

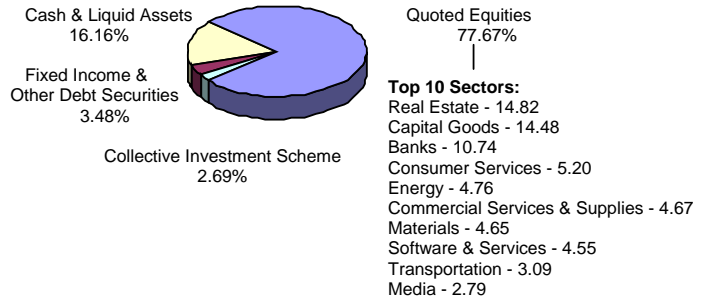
Aims to achieve maximum capital growth over a medium to long-term period by investing mainly in small to medium-sized companies that have excellent prospects for growth.

This Fund is suitable for investors who are seeking high capital growth of small and medium-sized companies with excellent growth potential over medium to long term.

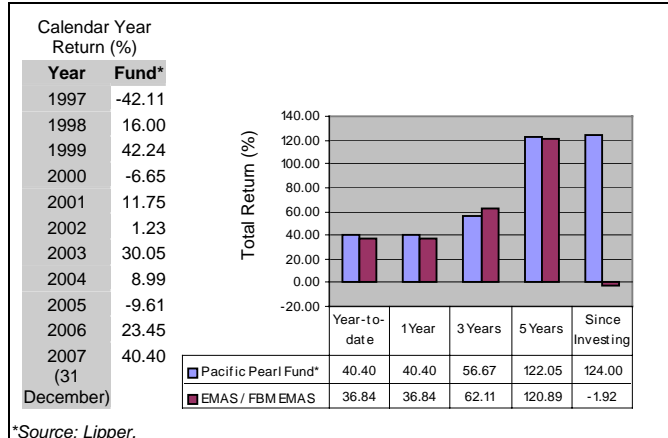
MANAGER'S COMMENTS

- Pacific Pearl Fund continued to trim its equity exposure to 77.67% from 82.20% in the previous month due to realisation of gains in a rising market.
- Sales were mainly of financial services and property stocks. The Fund exited its position in a banking stock which had run up on M&A speculation and switched to another large banking stock that had been severely sold down.
- The Fund also initiated a core position in an IPO that was listed during the month, which specialises in providing consumption credit.
- The Fund is likely to further trim its equity exposure on further market strength and will buy only on market dips.

Asset Allocation As At 31 December 2007

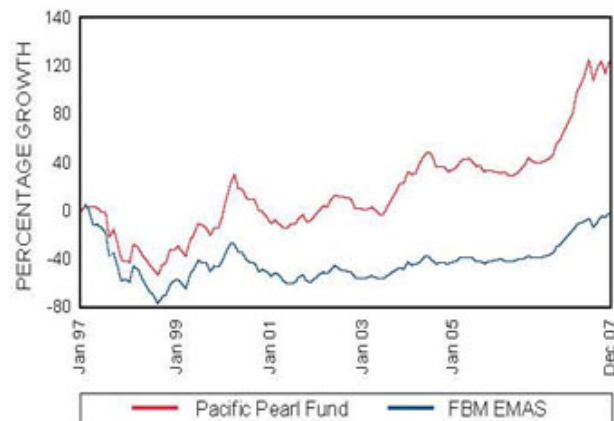


Fund Performance As At 31 December 2007



Fund Performance Vs Benchmark

(since 28 January 1997 – 31 December 2007)*



Jan 97 to Dec 07, performance data represents the combined income & capital return as a result of holding units in the fund for the specified length of time, based on bid to bid prices. Earnings are assumed to be reinvested.

*Source: Lipper.

Fund Size (31 December 2007) : RM152 million (172 million units)
 NAV Per Unit (31 December 2007) : RM0.8865
 Fund Currency : Ringgit Malaysia
 Fund Inception : 6 January 1997
 Domicile : Malaysia
 Management Fee : 1.50% p.a. of NAV
 Trustee Fee : 0.055% p.a. of Gross NAV
 Dealing : Daily
 Application Fee : 5.50% of NAV per unit
 Redemption Payment Period : 10 days*
 Investment Manager : Pacific Mutual Fund Bhd

* You will be paid within 10 days from the date Pacific Mutual receives the repurchase request.

Top 5 Holdings As At 31 December 2007 (% of NAV)

Mudajaya Group Bhd	5.51
Petra Energy Bhd	4.76
Jobstreet Corporation Bhd	4.67
Quill Capita Trust	3.98
Dreamgate Corporation Bhd	3.95

This leaflet provides general information and does not have regard to any specific investment objective, financial situation, or particular personal need. The performance of the Fund is calculated on a bid-to-bid basis including any capital gains and reinvested income distribution. Master Prospectus dated 15 November 2007 is obtainable at our offices. It has been registered with the Securities Commission, who however takes no responsibility for their contents. Units will only be issued when we receive the official application form referred to in and accompanying the Master Prospectus. Investors should study the Prospectus, and consider the fees and charges before investing. It should also note that distributions and investment value do go up or down and past performance may not be repeated. The Fund carries a special risk of liquidity risk. Description of the special risk can be obtained from Master Prospectus dated 15 November 2007.