



# TA UNIT TRUST MANAGEMENT BERHAD (340588-T)

A MEMBER OF THE TA GROUP

● For Internal Use Only ●

**JAN 2003**

## TA GROWTH FUND

THE FUND IS SUITABLE FOR ....

Investors who

- Who are willing to accept moderate risk in order to achieve higher returns on their capital over the medium to long term period of typically 3 years and above
- Wish to have a professionally managed portfolio of equities
- Wish to have good liquidity on their investments
- Wish to invest in shares but do not have the time and expertise to manage the investments on their own

### FROM THE FUND MANAGER'S DESK

#### WE MADE 11.2% IN 2002

Despite the difficult market conditions last year, TA Growth Fund recorded 11.2% gain. The fund outperformed the benchmark KLSE Composite Index (down 7.1%) by 18.3%.

Most of the world bourses were down. European markets were the worst performing ones – down by 30 - 40%. US Dow Jones Industrial Index was down 16.8%. In the case of Asia-Pacific markets, Korea was down slightly more than Malaysia but Taiwan, Japan, Hong Kong and Singapore were all lower by about 18%. There were only two markets in this region which bucked the trend – Indonesia +8.4% and Thailand +17.3%.

#### Valuation Is Cheaper

Following the growth in earnings last year, there are now more stocks trading at single digit price-earnings ratio. As such, we have more and better selection of stocks for investment. In view of the cheaper valuation, we believe the downside risk of equity investment is lower.

#### US Economy Crawling Out of 'Soft Patch'

We do recognise the concern of investors on the health of the US economy. Although it has avoided a double-dip recession last year, the weak business investment is still a major concern. But this could change over the next few months. According to Alan Greenspan, the US economy is now crawling out of the 'soft patch'. With interest rates now near its floor level, US is likely to use fiscal policies to provide another booster to kick-start the economy.

#### Geopolitical Risk Still Exist

Of more concern is the increasing geopolitical risk. After the terrorist threat and possible US-Iraq war, North Korea has become the next conflict target. We will treat these as a market risk which cannot be avoided.

#### Strategies

As we expect a January/ February rally, we have increased the equity investment to 77%. The fund will continue to focus on quality investment grade stocks.

### FUND DETAILS

NAV per unit @ Dec 31	RM0.4548
Fund Size @ Dec 31	RM 75.31 million
Fund Currency	Ringgit Malaysia
Fund Inception	July 1, 1996
Management Fee	1.5% p.a. of the NAV of the Fund
Trustee Fee	0.06% p.a. depending on the NAV
Trustee	BHLB Trustee Bhd
Investment Manager	TA Asset Management SB

### LARGEST HOLDINGS\* (as at Dec 31)

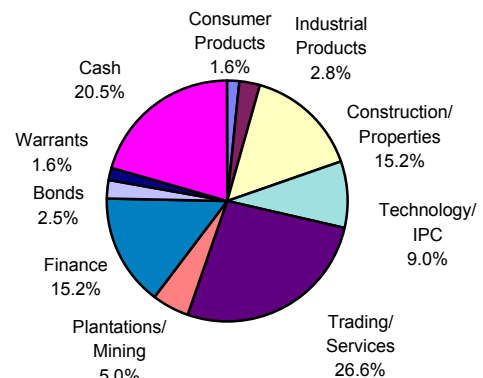
Maxis	4.3%
Puncak	4.1%
Ranhill	4.0%
Tanjong	3.9%
AMMB	3.7%

\*as percentage of NAV

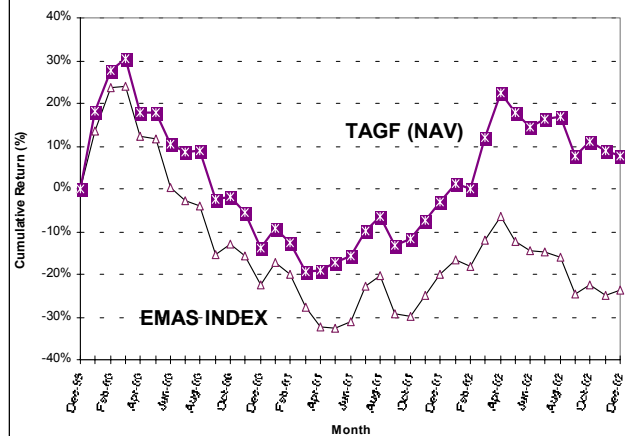
HEAD OFFICE : 23rd Floor, Menara TA One, 22, Jalan P Ramlee, 50250 Kuala Lumpur  
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BRANCHES : KOTA KINABALU : Tel : 088 - 247 023 Fax : 088 - 248 463  
MIRI BUSINESS CENTRE: Tel : 085 - 430 415 Fax : 085 - 436 044

### SECTOR ALLOCATION (As at Dec 31, 2003)



### PERFORMANCE CHART\* (Dec 1999 – Dec 2002)



### CALENDAR YEAR RETURNS\* (%)

Fund#	1m	3m	6m	1yr	2yrs	3yrs	2000	2001
Emas	+1.5	+1.2	-10.9	-4.8	-1.6	-23.8	-22.6	+3.4

\* Performance independently verified by BHLB Trustee Bhd.(313031-A)  
# NAV to NAV

#### Disclaimer

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# TA UNIT TRUST MANAGEMENT BERHAD (340588-T)

A MEMBER OF THE TA GROUP

## TA COMET FUND

THE FUND IS SUITABLE FOR ....

Investors who

- Are keen to buy low-priced securities offering good value but may not know which shares to select
- Wish to benefit from the External Investment Manager's timing in entering the market, having regard to their technical expertise and experience of the market
- Require liquidity but are willing to invest for the medium to long term

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JAN 2003

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### FROM THE FUND MANAGER'S DESK

#### WE MADE 23% IN 2002

Despite the difficult market conditions last year, TA Comet Fund recorded 23% gain. The fund outperformed the benchmark KLSE Composite Index (down 7.1%) by 30.1%.

Most of the world bourses were down. European markets were the worst performing ones - down by 30 - 40%. US Dow Jones Industrial Index was down 16.8%. In the case of Asia-Pacific markets, Korea was down slightly more than Malaysia but Taiwan, Japan, Hong Kong and Singapore were all lower by about 18%. There were only two markets in this region which bucked the trend - Indonesia +8.4% and Thailand +17.3%.

#### Valuation Is Cheaper

Following the growth in earnings last year, there are now more stocks trading at single digit price-earnings ratio. As such, we have more and better selection of stocks for investment. In view of the cheaper valuation, we believe the downside risk of equity investment is lower.

#### US Economy Crawling Out of 'Soft Patch'

We do recognize the concern of investors on the health of the US economy. Although it has avoided a double-dip recession last year, the weak business investment is still a major concern. But this could change over the next few months. According to Alan Greenspan, the US economy is now crawling out of the 'soft patch'. With interest rates now near its floor level, US is likely to use fiscal policies to provide another booster to kick-start the economy.

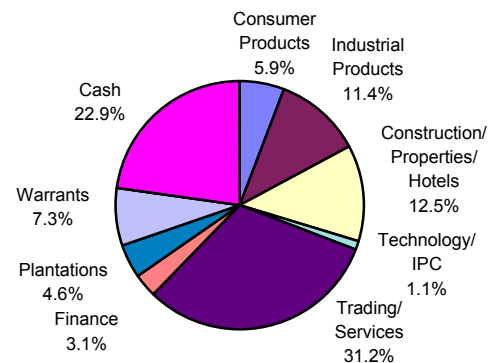
#### Geopolitical Risk Still Exist

Of more concern is the increasing geopolitical risk. After the terrorist threat and possible US-Iraq war, North Korea has become the next conflict target. We will treat these as a market risk which cannot be avoided.

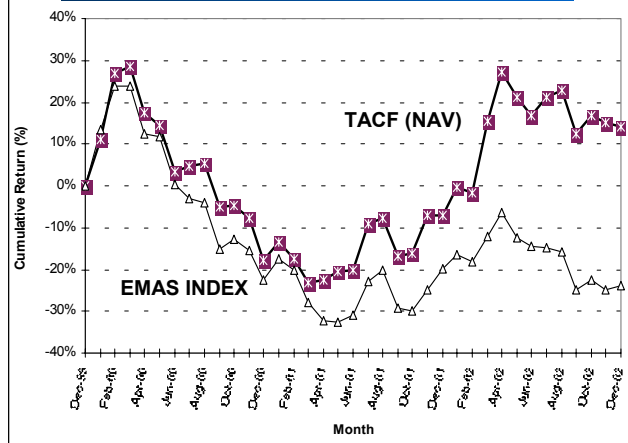
#### Strategies

We took advantage of the market weakness last two months to increase our exposure in undervalued penny stocks high in asset backing and low in gearing. When the market turns around over the next few months, these penny stocks will rake in substantial capital gains for the fund.

### SECTOR ALLOCATION (As at Dec 31, 2002)



### PERFORMANCE CHART\* (Dec 1999 - Dec 2002)



### CALENDAR YEAR RETURNS\* (%)

Fund#	1m	3m	6m	1yr	2yrs	3yrs	2000	2001
Emas	-0.8	+1.5	-2.3	+23.0	+39.1	+14.2	-17.9	+13.1
Emas	+1.5	+1.2	-10.9	-4.8	-1.6	-23.8	-22.6	+3.4

\* Performance independently verified by BHLB Trustee Bhd.(313031-A)  
# NAV to NAV

### FUND DETAILS

NAV per unit @ Dec 31	RM0.4326
Fund Size @ Dec 31	RM 53.74million
Fund Currency	Ringgit Malaysia
Fund Inception	October 1, 1999
Management Fee	1.5% p.a. of the GNAV of the Fund
Trustee Fee	0.1% p.a. of the GNAV of the Fund
Trustee	BHLB Trustee Bhd
Investment Manager	TA Asset Management SB

### LARGEST HOLDINGS\* (as at Dec 31)

Dbiotec	5.9%
Inti	3.7%
Tranmil	3.7%
MBMR	3.4%
VADS	2.9%

\*as percentage of NAV

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# TA UNIT TRUST MANAGEMENT BERHAD (340588-T)

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## TA ISLAMIC FUND

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JAN 2003

### THE FUND IS SUITABLE FOR ....

Investors who

- Want to invest in 'halal' stocks and other approved instruments that meet the requirements of the Syariah
- Wish to benefit from the External Investment Manager's timing in entering the market, having regard to their technical expertise and experience of the market
- Require liquidity but are willing to invest for the medium to long term

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### FROM THE FUND MANAGER'S DESK

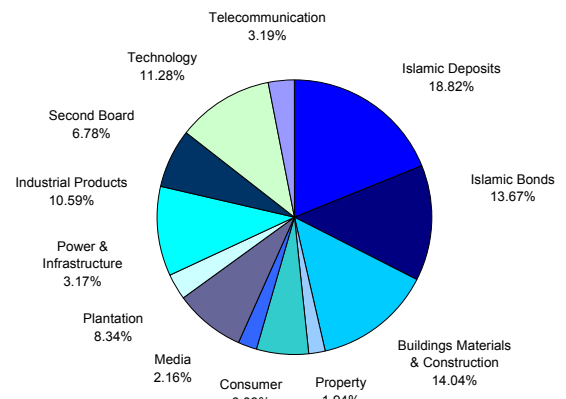
The local bourse was somehow de-coupled from the events in the global markets, mainly due to the well-supported blue chips which ran up in the traditional window dressing activities. The global markets seemed to be preoccupied with concerns of tension in the Middle East as well as higher crude oil and weaker US Dollar, which pushed almost all indices closed lower than the year before. The KLCI was down by 7.15% for the whole of 2002. On the flipside, our market was one of the better performing markets, considering that the US markets have been falling for the last three years, with both Dow Jones and Nasdaq losing 17% and 32% respectively for the year.

We believe that most of the negative news relating to a war-inflicted damage on the global economy would have been priced in. Growth momentum is still intact, with leading indicators continued to project its sustainability. These indicators include sustained consumer spending, recovering exports, improving commodity prices and lastly, continued pump priming.

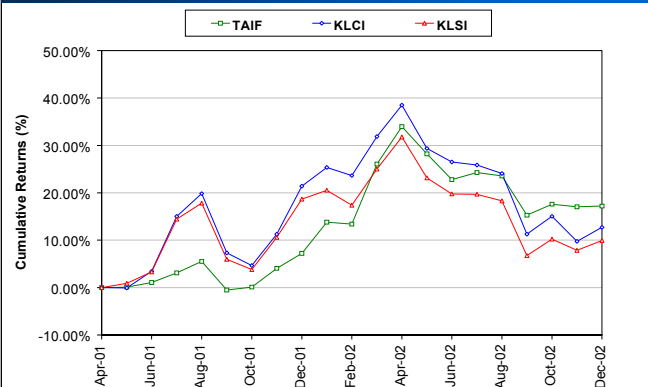
We still expect the US economy to grow in 2003, albeit at sub-par growth rather than a double dip. The impending tabling of President Bush's stimulus plan, to include income tax cuts and business incentives, is expected to boost growth and spur demand in the world's largest economy. Hence, the downside would be cushioned by the reflation package.

Looking beyond a possible war, we are of the view that once the dust settles, we would enjoy a relatively stronger outperformance compared to that of the US. With due consideration, we would position our Fund to be on the aggressive side as we believe the market has already discounted most of the overhanging negative factors. We look to increase our equity exposure to an overweight position once the market reaches its critical support level of 600 points and the prospects of economic recovery crystalises.

### SECTOR ALLOCATION (As at Dec 31, 2002)



### PERFORMANCE CHART\* (Apr 2001 - Dec 2002)



### FUND DETAILS

NAV per unit @ Dec 31	RM0.4563
Fund Size @ Dec 31	RM 28.24million
Fund Currency	Ringgit Malaysia
Fund Inception	April 24, 2001
Management Fee	1.5% p.a. of the GNAV of the Fund
Trustee Fee	0.08% p.a. of the GNAV
Syariah Adviser	IBFIM (formerly BIRT)
Trustee	Universal Trustee (M) Bhd
Investment Manager	TA Unit Trust Management Bhd

### LARGEST HOLDINGS\* (as at Dec 31)

Uchi Technologies	5.38%
IOI Corp	5.31%
OYL Industries	4.36%
Top Glove	3.95%
MBM Resources	3.80%

\* as percentage of NAV

### CALENDAR YEAR RETURNS\* (%)

Index	Index @ Dec 31, 2001	Index @ Dec 31, 2002	Return YTD
TAIF (NAV)	0.4174	0.4563	+9.32%
RHBII	118.60	104.98	-11.48%
KLCI	696.09	646.32	-7.15%

\* Performance independently verified by BHLB Trustee Bhd.(313031-A)  
# NAV to NAV

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## TA INCOME FUND

THE FUND IS SUITABLE FOR ....

Investors who

- Want to invest in fixed income securities but lack money market/ treasury experience
- Want to divest into fixed income securities at acceptable level of risk

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## FROM THE FUND MANAGER'S DESK

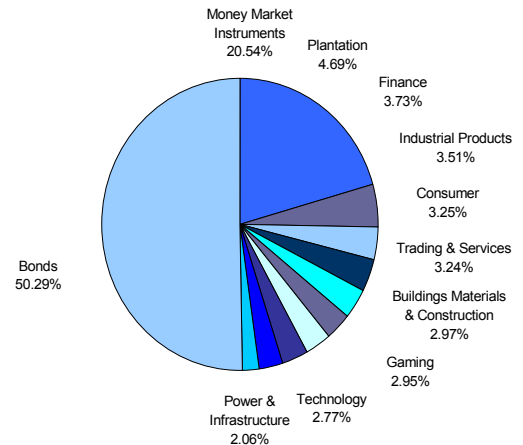
The local bourse was somehow de-coupled from the events in the global markets, mainly due to the well-supported blue chips which ran up in the traditional window dressing activities. But the KLCI was still down by 7.15% for the whole of 2002. On the flipside, our market was one of the better performing markets, considering that the US markets have been falling for the last three years, with both Dow Jones and Nasdaq losing 17% and 32% respectively for the year.

We believe that most of the negative news relating to a war-inflicted damage on the global economy would have been priced in. Growth momentum is still intact, with leading indicators continued to project its sustainability. These indicators include sustained consumer spending, recovering exports, improving commodity prices and lastly, continued pump priming.

Looking beyond a possible war, we are of the view that once the dust settles, we would enjoy a relatively stronger outperformance compared to that of the US. With due consideration, we would position our Fund to be on the aggressive side once the market reaches its critical support level of 600 points and the prospects of economic recovery crystallises.

On the bond market, the situation is unlikely to improve over the turn of the year as economic indicators in the US, especially in December, continue to waver, showing neither signs of strength nor weakness. As such, domestic bond yields are likely to see little upward threat in the near future. Furthermore, with the war against Iraq materialising, we see potential for a bull flattening of the yield curve at the longer end. We would maintain our current exposure level barring any external shocks - in the event of war or sudden deterioration in global economic conditions, in which we would delve into longer-dated papers.

## SECTOR ALLOCATION (As at Dec 31, 2002)



## PERFORMANCE CHART\*

Not Applicable as  
TA Income Fund is a new Fund

## FUND DETAILS

NAV per unit @ Dec 31	RM0.4712
Fund Size @ Dec 31	RM 19.10 million
Fund Currency	Ringgit Malaysia
Fund Inception	May 6, 2002
Management Fee	1.5% p.a. of the NAV of the Fund
Trustee Fee	0.08% p.a. depending on the NAV
Trustee	Universal Trustee Bhd
Investment Manager	TA Unit Trust Management Bhd

## LARGEST HOLDINGS\* (as at Dec 31)

Prai Power 8.10% 2010	9.20%
Measat 7.85% 2006	9.18%
Puncak 7.5% 2008	9.04%
IOI Corp	2.91%
Public Bank	2.38%

\*as percentage of NAV

## CALENDAR YEAR RETURNS\* (%)

Index	Index @ Dec 31, 2001	Index @ Dec 31, 2002	Return YTD
TIF (NAV)	0.4748 <sup>^</sup>	0.4712	-0.76%
1-Year FD Rate	4.00%	4.00%	+4.00%
KLCI	696.09	646.32	-7.15%

\* Performance independently verified by BHLB Trustee Bhd. (313031-A)

# NAV to NAV

<sup>^</sup> Since inception at May 6, 2002

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