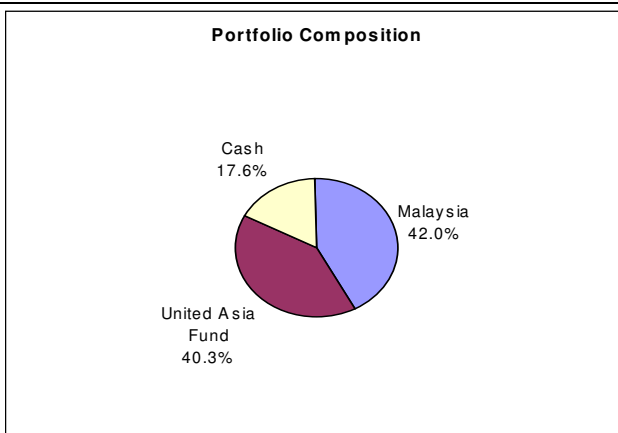
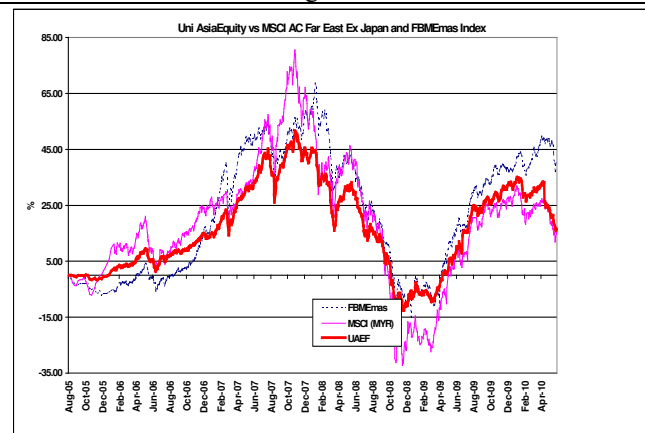


**OBJECTIVE**

To achieve consistent, above average capital appreciation and reasonable income over the medium to long term by investing in a balanced portfolio of quality investments in Malaysia and Asia excluding Japan.

**THE FUND IS SUITABLE FOR INVESTORS WHO:**

- are willing to accept risks for returns presented by the stock markets of Malaysia and Asia (excluding Japan).
- have a medium-to-long-term investment horizon.



**MANAGER'S COMMENTS**

The fund decreased 6.33% month on month compared to the benchmark (50%MSCI AC Far East Ex Japan Index & 50%FBMEmas Index) which was down 5.82%. Asian equity markets were down in May as risk aversion returned on concerns over the uncertainty of Europe's sovereign debt woes, outweighing the announcement of the €750bn Eurozone debt rescue package.

We do not believe we will see a repeat of what happened after Lehman. For one, we believe the policymakers have learnt the lessons of Lehman and are unlikely to make a similar policy error. Also, the global business cycle is at a different point compared to September 2008 when the Lehman episode occurred. Fear can however be self-fulfilling and there is a risk that business and consumer confidence is meaningfully affected if markets stay volatile, resulting in another pullback in spending and hiring. We have been sanguine about the recovery of the global economy and the concomitant recovery of corporate earnings but recognise that spillover risks are rising.

We continue to hold a positive view in Asian markets. Asian economies continue to be in good shape with most countries running healthy current account surpluses and low government debt to GDP ratios. As Asian economies recover from the recession, real GDP growth in Asia is likely to peak in the second quarter and moderate going into the second half of the year. Although concerns over Europe's sovereign debt woes and monetary tightening in Asia will persist, we believe the market has more or less priced these in and will focus again on fundamentals. In our view, the ongoing improvement in the global economy and the recovery in corporate earnings are likely to drive equity markets higher in the coming months. Our key strategy going forward is to maintain our growth bias and focus on Asia's robust domestic demand which in our view will drive corporate earnings growth and valuation expansion. We maintain our overweight position in the **Consumer** sector. We have also upgraded **Industrials** and **Utilities** as we see attractive opportunities in the alternative energy and water treatment space. We will be upgrading **Technology** to overweight on buoyant demand and on a seasonally stronger quarter. We look to underweight **Financials** on concerns over policy risks and in relatively slower growth sectors like **Telecoms**. We will downgrade **Energy** sector on concerns over possible implementation of resource tax.

Fund Details		Top Holdings			
Unit NAV(31/5/10)	RM 0.5529	<b>Malaysia</b>		<b>Asia</b>	
Fund Size	RM12.69m	CIMB	4.05	United Asia Fund	40.3
Inception Date	4 August 05	AMMB	3.56		
Annual Fee	1.5%	RHB Capital	2.94		
Initial Charge	5.0%	PUBLIC Bank	2.49		
		UMW	2.48		

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