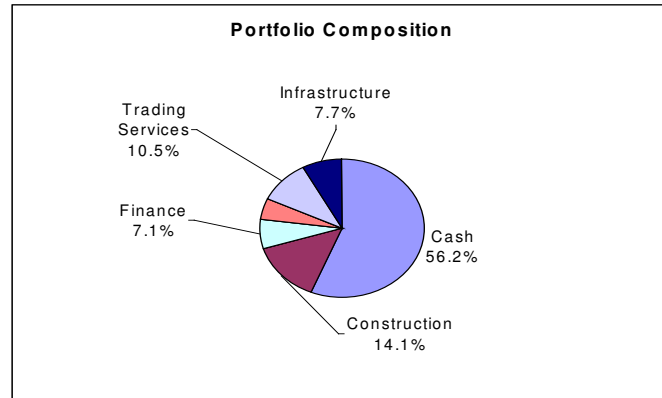
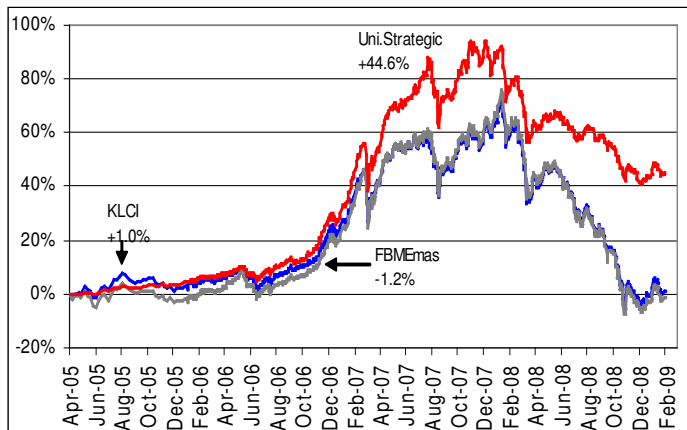


**OBJECTIVE**

To achieve consistent capital appreciation over the medium to long-term by investing mainly in companies those have been systematically filtered through a series of proven pre-determined financial criteria.

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

- are willing to accept risks for returns presented by the stock market.
- have a medium to long term investment horizon.



**MANAGER'S COMMENTS**

The Asian bourses had a brief rally in early January only to be pared towards the end. The best performing market was China up 9-10% month on month (MoM) followed by Korea and Malaysia. The bottom liners were Japan, Hong Kong and Taiwan. The KLCI rose 0.9% MoM to 884 points. The benchmark FBMEmas rose 1.2% MoM to 5794 points, outperforming the Fund's decline of 0.1%.

A slew of negative global economic data dominated the headlines. The US initial jobless claims for December 2008 of 588k exceeded market's estimate of 575k, while its 4Q08 GDP fell 3.8% YoY (year on year). Japan's IPI fell 8.5% MoM much higher than expected 8.1% while its jobless rate shot up to 4.4% vs the estimate of 4.1%. The US Fed retained interest rate at 0.25% on 29 January. The new US President's USD819 trillion fiscal stimulus package received the House's approval, pending the Senate's subsequently. On the local front, BNM cut OPR by 75bps to 2.5% on 21 January. Additionally, the Statutory Reserve Requirement (SRR) was lowered from 3.5% to 2%. On the political front, the ruling coalition Barisan Nasional suffered another defeat at the hands of the opposition coalition, Pakatan Rakyat in the latest Parliamentary by-election held in Kuala Terengganu. The PR candidate won by a majority of 2,631 (from 63,993 who voted), reversing the 628 majority that the BN candidate garnered in the last General Elections held in March 2008. The corporate front was quiet except for Tenaga's Q1 net loss of RM944m while Public Bank reported a decent 2008 net profit of RM2.6bn. WCT's RM4.6bn Meydan Racecourse project in Dubai's was cancelled by its client.

We expect economic recovery in 2H09, in the earliest. Until then, we remain cautious in investment strategy. As such, we still prefer defensive and high dividend yielding stocks for 1H09 with a view to weigh into recovery plays at the right prices.

FUND DETAILS		TOP 5 HOLDINGS (%)	
Unit NAV	RM 0.6867	YTL Power International Bhd	7.7
Fund Size	RM 11.48million	IJM Corporation	5.6
Inception Date	1 April 2005	Gamuda Bhd	5.5
Annual Fee	1.5%	AMMB Holdings Bhd	5.1
Initial Charge	5.0%	Telekom Malaysia Bhd	3.9

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