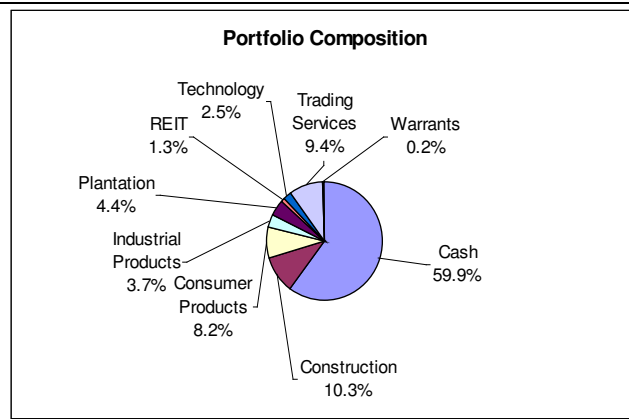
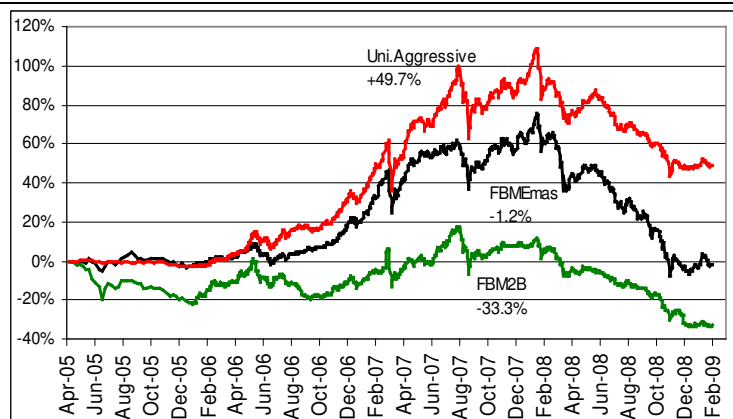


**OBJECTIVE**

To achieve consistent and above average capital appreciation over the medium to long-term by investing in companies with market capitalization of not more than RM750 million at the time of acquisition.

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

- are willing to accept higher level of risk in order to obtain higher growth of their capital.
- 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 gain of 0.4%.

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.

FUND DETAILS		TOP 5 HOLDINGS (%)	
Unit NAV	RM 0.7110	Dialog Group Bhd	3.4
Fund Size	RM 9.75million	IJM Corporation Bhd	3.3
Inception Date	1 April 2005	KPJ Healthcare Bhd	3.3
Annual Fee	1.5%	Magna Prima Bhd	3.3
Initial Charge	5.0%	Dutch Lady Milk Industries Bhd	2.8

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