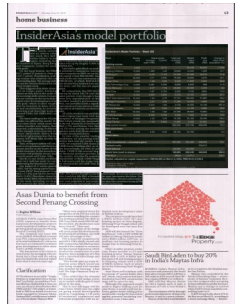


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InsiderAsia's model portfolio

Trading sentiment for world stocks settled into an uneasy calm last week. Key bellwether indices in the region, including that for markets in Japan, Hong Kong and Singapore, ended the week with gains.

On the local bourse, the FBM KLCI added 23 points to close at 1,317.7 points. Nonetheless, trading volume was relatively thin on most trading days. The average daily on-market volume declined for the third straight week.

This suggests that while investors no longer panic, dumping shares as they had at the onset of the sovereign debt crisis in Europe, few are certain on the outlook going forward. It is interesting to note that gold, which is often sought after by investors in times of crisis and uncertainties, is currently hovering at all-time high levels of around US\$1,250 (RM4,063) an ounce.

The latest reading on the US jobs market too offered the market little to cheer about. Initial claims for jobless benefits were higher than expected, undermining confidence in the strength of its economic recovery. Meanwhile, fallout from the fiscal tightening across the eurozone will likely take months to filter through.

Thus, we expect markets will continue to see gyrations until there is a clearer picture on the health of the global economy. In the meantime, investors will probably remain bias towards assets with lower risks.

Stocks in our model portfolio fared very well last week, far outperforming the benchmark index.

Our basket of 17 stocks gained 7.03%, led by strong performances from HELP International Corp Bhd (+17.8%) and My EG Services Bhd (+13.6%). Elsewhere, shares for Green Packet Bhd rebounded 8.6% for the week. Including our large cash reserves (for which no interest is imputed), the total portfolio value was up by roughly 5.36% to RM608,045.

Last week's gains lifted our model portfolio's cumulative returns since inception to 280% on our initial capital of just RM160,000. Our total profits are very substantial at RM448,045, of which RM239,812 has already been realised from earlier sales, and the rest are paper gains.

By comparison, the FBM KLCI was up by about 103.7% over the same period, even though it has been less representative of the broader market's performance. Plus, our portfolio holds a significant amount of non-interest yielding cash at all times for prudence's

sake.

All of the stocks in our portfolio ended higher last week with the exception of Selangor Properties Bhd which closed just marginally in the red. Shares for 3A Resources Bhd (+7%) and Notion Vtec Bhd (+6.1%) were among the notable gainers, aside from those counters already mentioned above.

In view of the steadier trading conditions, we are putting some money back into the market. Last week, we acquired 5,000 shares in CIMB Group Holdings Bhd, an index heavyweight, for RM6.95 per share. CIMB is the second-largest financial services provider in the country. It is also the majority shareholder of Bank CIMB Niaga in Indonesia and the single largest shareholder of CIMB Thai in Thailand.

Note: This report is brought to you by Asia Analytica Sdn Bhd, a licensed investment adviser. Please exercise your own judgment or seek professional advice for your specific investment needs. We are not responsible for your investment decisions. Our shareholders, directors and employees may have positions in any of the stocks mentioned.



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InsiderAsia's Model Portfolio – Week 382

Stock	Shares held	Average cost [^] (RM)	Share prices Current	Total cost of shares (RM)	Market value (RM)	Profit/loss (RM)	Change in value since acquisition (%)
Existing stocks:							
DiGi*	2,000	-	23.12	-	46,240	46,240	>1,000
Tanjung Offshore	10,000	1.065	1.20	10,646	12,000	1,355	12.7
Tanjong plc	3,000	10.34	17.76	31,005	53,280	22,275	71.8
Masteel	20,000	0.71	0.940	14,230	18,800	4,570	32.1
Notion VTec	4,000	1.63	2.95	6,533	11,800	5,267	80.6
Dufu Technology Corp	13,000	0.481	0.535	6,256	6,955	699	11.2
Bursa Malaysia	4,000	6.47	7.08	25,894	28,320	2,426	9.4
Ireka Corp	6,000	0.87	0.705	5,220	4,230	(990)	-19.0
Pantech	15,000	0.650	0.830	9,753	12,450	2,697	27.7
HELP International Corp	50,000	1.54	2.78	77,151	139,000	61,850	80.2
Selangor Properties	5,000	2.27	3.26	11,350	16,300	4,950	43.6
3A Resources	10,000	0.315	1.83	3,150	18,300	15,150	481.0
Genting Malaysia	5,000	1.86	2.83	9,300	14,150	4,850	52.2
CSC Steel	20,000	1.05	1.84	21,000	36,800	15,800	75.2
MY EG Services	10,000	0.435	0.750	4,355	7,500	3,146	72.2
Faber Group	12,000	1.23	2.93	14,760	35,160	20,400	138.2
Green Packet	10,000	1.19	0.945	11,900	9,450	(2,450)	-20.6
Total carried forward				262,502	470,735	208,233	79.3
New purchases:							
CIMB	5,000	6.95	6.95	34,750	34,750	-	0.0
Share sales:							
Nil							
Stock investments + unrealised gains				297,252	505,485	208,233	70.1
Realised profits						239,812	
Cash balance				102,560	102,560		
Grand total (cash & shares)				160,000	608,045	448,045	280.0
FBM KLCI				646.8	1,317.7		103.7

Prices as of Friday, June 18, 2010

[^] Adjusted for dividends

* Our effective cost for DiGi is zero after dividends received. All future dividends to be recognised as profits

Capital, adjusted for capital repayment = RM160,000 on March 3, 2003, FBM KLCI at 646.8