

Adjustments to FSM Portfolios for December 2008

Aggressive Portfolio

Monthly Commentary

2008 will be a year that investors will remember mostly for the wrong reasons. The financial crisis has spread far and wide, a US housing recession, multiple failures of financial institutions and volatile commodity prices and extreme investor risk-aversion has characterized 2008 in a nutshell.

Equity markets suffered, with not a single market amongst those that we track turning in positive returns, we saw fixed income assets also sold down, resulting in a decline in even the most conservative portfolios. The word deleveraging has become a concept known to every investor, as all asset classes were affected in a sell off.

However, going forward into 2009, we are turning more positive on equity, and believe that risk reward ratios for investing now are extremely attractive for the next 3-5 years. While we are unlikely to see this portfolio recover immediately, we think that these times present opportunity for the focused investor.

The portfolio will continue to maintain its portfolio mandate of 100% in equities in 2009.

Table 1: Year-to-date Performance of Markets

Table 1

Market	Indices	2008 Returns (MYR terms)
Japan	Nikkei 225	-24.42%
US	S&P 500	-35.63%
Tech	Nasdaq 100	-39.19%
Malaysia	KLCI	-39.33%
World	MSCI World	-39.40%
Asian Tech	Bloomberg AP Tech	-43.65%
Taiwan	TWSE	-44.20%
Hong Kong	HSI	-45.53%
Europe	DJ Stoxx 600	-45.54%
China	HSMCLI	-46.18%
Singapore	FTSE STI	-46.74%
Asia ex-Japan	MSCI Asia ex-Japan	-51.50%
Emerging Markets	MSCI Emerging Markets	-52.37%
Thailand	SET	-52.62%
Korea	KOSPI	-55.23%

Source: iFAST compilations. All returns in Ringgit Malaysia terms.

Actions Taken in December 2008

- 1) Added RM1,000 into Prudential Global Emerging Markets
- 2) Switch 2046.66 units (Approx RM1,000) from Prudential Asia Select Income to OSK-UOB Big Cap China Enterprise Fund
- 3) Switch 1356.48 units (Approx RM1,000) from OSK-UOB Smart Treasure Fund to OSK-UOB Big Cap China Enterprise Fund

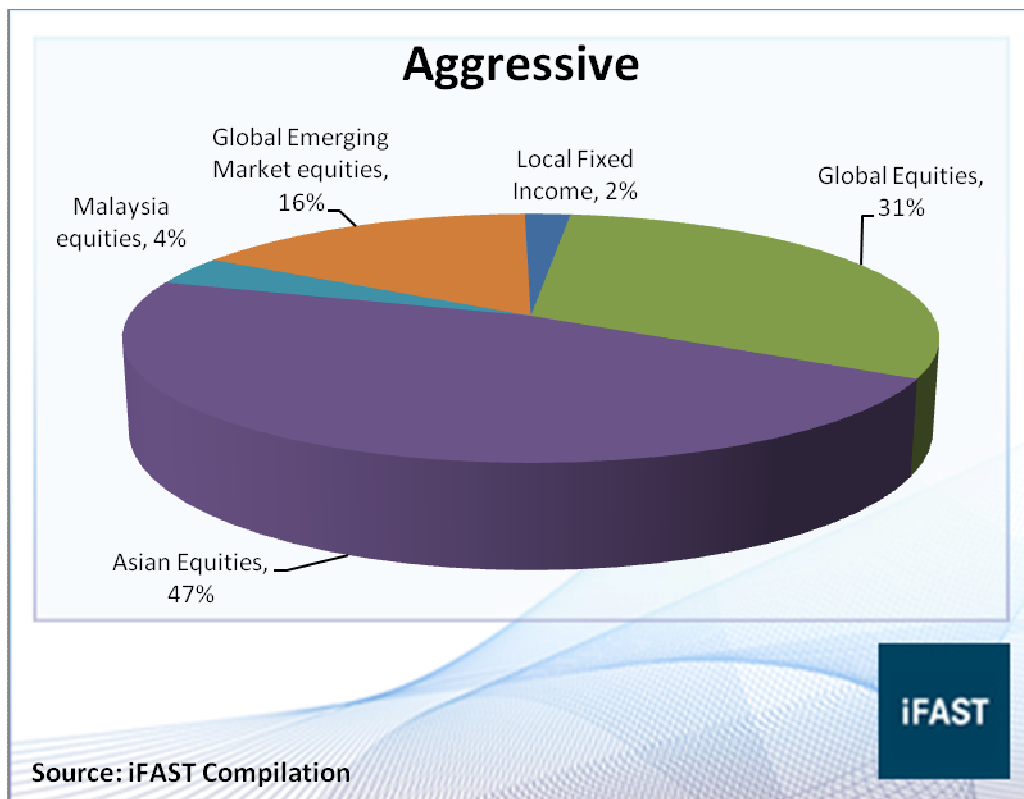


Table 2: Aggressive Portfolio Returns

Date of Inception:	7 August 2008
Total Amount Invested	RM22,000.00
Portfolio Value As At End December 2008	RM20,902.25
Absolute Return:	<u>-27.17%</u> as at end December 2008

Source: iFAST Compilations

Reasons for Action Taken

We switch out a total of RM2000 from Prudential Asia Select Income and OSK-UOB Smart Treasure Fund and used the proceeds to invest into OSK-UOB Big Cap China Enterprise Fund. Chinese equity appear attractive after it had been based down by almost 50% in year 2008. We continue to see decent potential growth in China. Monthly additional of RM1,000 is added into Prudential Global Emerging Markets and a dollar cost averaging measure.