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AGGRESSIVE PORTFOLIO

5 February 2010

The portfolio aims to achieve a slow but steady return by investing 10% into bond funds and 90% into equity funds. The target allocation may change with our views on financial markets. Currently we have an ***overweight position in equities*** and we are targeting to have an exposure of 100% equity funds.

Total Investment:	RM36,000	**Absolute Return:**	11.1%	**Annualised Internal Rate of Return:**	11.1%
Portfolio Value:	RM38,211.36	**January '10 Return:**	-4.4%		

AGGRESSIVE PORTFOLIO

Fund Name	Target Allocation (%)	NAV		% Change
		31/12/2009	29/01/2010	
OSK-UOB Smart Treasure Fund	16.0%	0.6129	0.6042	-1.4%
Prudential Asia Pacific Equity	16.0%	0.5501	0.5216	-5.2%
Prudential Global Emerging Markets	16.0%	0.2551	0.2366	-7.3%
OSK-UOB Global Equity Yield Fund	32.0%	0.3451	0.3312	-4.0%
OSK-UOB Global Capital Fund	5.0%	0.3994	0.3847	-3.7%
OSK-UOB Resources Fund	5.0%	0.6288	0.6076	-3.4%
OSK-UOB Big Cap China Enterprise Fund	5.0%	0.5069	0.4679	-7.7%
OSK-UOB Emerging Opportunity Unit Trust	5.0%	0.5044	0.5129	1.7%

MARKET COMMENTARY

- Global equities corrected sharply in January which saw most equity markets closing the month in the red. The worst performers were the China and Hong Kong markets which saw a heavy sell down, declining 8.1% and 8.0% respectively.
- The global correction was first triggered by China's unexpected hike in bank reserve requirements, raising the required reserve ratio by 50 basis points to 16.0% in an attempt to remove liquidity from the market so as to curb excessive bank lending.
- In US, president Obama proposed plans to reform the financial sector that left investors in a sea of uncertainty. He first proposed plans to implement a "Financial Crisis Responsibility Fee", which would be paid by the largest banks with assets larger than US$50 billion. The intention of the tax is to recover the anticipated cost of the TARP programme, currently estimated at US$117 billion.
- In addition to the proposed tax, the Obama administration announced a proposal which will see a clampdown on proprietary trading by commercial banks. The proposal aims to reduce excessive trading that is believed to result in excess market volatility. It also aims to limit the size of banks so as to prevent the creation of "too big to fail" institutions.
- Investors did not react well to these factors as we witnessed a flight to safety taking place in January. With the strong run last year and an end of year rally last December, this correction, as argued by the bears, is deemed overdue. Despite the sell down, there is a lack of substantial negative developments that suggest a return of the bears. Therefore we believe this correction to be temporary and the market will eventually pick up once again and continue its upward trend.

PORTFOLIO COMMENTARY

The above portfolio reflects the new allocation and changes being made. The previous portfolio declined by 4.4% from +2.9% in December 2009 as most equity funds returned negative in tandem with the correction in global equities. Performance was mainly dragged by Prudential Asia Pacific Equity and OSK-UOB Big Cap China Enterprise Fund. Nonetheless, the decline was offset by OSK Emerging Opportunity Unit Trust which returned 1.7%.

ACTION TAKEN

The whole portfolio was revamped to take into account a more systematic manner of asset allocation so as to ensure that rewards for each profile would be more commensurate with the risks taken. For our portfolio, we switched our portfolio holdings into cash fund and subsequently switched to the current allocation. Consequently, sales charges are incurred in this manner. We are adding in RM1,000 as our regular monthly investment into the pool of funds to form the new portfolio.