The Henley Snapshot
May 2008

Cash / Currencies

Foreign exchange	24 Apr 08	% Change 1 Month	% Change 1 Year
GBP=USD	1.978	-0.36	-1.17
GBP=EUR	1.246	-3.19	-15.11
GBP=HKD	15.422	-0.13	-1.41
GBP=SGD	2.673	-2.99	-11.79
EUR=USD	1.587	2.95	16.41
USD=JPY	103.46	2.69	-12.76

This month:
USD rebounded from record low against EUR after EU signaled its concern over declining USD. The USD index spot remains weak in April against those of six trading partners. USD fell against the EUR on speculation that the Federal Reserve will cut borrowing costs further while the European Central Bank keeps interest rates on hold.

AUD climbed to the highest since 1984 after a government report showed consumer prices rose at the fastest annual rate in seven years, fuelling speculation the central bank will resume raising interest rates. AUD also gained against JPY and reached 97.99.

Looking forward:
We expect USD weakness to resume before long. AUD, CHF, EUR, and SGD are our favourite currencies this year.

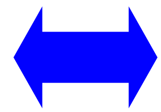
Equities

Equities	24 Apr 08	% Change 1 Month	% Change 1 Year
DJIA	12,763	1.71	- 1.47
S&P 500	1,379	2.23	- 6.82
NASDAQ	2,405	3.37	- 4.69
DJE Stx 50	3,763	3.61	- 14.47
FTSE-100	6,083	6.93	- 6.11
Nikkei-225	13,579	8.81	- 22.21
Hang Seng	25,289	12.57	23.02
Straits Time	3,193	9.09	-3.57

Equity markets recovered and are less volatile

This month:

US earnings have trailed expectations for the first quarter of 2008. The company guidances also declined. S&P 500 dropped for 6.3 percent year-to-date. Analysts now predict a 13.7 percent average decrease in earnings for S&P 500 companies, compared with an increase of 4.7 percent at the start of the year. European stocks fell 13.3 percent this year as investors speculated that the turmoil in financial markets would not end soon. It will be their first earnings shrink in 2008 for the first time in six years. US and European stocks will inevitably continue to be under pressure in the coming months.



Caution on Equity Market

Looking forward:

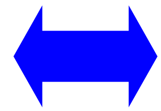
Many emerging markets have solid fundamentals to withstand the slowing US economy. Africa, Brazil, Middle East and Taiwan are some of the favourable emerging economies.

Fixed Interest

Equities	24 Apr 08 yield %	Change 1 Month	Change 1 Year
US Gov 2 yr	2.189	22.0	-52.0
US Gov 10 yr	3.716	4.5	-19.5
US Gov 30 yr	4.479	2.6	-7.0
UK Gov 2 yr	4.458	18.0	-19.0
UK Gov 10 yr	4.670	9.0	-7.5
UK Gov 30 yr	4.521	4.5	0

Bond yields increased over the last month.

This month:
US Treasury yields are up with two-year note yields near the highest since January, before the US sells a record $28 billion of the securities. The yield on the 10-year note climbed 1 basis point to 3.70 percent. The spread between two- and 10-year Treasuries narrowed to 1.50 percentage points, the least since January.



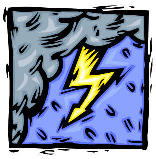
Prospect unchanged from last month

UK Gilts fell, pushing two-year yields to the highest level this year, on speculation the Bank of England's offer to swap mortgage bonds for government debt will allow it to postpone cutting interest rates. Two-year yields have risen almost 50 basis points since reports of the central bank's plan last week.

Looking forward:
US Treasury yields will go up as their prices go down to previous level. Treasuries have become less attractive in light of inflation and credit crunch not materialized into a crisis. We anticipate good opportunities arising from global credit funds in emerging market bonds and distressed debt of sovereigns and corporates.

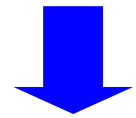
Property

Index	March	% Change 1 Month
Halifax UK House Price Index	620.0	-16.5



Housing slump with no sign of slowing

This month:
US housing slump showed no sign of abating in March as sales of previously owned homes fell for the seventh time in eight months. Purchases dropped 2 percent, less than forecast, to an annual rate of 4.93 million, from 5.03 million in February. Record foreclosures are also depressing home values, giving buyers an incentive to hold off.



Home prices continue to drop in US and UK.

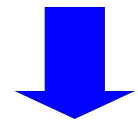
The UK property market slump deteriorated in March to the worst since records began in 1978 as mortgage lending dried up. The number of residential property agents and surveyors saying prices fell exceeded those reporting gains by 78.5 percentage points in March, down from 65.7 in February. There is no sign of recovery from the overall housing sector in US. The situation in UK is equally serious. It will require more than interest-rate cuts from the BOE to restore consumer confidence.

Looking forward:
Having said that, we continue to see great values in prime properties in locations such as Asia and other emerging markets. These investments are becoming even more attractive when you consider the appreciation of currencies in play. Please talk to your Henley consultants.

Commodities

Commodities	24 Apr 08	% Change 1 Month	% Change 1 Year
Gold	905.09	-1.09	32.41
Oil (Brent)	115.04	15.73	70.45

Commodities are up lead by energy.

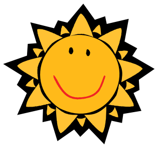


USD rebound may trigger profit taking

This month:
Commodities soared to a record, led by energy. The slumping USD and sliding equities enhanced the appeal of raw material as alternative investments. DJ-AIG Index is up 6.8% and year-to-date up 16.4%. Oil reached a record $119.90 a barrel, and gasoline futures topped $3 a gallon for the first time. Rising energy prices may sap purchasing power in oil-consuming countries that are already struggling with falling home prices and tighter credit conditions.

Looking forward:
Despite peaking global growth likely to introduce some cyclical weakness in commodity prices, the demand for commodity is still growing. Financial market uncertainties and USD weakness provide support for high prices for gold and precious metals.

Fund of Hedge Funds



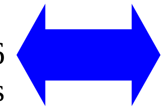
Hedge funds continue to outshine the equity markets

This month:

In the first quarter the Hedge Fund Research Index Fund Weighted Composite fell 3.06 percent, confirming a slow start to 2008 following record-breaking 2007 when investors allocated $184 billions to the industry.

Looking forward:

Combined with our selected hedge funds, our portfolios will have lower volatility of returns and low correlation to the stock market. In other words, well-diversified, multi-manager and multi-strategy fund of hedge funds with good track records will have a healthy risk reduction effect over our portfolios.



Prospect unchanged from last month

Asset Allocation

Talk of US recession, rising unemployment, weakening earnings, flagging equity markets and continuing concerns over credit markets are posing great challenges to investors. Furthermore, the sentiment is soured by weaker property prices, inflation fears and signs of less willing to spend from consumers.

It is however, worth noting that not all markets are receding. Australia and Brazil recently raised interest rates to cool their overheating economies. Asian and emerging markets are still showing robust growth.

No re-allocation in terms of asset class. More information will be available from your Henley consultants.

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