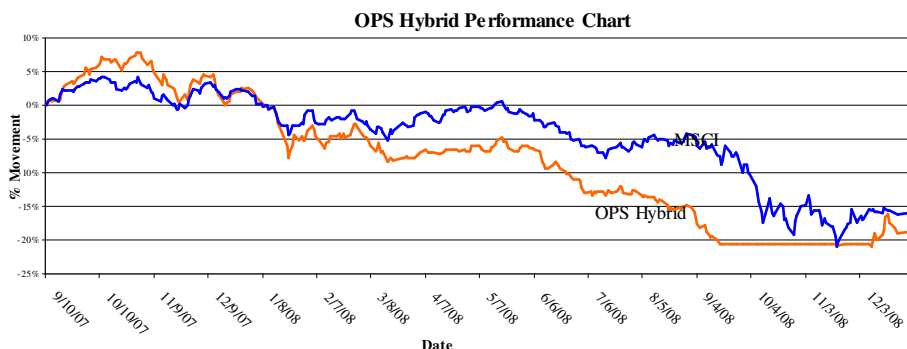


**Portfolio Objectives**

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**

Markets ended 2008 with their worst performances since the 1930's despite rallying modestly in December. The contraction in the financial markets caused the majority of the developed markets to enter recessions which has led to consumer sentiment being at its worst levels since measures began. All of this contributed to the poor performances of nearly all asset classes, the exception being US Government bonds as investors took flight to perceived safe assets. The sell-off came despite a concerted effort by governments globally to stimulate their economies by lowering interest rates and increasing money supply. However, the year ended in a slightly positive note as both the equity and the bond markets posted gains in December on hopes of a recovery in the 2<sup>nd</sup> half of 2009. With us recommending switches back into the markets early in the month, the OPS Hybrid portfolio posted a gain of 3.4% for the month<sup>1</sup> narrowing its loss for the year to 20%.

Both the equity and corporate bond markets are now looking like they are in the midst of forming a base from which they can extend their December gains although we would expect the rallies to be modest in the first quarter as investor confidence remains fragile. As the year progresses, though, we would expect confidence to improve as the increased money supply and lower interest rates stimulate buying leading to stronger rallies in the 2<sup>nd</sup> half of the year. This will likely mean a sell-off of the Government bonds as some risk appetite returns, although high yields and convertibles should benefit from the move out of Government bonds. We hope to take advantage of these rallies by positioning the portfolio in those areas which will lead the way higher and are confident that we will have a positive 2009.

<sup>1</sup> This figure is a representative of all portfolios in the service in US or Hong Kong dollar terms prior to November 30<sup>th</sup> who have not topped-up their portfolios. Your portfolio may vary from this figure depending on when your portfolio began or when you topped-up the portfolio or if your base currency is not either US or Hong Kong dollars.

**Monthly Performance**

|  | Jan    | Feb    | Mar    | Apr   | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | Total          |
|--|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| OPS Hybrid <b>2007</b>                   |        |        |        |       |        |        |        |        | 4.25%  | 3.38%  | -3.68% | -0.89% | <b>2.89%</b>   |
| 50% MSCI World 50% Citi WGBl <b>2007</b> |        |        |        |       |        |        |        |        | 2.75%  | 1.38%  | -1.69% | -0.44% | <b>1.97%</b>   |
| OPS Hybrid <b>2008</b>                   | -7.51% | 2.01%  | -4.73% | 1.17% | 0.85%  | -5.37% | -1.79% | -2.50% | -6.80% | -0.10% | -0.02% | 3.36%  | <b>-20.04%</b> |
| 50% MSCI World 50% Citi WGBl <b>2008</b> | -3.36% | -0.57% | -1.08% | 2.08% | -0.03% | -4.06% | -0.22% | 1.09%  | -4.80% | -6.71% | -0.49% | 1.76%  | <b>-15.58%</b> |

**Disclaimer**

The material is for general information only and any opinions contained herein are for reference only. It does not constitute an invitation or offer to buy or sell any investment products. Investment involves risk including a possible loss to the principal amount invested. Foreign exchange volatility constitutes an additional exchange rate risk. Professional advice should be obtained before acting on any information herein. For complete details of investment products, please refer to the prospectus.

**Information**

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

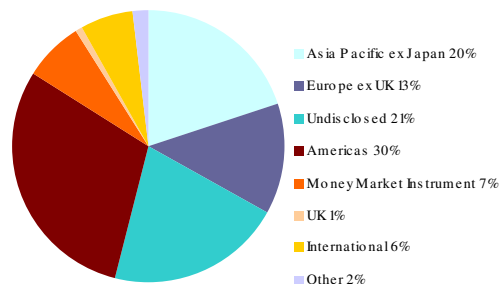
**Cumulative Performance**

|              | OPS Hybrid | Benchmark<br>(50% MSCI World<br>50% Citi WGBl) |
|--------------|------------|--|
| YTD          | -20.04%    | -15.58%  |
| Since Launch | -18.01%    | -13.92%  |

**Portfolio Analysis**

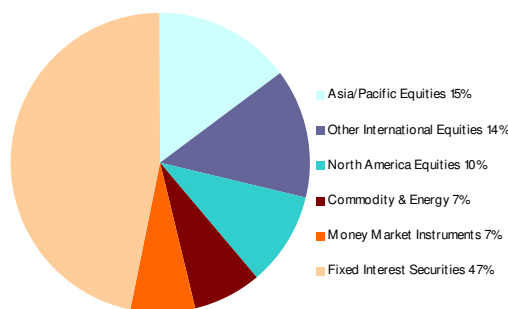
@ Data provided by financial express

**Region Allocations**



@ Data provided by Financial Express 2008

**Asset Allocations**



@ Data provided by Financial Express 2008