

OSK-UOB CAPITAL GUARANTEED FUNDS – SERIES 2

JANUARY 2008

A closed-end unit trust Fund which aims to provide capital appreciation over the medium term* whilst guaranteeing investors' capital on Maturity Date. * "medium term" refers to a period of 3 years.

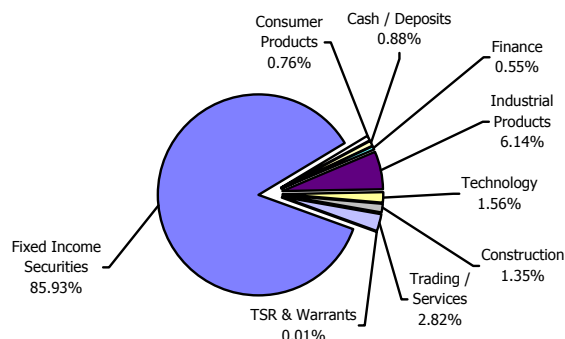
THE FUND IS SUITABLE FOR INVESTORS WHO

- seek capital preservation
- seek participation in the potential upside of the equity market
- wish to diversify their portfolio from other asset classes like fixed deposits or bonds to enhance overall performance
- have a very low risk tolerance

MANAGER'S COMMENTS

- Year end window dressing activities and firmer plantation stocks' prices saw the KLCI jumped 3.4% MoM to close the year 2007 at 1,445 points, +31.8% YoY. The broader market did better, with the all-share index, FBM Emas gaining +4.3% MoM to 9,811 points and FBM 2nd Board Index +4.9% MoM. Regionally, the MSCI Asia ex Japan Index did not fair as well with the index at 621.56 points, -0.4% MoM and +37.1% YoY.
- On the corporate front, MMC-Gamuda JV was finally awarded the much-awaited RM12.5bn double tracking railway project from Ipoh to Padang Besar. Both companies share prices rose some 5-7%. M&A continued in December with Plus Expressway acquiring the Butterworth-Kulim Expressway from MMC Corp, Khazanah's Bank Lippo proposing to merge with CIMB Group's Bank Niaga and Genting's proposed acquisition of a 9.4% stake in the Rank Group Plc of UK.
- Ringgit government bonds, especially the longer tenured benchmarks were under selling pressures amid heightened inflation concerns and poor demand for the 3-year MGS reopening. The November CPI accelerated to a 9-month high of 2.3% YoY. Market sentiment was further hindered by the weak auction of the 3-year benchmark, which registered a bid-to-cover ratio of merely 1.65 times. However, market sentiment improved slightly following better demand from investors for auction of the RM3.5 billion 10-year MGS reopening. At close, the MGS yield curve bear steepened with the 3/10s spread widened by 15 bps to 51 bps from previous 35 bps. The 3, 5, 10 and 20 years MGS last traded at 3.64%, 3.78%, 4.14% and 4.51% respectively.
- CG2's NAV increased by 0.8%, above its benchmark, 12-month fixed deposit's return of 0.3%. The fund's positive performance was mainly driven by Sime, KNM and Rexit, but partially offset by poor share performance of Sinotel and Delong.
- For the whole of 2007, CG 1 rose by 7.6% vs. its benchmark increase of 3.7%.

SECTOR ALLOCATION (as at 31 December 2007)



* as percentage of NAV

FUND DETAILS

Unit NAV (31 December 2007)	RM1.1385
Fund Size (31 December 2007)	RM280.91 million
Units in Circulation	246.73 million
Capital Guaranteed Value Per Unit	RM1.00 (If held to maturity)
Fund Currency	Ringgit Malaysia
Commencement Date	2 August 2005
Maturity Date	2 August 2008
Domicile	Malaysia
Management Fee	0.75% of NAV per annum*
Trustee Fee	0.07% of NAV per annum - Minimum RM18,000*
Dealing	Monday – Friday
Repurchase Amount	Multiple of 10,000 units
Redemption Fee	< 1 year 1.50%
	≥ 1 year < 2 years 1.20%
	≥ 2 years < 3 years 0.90%
Maturity Date	Nil
Switching Fee	Not Applicable
MER (as at 31 December 2007)	0.81%
Redemption payment period	10 days
Investment Manager	OSK-UOB Unit Trust Management Berhad
Guarantor	United Overseas Bank (Malaysia) Bhd

* For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and trustee fee for the relevant day.

CALENDAR YEAR RETURN % (in RM terms) *

	1 m	3 m	6 m	9 m	2006	Since Launch
Fund	0.75	0.81	1.73	4.55	6.06	14.57
12 month Fixed Deposit	0.30	0.91	1.83	2.76	3.81	9.29

* NAV to NAV: Performance independently verified by Mercer Zainal Consulting Sdn Bhd (Co. No.: 35090-H)

Source: OSK-UOB Unit Trust Management Berhad

5 LARGEST HOLDINGS* (as at 31 December 2007)

UOB (M) Bhd – Zero Coupon NIDS	19.19%
SCB (M) Bhd – Zero Coupon NIDS	19.14%
CIMB Bhd – Zero Coupon NIDS	15.98%
OCBC Bank (M) Bhd – Zero Coupon NIDS	15.89%
AmMerchant Bank Bhd – Zero Coupon NIDS	9.70%

* as percentage of NAV

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus dated 8 June 2005.

The Guarantee mentioned herein only applies to Unit Holders who hold their investments until Maturity Date. Any redemption before the Maturity Date would be based on the NAV of the fund on that day and would be charged an exit fee and that the Guarantee does not apply in this case. There may be dilution of performance due to the guarantee structure being in place, compared to a non-guaranteed conventional fund. The Guarantee is subject to the credit risk of the Guarantor and it does not give any assurance to the future solvency of the Guarantor. The Guarantee may be terminated under certain circumstances as described in the prospectus. For further details of the Guarantee, investors are advised to read the prospectus and guarantee documents.

This factsheet is prepared for information purposes only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide to future performance. Returns may vary from year to year.

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