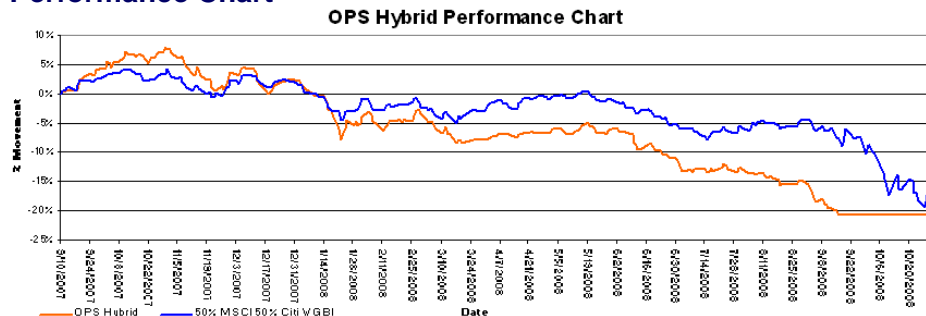


**Portfolio Objectives**

The OPS Hybrid is a medium-risk portfolio permitted to hold a maximum of 50% in equities and 70% in bonds, with no restrictions in holding cash. No leverage is used.

**Performance Chart**



**Investment Manager's Comment**

October proved to be one of the worst months in history for the equity markets as de-leveraging and a lack of liquidity in the global financial system drove all liquid assets down. Bonds, equities, commodities and high yielding currencies felt the full force of the sell off as investors lost confidence in all asset classes. The flight to cash saw only the US dollar, Japanese Yen and US Government bonds perform, benefiting from the unwinding of the carry trade and, in the case of US Government Bonds, their perceived safe haven status. Our decision to go into money market funds in September meant that the OPS Hybrid portfolio managed to avoid the malaise remaining largely unchanged for the month. This compared favourably to the MSCI World's declines of 16.5%, MSCI Europe's falls of 13.6% and MSCI Asia Pacific's slump of 19.9%. Even the Citi World Government Bond Index failed to provide solace to investors as it fell 2% in US dollar terms for the month.

The sell-off in October looked as it was climactic selling which would suggest that we are getting towards the end of the bear market. It will take time to repair the damage to investors' psychology, but with Government's globally doing whatever they can to stabilize their economies and the global financial system as a whole, we should start seeing signs of some sort of base forming in the markets in the near future. Trillions of dollars have been pledged to provide much needed liquidity into the markets in order to get the banks to start lending to each other again which will eventually provide the foundations from which the financial system can rebuild itself. The lack of trust amongst the institutions, the lack of confidence from investors and the new found belief in cash all contributed to the remarkable selling pressure of October but as November rolls in concerted global interest rate cuts, nationalization of western banks and heavy government spending should allow for stabilization of the markets and a base from which they can start their recoveries. Fixed income instruments should also see recoveries as they have been caught up in the de-leveraging resulting in them being very oversold. However, we will wait for this basing action to be confirmed before we will look to re-invest as valuations are now looking very attractive.

**Monthly Performance**

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
OPS Hybrid	2007									4.25%	3.38%	-3.68%	-0.89%	2.89%
50% MSCI World 50% Citi WGBI	2007									2.75%	1.38%	-1.69%	-0.44%	1.97%
OPS Hybrid	2008	-7.51%	2.01%	-4.73%	1.17%	0.85%	-5.37%	-1.79%	-2.50%	-6.80%	-0.10%			-22.62%
50% MSCI World 50% Citi WGBI	2008	-3.36%	-0.57%	-1.08%	2.08%	-0.03%	-4.06%	-0.22%	1.09%	-4.80%	-6.71%			-16.63%

**Information**

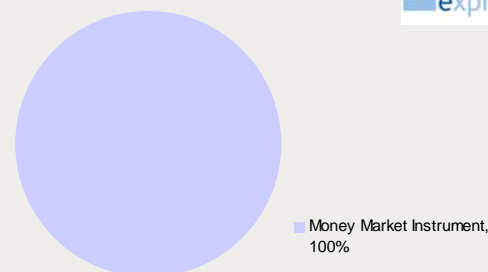
Launch Date September 10, 2007  
 Minimum Investment HK\$ 250,000

**Cumulative Performance**

	OPS Hybrid	Benchmark (50% MSCI World & 50% Citi WGBI)
YTD	-22.62%	-16.63%
Since Launch	-20.66%	-14.99%

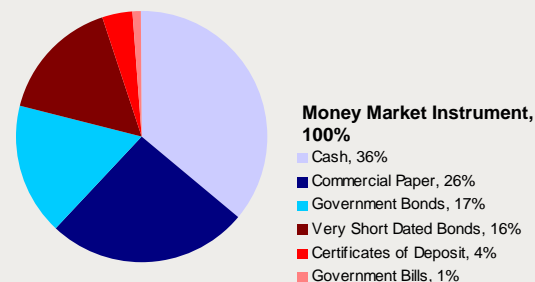
**Portfolio Analysis**

**Region Allocations**



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**Asset Allocations**



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