

Investment Objective

Long-term capital appreciation and regular income through investing in shares of companies listed on the Stock Exchange of Singapore Limited (SGX) and SES CLOB International.

Investment Strategy & Scenario (4th Quarter, 2002)

- Growing uncertainties in the macro environment are adversely impacting the global economy and do not bode well for the Singapore market. The US/Iraq confrontation may take some time to resolve, while corporate governance concerns in US remains a thorny issue. The ongoing US pre-announcement season could spring further profit warnings and downgrades, especially within the technology sector.
- Recent release of economic data has pointed towards a less optimistic outlook for the domestic manufacturing sector, including slower growth in Asia's export to US that is expected to turn flat by 1Q03. The market has pared down GDP growth expectation and looks to lower corporate earnings growth in 2003.
- On the domestic front, the Economic Review Committee has announced several policy changes that augur well for the banks and to some extent, the property developers. Banks will gain access to market-rate HDB loans with effect from Jan 2003 that is estimated to be worth \$3bn a year. For property companies, the relaxed rule on the use of CPF towards the 20% downpayment has also lowered the initial hurdle for some buyers.
- Valuations for the Singapore market are attractive. The market is trading at price-book multiple of 1.1x which compares favorably to its historical average of 1.75x. Likewise, market dividend yield of 3.2% is nearly double the historical average of 1.7%.
- Against this backdrop, we remain neutral on the Singapore market. Pending clearer indications of a global economic recovery and geo-political certainty, we will be defensively positioned with a bias towards dividend yielding stocks, such as Keppel Corp, SPH, ST Engineering and Comfort.

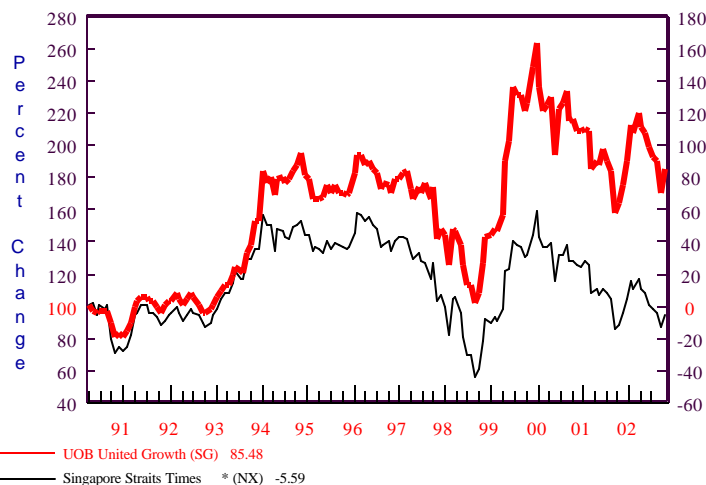
Asset Allocation – By Sector (as at 31 Oct 2002)

Consumer	15.62%
Telecom Services	3.53%
Financials	44.06%
Info Technology	12.76%
Industrials	18.76%
Others	1.62%
Cash	3.65%

Top 10 Holdings (as at 31 Oct 2002)

UOB
DBSH
SPH
OCBC
SIA
VENTURE CORP
ST ENGINEERING
KEPPEL CORPN
SPORE TELECOMS
HL S'PORE FIN

28th February 90 To 31st October 02, Offer-Bid, Net, Based In Singapore Dollar, Calculation Indexed



Performance	Fund	Benchmark
1 month	2.61%	8.21%
3 month	-8.72%	-2.98%
6 months	-16.71%	-15.19%
1 year	7.22%	6.98%
3 years	-8.05%	-10.57%
5 years	4.64%	-1.60%
10 years	6.14%	0.54%
Since Inception	5.00%	-0.45%

Source: S & P Micropal, Performance are in S\$, Offer-Bid as at 31 Oct 02
Performance figures for 1 month till 1 yr show the % change
Performance figures for those exceeding 1 yr show the average annual compounded return.
Benchmark: Singapore Straits Times

Fund Details

Launch Date	Dec 1989 (Cash & CPF - OA)
Bid/Offer Price	S\$1.5700/1.6550 (as at 31 Oct 2002)
Initial Investment	S\$500
Sub Investment	S\$500
Management Fee	1. % P.a.
Subscription Fee	5%
Minimum RSP	S\$100/month, S\$500/quarter
Trustee	Bermuda Trust (S) Ltd