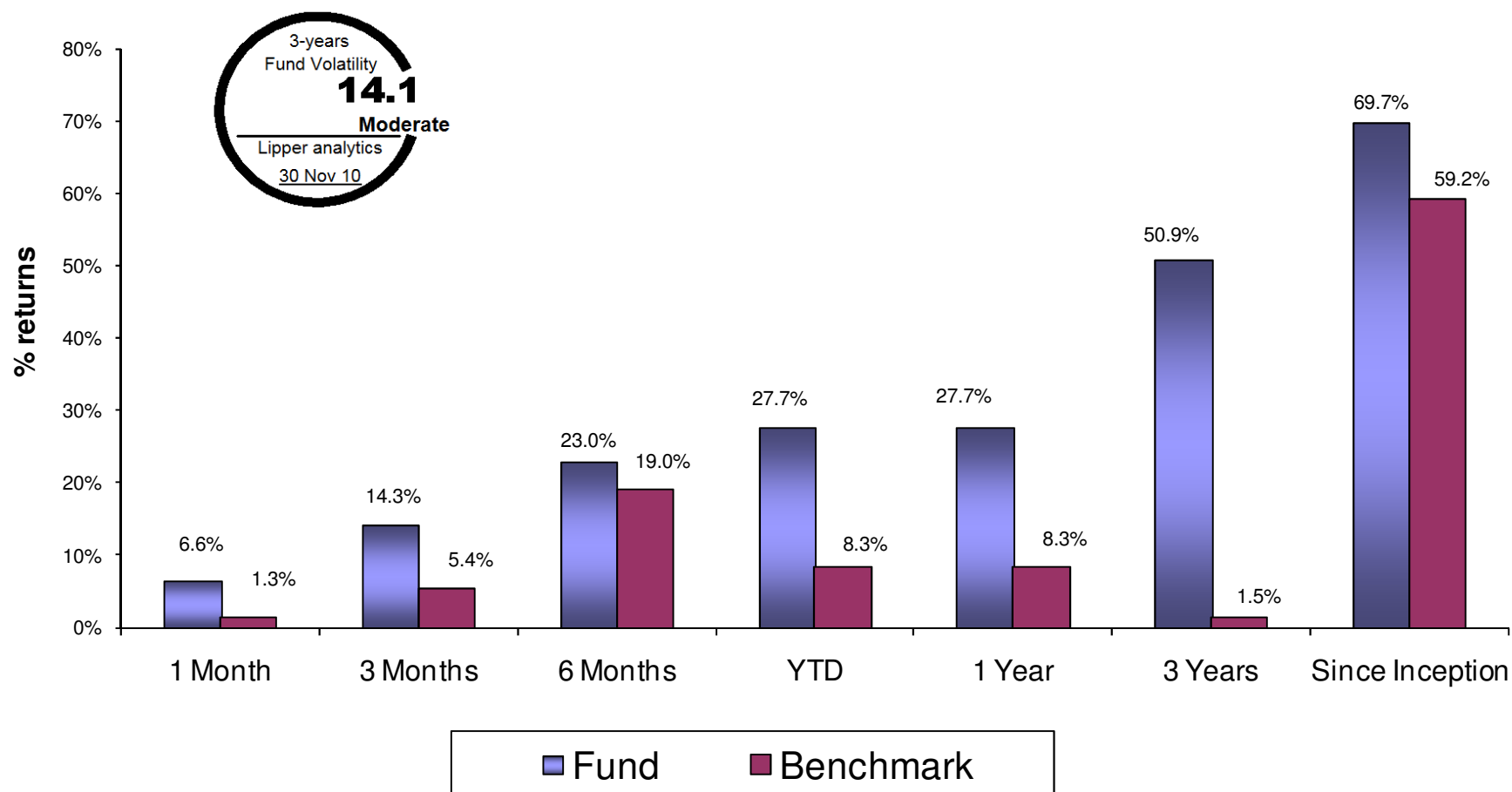
**Asian Growth Stocks** with **good fundamentals** that have potential to be the **next market leaders**



## 2) Absolute Return Strategy

Employing active asset allocation strategies – **minimize impact of adverse market conditions**

# HwangDBS Asia Quantum Fund's Performance



Fund: HwangDBS Asia Quantum Fund

Source : Bloomberg, 21 January 2010

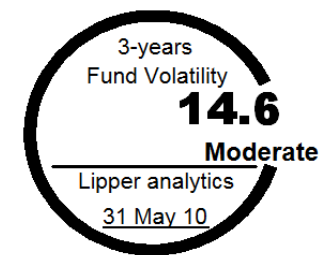
Benchmark: MSCI AC Asia (ex-Japan) Small Cap Index

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# HwangDBS Asia Quantum Fund Facts

Launch Date	15 April 2004
Fund Category / Type	Equity Fund/ Growth
Fund Size @ 30 Sept 09	RM73.511 million
Investor Profile	The Fund may be suitable for investors who are risk tolerant and are seeking higher returns for their investments over a medium to long-term horizon
Investment Objective	The Fund is categorised as an equity fund which seeks to achieve consistent capital appreciation over medium to long term by investing mainly in growth companies in Asia (ex-Japan) with market capitalisation of not more than USD1.5 billion at the time of acquisition, subject to the flexibility of investing up to 25% of the NAV of the Fund in companies in Asia (ex-Japan) with market capitalisation of not more than USD3.0 billion at the time of acquisition.
Investment Strategy	The Fund will invest primarily in equity securities. The fundamental investment process will be geared towards identifying and investing mainly in growth companies in Asia (ex- Japan) with a market capitalisation of not more than USD1.5 billion (50%-99.8% of the NAV of the Fund) and USD3.0 billion (maximum 25% of the NAV of the Fund) respectively
Asset Allocation	Up to 99.8% of NAV in Asia (ex Japan) equities with market capitalisation of not more than USD1.5 billion at the time of acquisition, subject to the flexibility of investing up to 25% of the NAV of the Fund in companies with market capitalisation of not more than USD3.0 billion at the time of acquisition
Benchmark	MSCI AC Asia (ex-Japan) Small Cap Index
Distribution Policy	Nil
Minimum Investment	Initial: RM1,000      Additional: RM100
Sales Charge	Maximum 5.5% of NAV per Unit of the Fund
Annual Management Fee	1.50% per annum of the NAV of the Fund
Redemption Policy / Fee	Any Business Day / Nil

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# HwangDBS AIIMAN Growth Fund

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FUND

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# HwangDBS AIIMAN Growth Fund

Why?



## 1) Consistent & Strong Performance

- 110% outperformance vs. its Benchmark\* since inception to end December 2010.



## 2) Absolute Return Investment Strategy

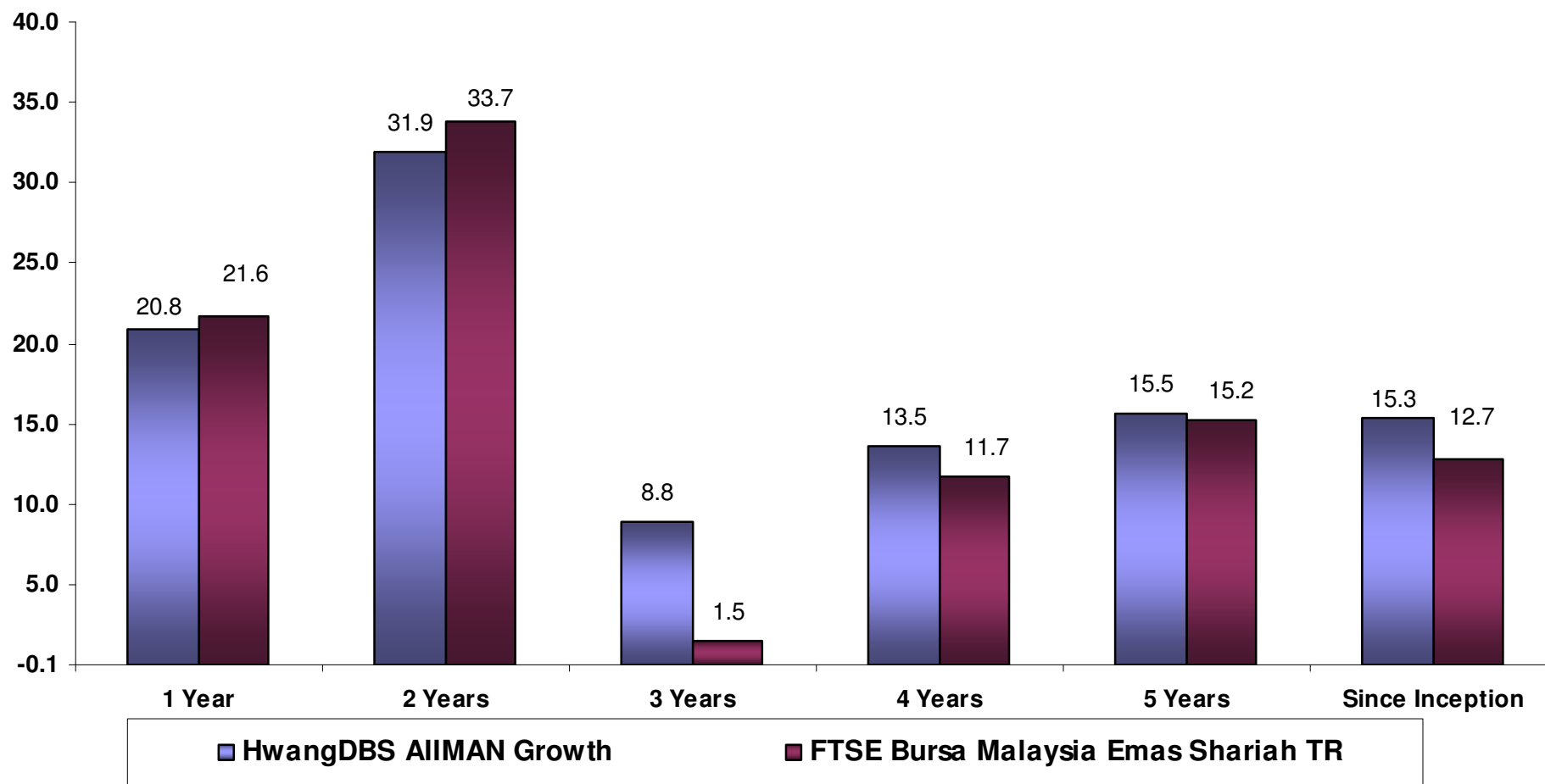
- Employing active asset allocation strategies.
- Fundamental approach with a Thematic Overlay.



## 3) Shariah-Compliant

- Investing only in securities which harmonise with Islamic philosophies and laws.

# Annual Compounded Returns as at 31 December 2010



Source : Lipper Hindsight as at 31 December 2010  
Inception Date: 28 October 2002

Benchmark: FTSE Bursa Malaysia Emas Shariah Index

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# Providing Consistent Cash Flow

## Regular Income Distribution

Year	Dividend Payout Amount
2003	5.00 sen
2004	8.00 sen
2005	6.00 sen
2006	4.00 sen
2007	6.00 sen
2008	5.00 sen
2009	3.00 sen
2010	3.00 sen

- AGF continues to provide regular annual income distribution despite challenging conditions over 2008.
- AGF is expected to continue to declare annual income distributions going forward.

# Fund Facts

Launch Date	8 October 2002
Fund Category / Type	Islamic Equity / Growth
Fund Size @ 31 Dec 2010	RM73.51 million (approved fund size of 300 million units)
NAV per unit @ 31 Dec 2010	RM0.8423
Investor Profile	<p>Ideally for investors who:</p> <ul style="list-style-type: none"> <li>• Have a medium to long-term investment horizon</li> <li>• Are risk tolerant</li> <li>• Seek higher returns for their investments that comply with Shariah requirements</li> </ul>
Investment Objective	To achieve consistent capital appreciation over medium to long term by investing mainly in listed equities and other approved investments, which harmonise with Islamic philosophy and laws.
Investment Strategy	The Fund invests primarily in Shariah-compliant securities. The fundamental investment process will be driven by key investment and sectoral themes prevailing in the market at any point in time. The guiding principle to the selection of Shariah-compliant investments will be premised on compliance with Shariah requirements.
Asset Allocation	Up to 99.8% of the Fund will be invested in Shariah-compliant equities and the balance in cash, although the Fund may selectively invest in sukuk as well.
Benchmark	FTSE Bursa Malaysia Emas Shariah Index
Distribution Policy	Any income earned by the Fund is to be reinvested. However, incidental distribution may be declared whenever is appropriate.
Minimum Investment	Initial: RM1,000      Additional: RM100
Sales Charge	Maximum 5.5% of NAV per Unit of the Fund
Annual Management Fee	1.50% per annum of the NAV of the Fund
Redemption Policy / Fee	Any Business Day / Nil
Switching Fee	Nil

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## HwangDBS Select Balanced Fund

Hwang**DBS**  
  
**Select Balanced**  
**fund**

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# HwangDBS Select Balanced Fund

## 3 Key Selling Points



### 1. Stable Returns Over the Long Term

- **+123% total returns since inception** in mid-2003, equating to **annual compounded returns of 11.1% per annum**
- **Stable returns** with **low** levels of **volatility**



### 2. Regular Income Payouts to Investors

- **Consistent and regular payout** (every year since 2004)
- Made possible by fixed income and equity investments – **regular coupon and dividends**

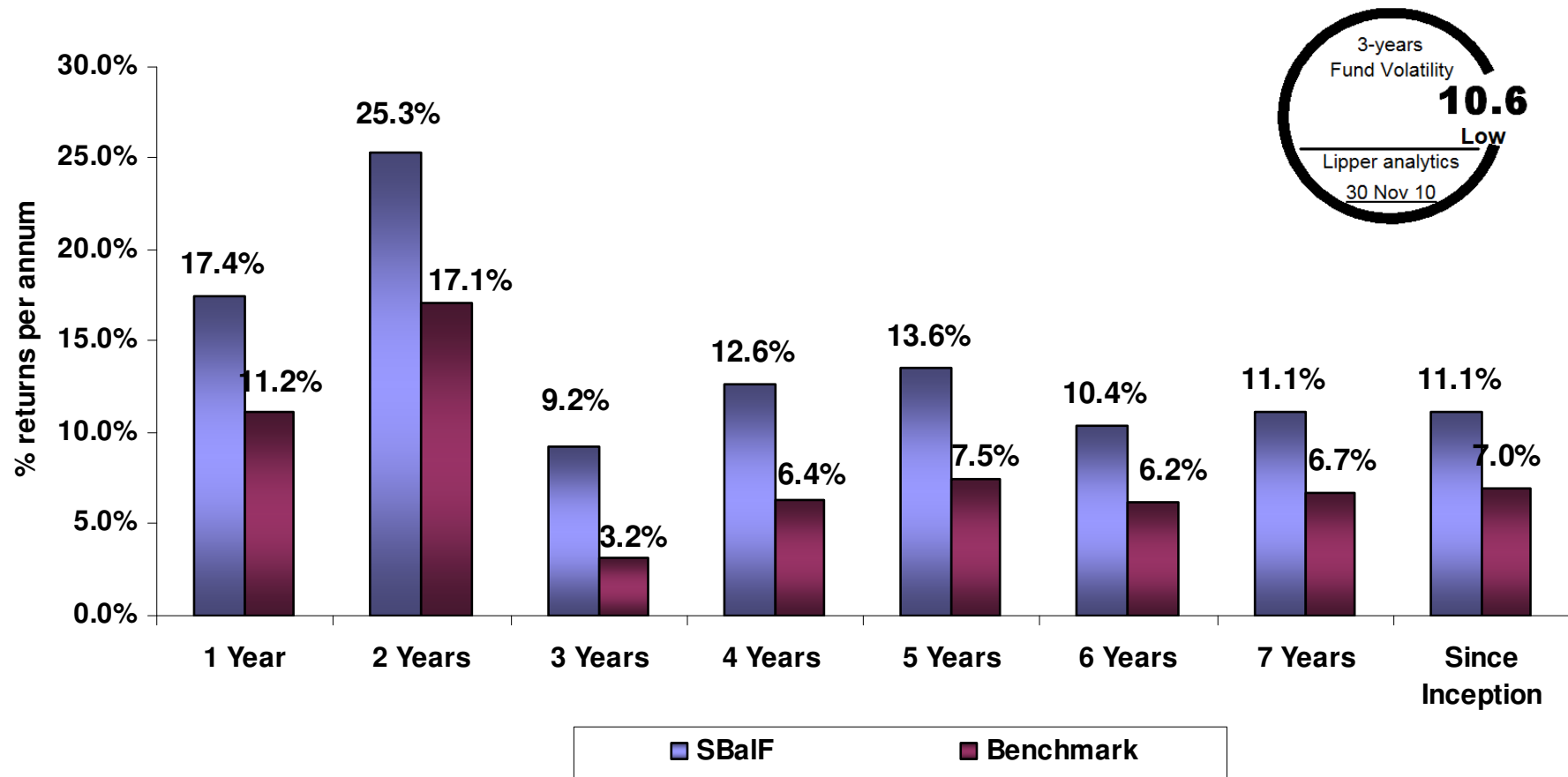


### 3. Absolute Return Approach

- Employing **tactical asset allocation** (e.g. increasing cash allocations as a cushion throughout 2008)
- **NOT benchmark hugging**
- Fundamental, bottom-up analysis with thematic overlays

# Outperformance against benchmark

Annual Compounded Returns as at 31 Dec 2010



Source : Lipper, as at 31 Dec 2010

Benchmark: 50% FTSE Bursa Malaysia Top 100 Index + 50% 12-Month Maybank Fixed Deposit Rate

Since inception in 18 August 2003

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# Fund Distribution Profile

## Regular Income Distribution for Investors

Date	Dividend Paid-Out	Dividend Yield %
2004	3.50 sen	7.0%
2005	4.00 sen	8.5%
2006	2.50 sen	5.3%
2007	5.00 sen	8.5%
2008	5.00 sen	9.9%
2009	5.00 sen	10.7%
2010	5.00 sen	9.5%

- Investors who have stayed invested in the Fund since inception have recovered 60% of their initial investment to date via income distributions
- SBaIF continues to provide regular income distributions despite challenging conditions over 2008



# HwangDBS Select Balanced Fund Facts

Launch Date	28 July 2003
Fund Category / Type	Balanced / Growth & Income
Fund Size @ 31 Dec 2010	RM73.61 million (approved fund size of 400 million units)
NAV p/unit @ 31 Dec 2010	RM0.5976
Investor Profile	Suitable for investors who are relatively conservative with a bias towards receiving regular income, want a meaningful medium to long-term capital growth and who prefer more stable investment returns.
Investment Objective	To provide investors an affordable access into a diversified investment portfolio containing a 'balanced' mixture of equities and fixed income securities to achieve a balance of growth and income over medium to long term
Investment Strategy	Invest in companies that practice good corporate governance and with fundamental investment value. To add value by seeking potential credit upgrades for fixed income securities.
Asset Allocation	Fixed income - Minimum 40% to a maximum of 60% of the Fund's NAV Equity - Minimum 40% to a maximum of 60% of the Fund's NAV
Benchmark	(50% FTSE Bursa Malaysia Top 100 Index )+( 50% 12-month Maybank Fixed Deposit rate)
Distribution Policy	Distribution of income, if any, would be on an annual basis
Minimum Investment	Initial: RM1,000 Additional: RM100
Sales Charge	Maximum 5.5% ( <i>For EPF member investment scheme: Max. 3.0% or as determined by EPF</i> )
Annual Management Fee	1.5% per annum of the NAV of the Fund
Redemption Policy / Fee	Every Business Day / Nil
Switching Fee	Nil
Trustee / Trustee Fee	0.07% p.a. of the NAV of the Fund subject to a minimum of RM18,000 per annum

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# Alternative Investment Portfolio?!



# HwangDBS AIIMAN Income Plus Fund

**HwangDBS**

# AIIMAN INCOME PLUS FUND

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# HwangDBS AIIMAN Income Plus Fund

## 3 Key Selling Points



### 1. Stable Returns Over the Long Term

- **+53.5% total returns since inception** in mid-2004, equating to **annual compounded returns of 6.7% per annum**
- **Stable returns** with low levels of volatility



### 2. Regular Income Payouts to Investors

- **Consistent and regular payout** (every year since 2004)
- Made possible by quality **sukuk investments** – **regular profits**



### 3. Peace of Mind – Low Volatility

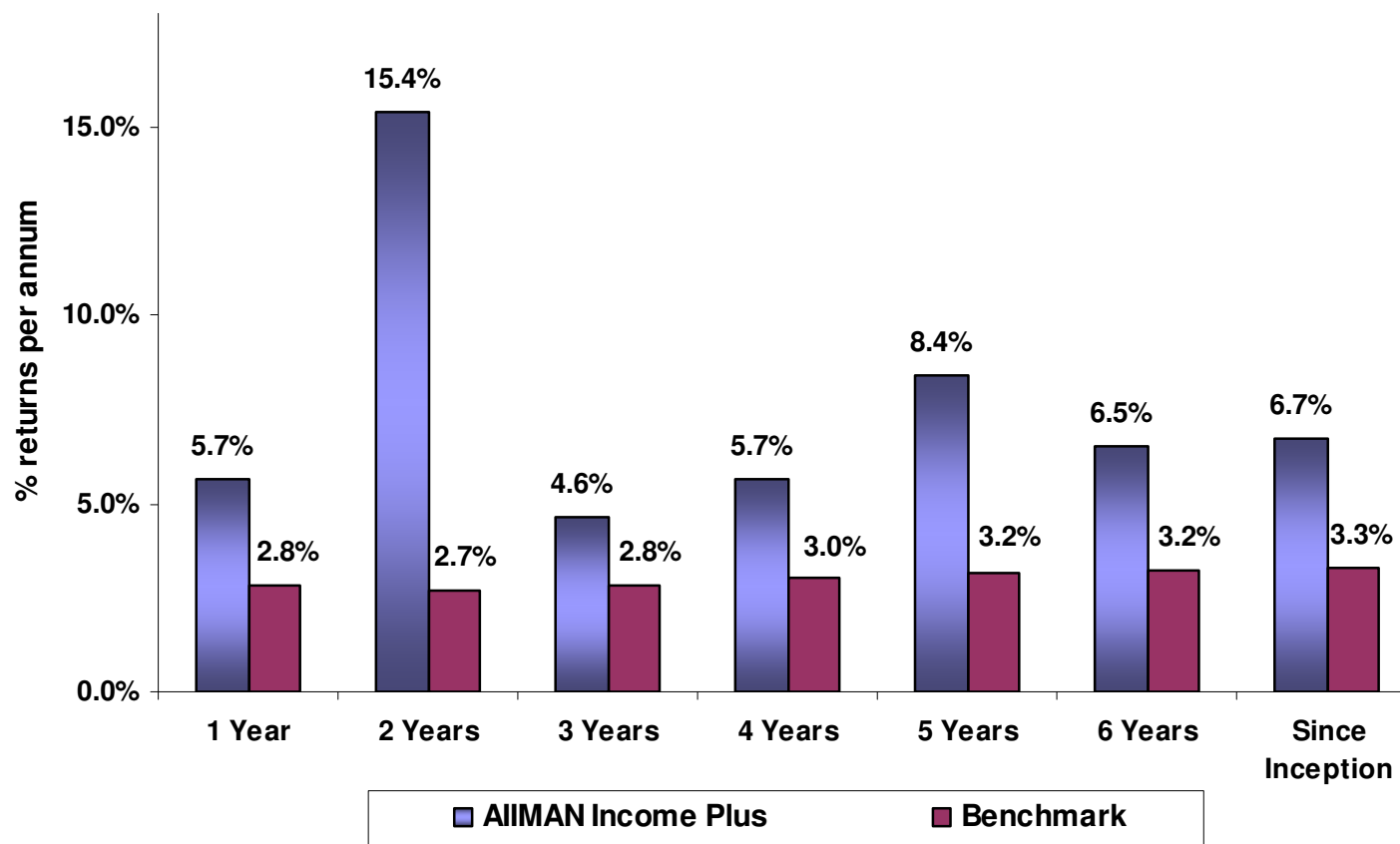
- Expected volatility levels to be equivalent to conservative fixed income funds moving forward
- 1-year volatility up to 28 February 2011 of 1.5%

Source : Lipper, Bloomberg as at 28 February 2011

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# Strong Track Record of Outperformance

Annual Compounded Returns as at 28 February 2011



Source : Lipper, as at 28 February 2011

Benchmark: 12-month Maybank General Investment Account (GIA) rate

Since Inception in 19 July 2004

New Mandate took effect as at 15 April 2010

The past performance of the Fund should not be taken as indicative of its future performance.

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# Fund Distribution Profile

## Regular Income Distribution for Investors

Date	Dividend Paid-Out	Dividend Yield %
2005	2.00 sen	4.1%
2006	4.00 sen	7.2%
2007	4.00 sen	8.4%
2008	2.00 sen	3.7%
2009	2.00 sen	3.6%
2010	2.00 sen	4.1%

- AIPF continues to provide regular income distributions despite challenging conditions over 2008 and first half of 2010
- Expectations of distribution frequency to increase over time as new mandate's performance gains traction over the coming years.

Source: HwangDBS IM as at 28 February 2011

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# HwangDBS AIIMAN Income Plus Fund Facts

Launch Date	28 June 2004 (New mandate took effect on 15 April 2010)
Fund Category / Type	Bond / Income
Fund Size @ 28 Feb 2011	RM88.566 million
NAV per unit @ 28 Feb 2011	RM0.5391
Investor Profile	Suitable for investors who seek regular income distribution, have a medium to long term investment horizon and have a low risk tolerance
Investment Objective	The Fund aims to provide a steady income stream over the medium to long term period through investments primarily in Shariah-compliant debentures or Sukuk.
Investment Strategy	The strategy for Shariah compliant investments in local Sukuk would be driven by the interest rate outlook for the market over the medium to long-term horizon. This will enable the Manager to decide on the maturity structure for the Fund. Relative return analysis will also be conducted between Shariah compliant securities with the same credit ratings to determine if yields can be enhanced by switching investments. Additionally, the Manager will constantly seek potential credit upgrade issues and avoid potential downgrade issues to maximise returns for Unit Holders.
Asset Allocation	A minimum of 80% of the Fund's NAV will be invested in Malaysian issued Sukluk whether issued by the Malaysian Government or private companies and a maximum of 20% of the Fund's NAV will be invested in cash and Islamic money market instruments.
Benchmark	12-month Maybank General Investment Account (GIA) rate
Distribution Policy	The Fund endeavours to distribute income, if any, on an annual basis.
Minimum Investment	Initial: RM1,000      Additional: RM100
Sales Charge	Maximum 2.0% of NAV per Unit of the Fund
Annual Management Fee	1.00% per annum of the NAV of the Fund
Redemption Policy / Fee	Any Business Day / Nil
Switching Fee	The Manager retains the discretion to charge a switching fee of up to 1% on the total amount (based on NAV) switched

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## Our Awards and Accolades

HwangDBS IM also received two (2) out of the five (5) awards presented by Malaysia's *Employers Provident Fund* for 2009

1. Best Overall Fund Manager (on a 3-year rolling financial performance & service quality)
2. Best 3-year Realised Return Equity Manager



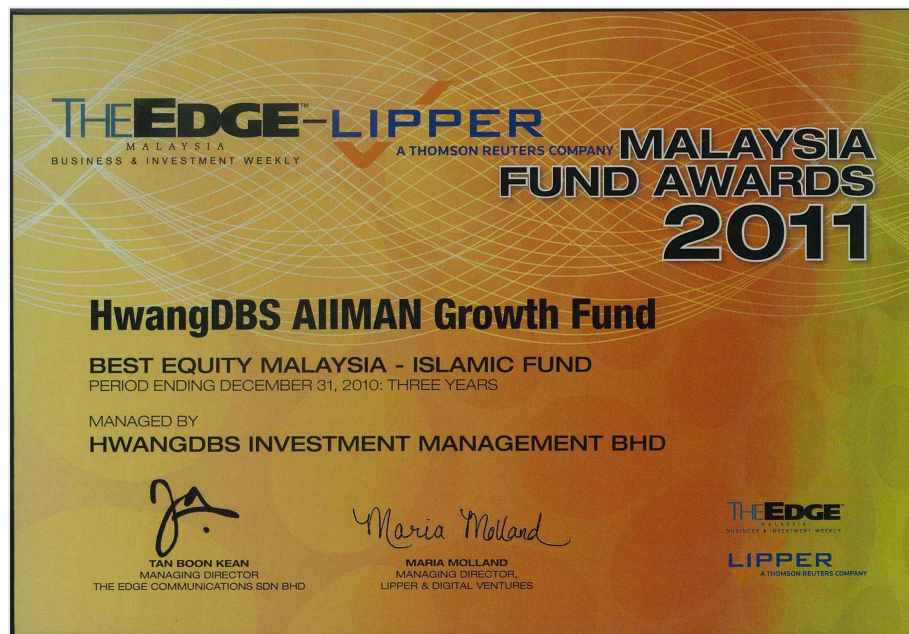
Tan Sri Samsudin Osman (centre) presenting the 'Best Overall Equity Portfolio Manager' award to HwangDBS (M) Bhd director Tunku Datuk Seri Nadzaruddin Tuanku Ja'afar. Looking on is EPF CEO Tan Sri Azlan Zainol.





# Performance & Track Record

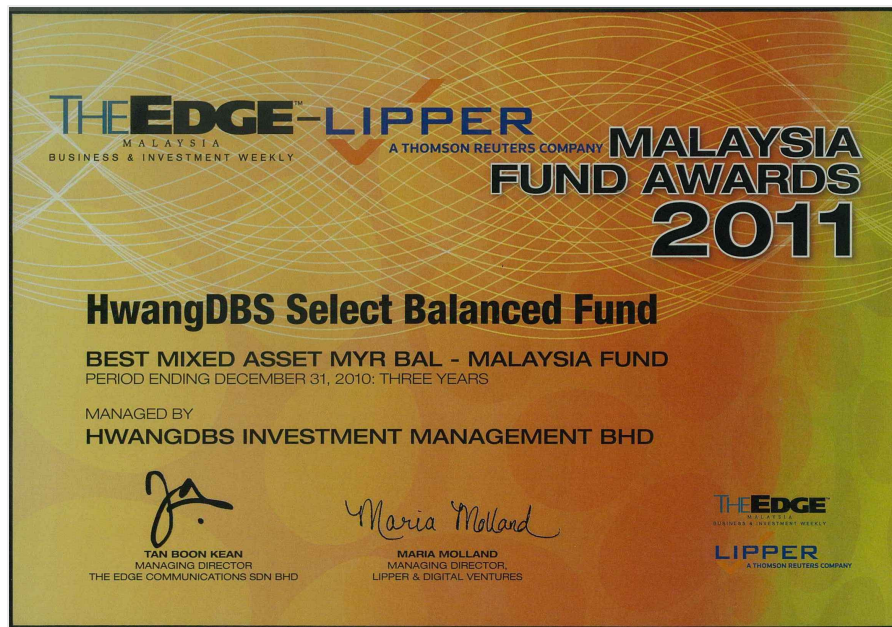
**HwangDBS AIIAMAN Growth Fund is awarded as the “Best Equity Malaysia – Islamic Fund” in the 3-Year Best Performing Fund category**



**HwangDBS AIIAMAN Growth Fund awarded the “Best Equity Malaysia - Islamic Fund : Three years”**

# Performance & Track Record

**HwangDBS Select Balanced Fund is awarded as the “Best Mixed Asset Malaysia Ringgit Balanced – Malaysia Fund” in the 3-Year Best Performing Fund category**



**HwangDBS**   
**Select Balanced**  
fund

**HwangDBS Select Balanced Fund awarded the “Best Mixed Asset Malaysia Ringgit Balanced - Malaysia Fund” : Three years”**

# Performance & Track Record

- HwangDBS Select Balanced Fund is also awarded as the winner in Year 2009 & Year 2010 from Morningstar Fund Awards in the award category of "Malaysia Ringgit Balanced".





# Thank You