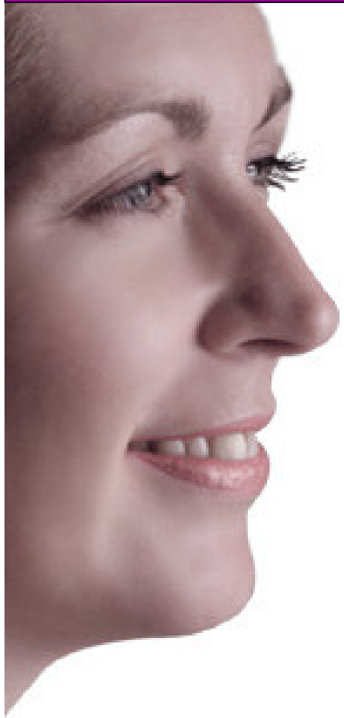


Contents

1. Introduction

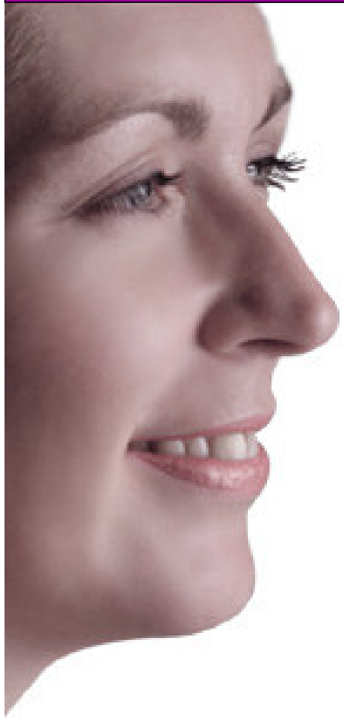
I would like to start by wishing all our clients a happy, healthy and prosperous 2007.

It has been a good year for the stock markets (except in the Middle East). We are experiencing a period of strong global economic growth and despite the downturn in the US housing market, the US economy has done well. The US stock market has lagged the main markets and world index, hit by the weakness of the dollar. The Asian markets, Eastern Europe and Latin America have put in very strong performances. Japan has been very disappointing.

The world economy is expected to follow the lead of the US and slow this year, but it will be modest. Global economic growth is fore-cast at 3.2% in 2007, down from 3.8% in 2006. The main threats are that the US slowdown may be more severe than expected and the usual risk of global shocks - war, major terrorist attacks, oil price spike etc. However the combination of modest inflation, strong profitability, easy monetary policy, buoyant financial markets and dynamism in the biggest emerging economies in the world will keep the world economy growing robustly if US demand slows. We could start to see the beginning of a long overdue rebalancing in the world economy with China in particular emerging as a more dominant force. It should be another good year for the world economy, although returns may be lower this year, the USD is expected to continue to weaken and gold should rise in price.

However, the best approach is to have a diversified portfolio and to ensure that the asset allocation of your investments is actively managed. We have nearly doubled the number of consultants over the past year and will be pleased to advise you on managing your wealth and all your financial needs. I hope that 2007 is a good year for you and as usual, I welcome your feedback.

Clive A Ward
Director
clive.ward@affinity-consulting.com



2. Affinity Consulting Group News

Affinity is committed to the ongoing service and support of our clients, something we are often told is rare in the offshore arena. We have invested heavily over recent years in high quality research and support. We like to ensure that our clients have insurance in place to protect their loved ones and that their medium and long term savings and investments are well planned. We have innovative global investment products available for clients with low, medium & high risk outlook.

We are expanding steadily. I am pleased to announce that Affinity Solutions in Dubai has taken on 3 more consultants. As I explained before, Affinity Solution became a division of the Continental Financial Services Group in Dubai in 2006. We chose to work with Continental as they are the largest firm of independent financial advisers in UAE with approximately 80 staff including 50 consultants and they are also one of the most professional financial companies in the UAE.

Affinity Solutions has the following consultants:

- Bernadette Hancock
- Mike Broadwood
- Nat Patel
- Theo Hansen (IFA from S. Africa)
- Richard Thomas (mortgage & commercial loan manager)
- David Davies (tax & trusts)
- Stuart Fernandes (mortgage administration)

Affinity Solutions has also started a mortgage broking business and can arrange mortgages for your property purchase in Dubai and in most places abroad that expats would want to purchase property. We also arrange asset backed commercial loans.

The Singapore office of Affinity Financial Consulting Pte Ltd has the following consultants:

- Lee Sanders (manager)
- Mark Bradshaw
- Fraser Morrison
- Mark Sekree
- Salmah Harharah

New joiners awaiting a Singapore financial representative licence:

- Siew Sim Chee
- Evie Pagliarulo

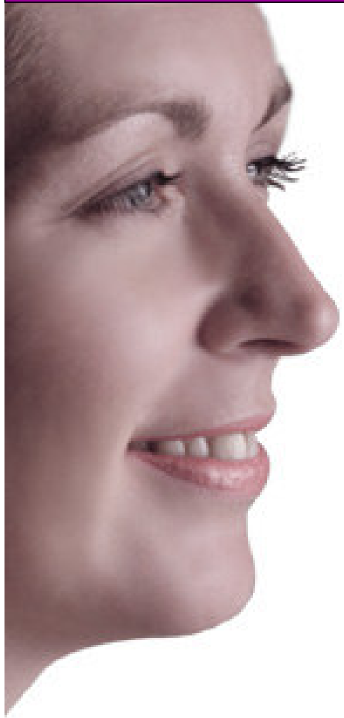
I live in Dubai but travel to Singapore frequently.

We are a **"one stop shop"** for all your financial requirements. Our range of services is not limited to investments and includes:

⇒ Life insurance
⇒ Critical Illness insurance
⇒ Medical insurance
⇒ Mortgages
⇒ Currency exchange transfers
⇒ Trusts
⇒ Estate and inheritance tax planning
⇒ School fees planning
⇒ Retirement planning
⇒ Tax planning
⇒ Group insurance for health, death in service, personal accident.
⇒ Company pension schemes and gratuity funding
⇒ In Dubai: house, contents and car insurance

If you would like a review of your investments or help and advice on any of the above topics, then please contact me or your usual consultant.

January 2007 | Another Good Year



3. Market Indices Table at end of December 2006

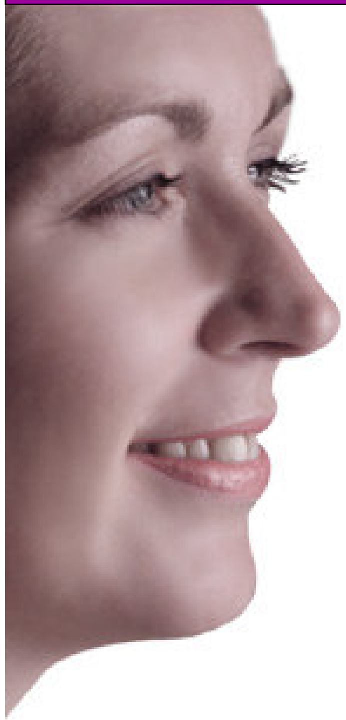
Name	Currency	Price	1 month	1 year	2 years	3 years
MAJOR INDICES		%	%	%	%	%
MSCI World CR	US Dollar	1483.58	1.95	17.95	26.87	43.16
MSCI World TR	US Dollar	4466.30	2.06	20.65	32.75	52.98
Dow Jones Industrial Average CR	US Dollar	12463.20	1.97	16.29	15.58	19.22
Dow Jones Industrial Average TR	US Dollar	20164.25	2.11	19.05	21.1	27.53
S&P 500 CR	US Dollar	1418.30	1.26	13.62	17.03	27.55
S&P 500 TR	US Dollar	2186.13	1.4	15.8	21.48	34.7
NASDAQ Composite CR (there is no TR index)	US Dollar	2415.29	-0.68	9.52	11.03	20.56
MSCI Europe CR	US Dollar	1911.79	3.18	30.22	38.74	63.51
MSCI Europe TR	US Dollar	7247.58	3.21	34.36	47.7	79.29
FTSE 100 CR	UK Pence	6220.81	2.84	10.72	29.22	38.95
FTSE100 TR (started later than CR index)	UK Pence	3493.12	2.9	14.43	38.21	53.75
MSCI Emerging Markets CR	US Dollar	912.66	4.41	29.18	68.33	106.12
MSCI Emerging Markets TR	US Dollar	1476.63	4.51	32.59	78.38	124.68
MSCI Asia excluding Japan CR	US Dollar	453.42	4.16	30.14	55.24	77.59
MSCI Asia excluding Japan TR	US Dollar	730.56	4.27	33.74	64.72	93.92
Nikkei 300 (Japan) CR	Japanese Yen	353.49	0	2.1	46.44	61.11
Nikkei 300 (Japan) TR	Japanese Yen	336.39	5.35	6.61	51.48	65.27
CSFB/Tremont Hedge Fund	US Dollar	378.47	0	11.81	20.32	31.92
CSFB/Tremont Hedge Multi Strategy	US Dollar	322.25	0	12.54	21.03	30.14
CSFB/Tremont Investable Hedge Funds	US Dollar	123.35	0.88	8.8	12.72	18.71
CSFB/Tremont Investable Multi Strategy Hedge F	US Dollar	127.34	1.15	12.45	19.4	26.79
Gold Troy Ounce	US Dollar	636.73	-1.81	23.03	45.71	52.42
Goldman Sachs Commodity TR	US Dollar	5627.64	-7.12	-15.09	6.6	25.02

CR = Capital return, - this is the index ignoring dividends and is the one quoted on TV and in the papers
TR - Total return - this is the index with dividends reinvested and should be used to compare with mutual fund returns
Note that many funds in the CSFB hedge fund index are closed to new investment, so they run an investable index of those that are still open.

Comment:
Emerging markets, Europe and gold have performed much better than the USA & UK. Commodities have fallen away in the last few months. Hedge funds have picked up after 3 very slow years.

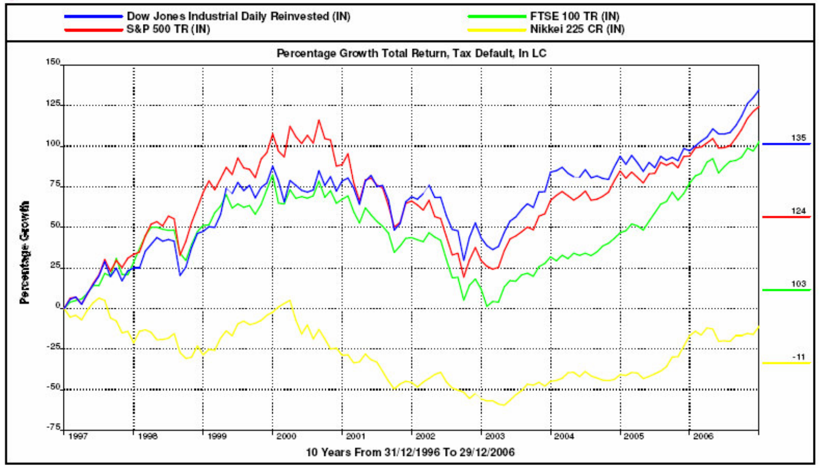
Source of all fund data and charts: Lipper Hindsight (unless otherwise stated)

January 2007	Another Good Year

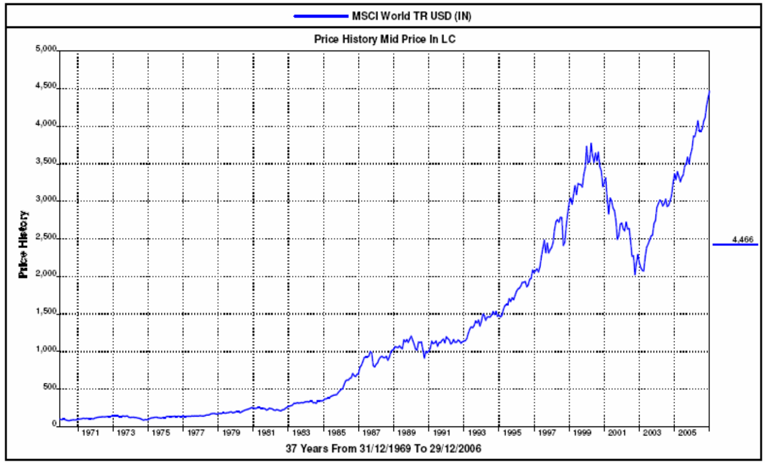


4. Graphs of Market Indices to end December 2006

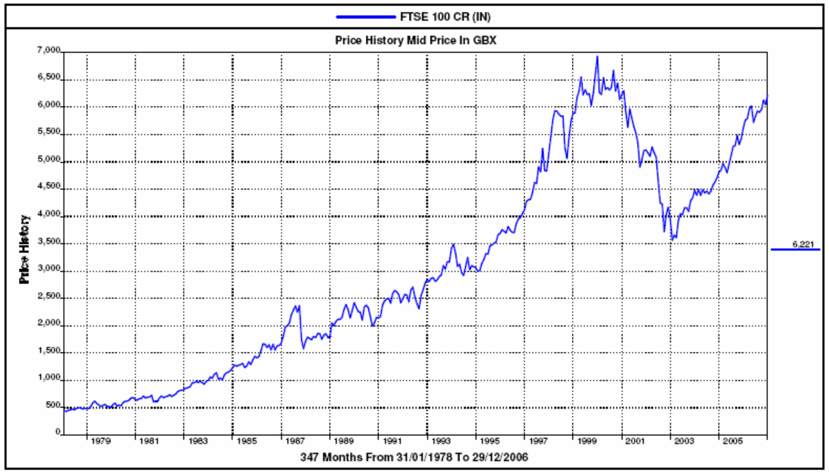
Major Indices - Last 10 yrs in local currency (with dividends reinvested)



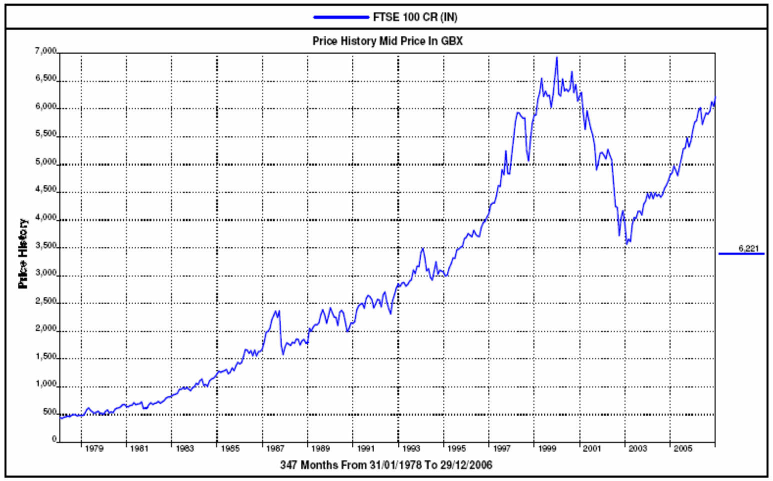
MSCI World Index since 1969



FTSE 100 since 1978



S&P 500 Index since 1959



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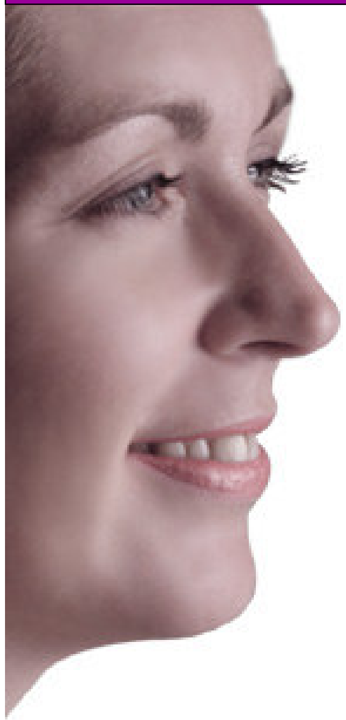
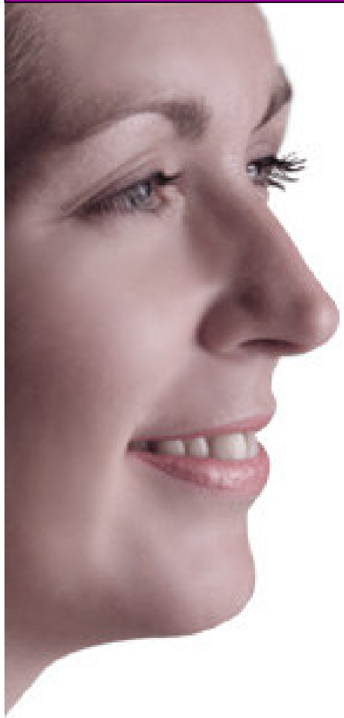


5. Fund Performance Table at end of December 2006

Name	Currency	Price	1 month	1 year	2 years	3 years
FRIENDS PROVIDENT FUNDS			%	%	%	%
Lanson Optima	US Dollar	0.83	3.88	17.07	20.82	25.57
Lanson International Growth	US Dollar	1.41	3.38	15.60	21.17	26.28
FPIL Collins Stewart Aggressive Managed USD	US Dollar	1.82	2.95	13.01	28.25	48.24
FPIL Collins Stewart Growth Managed USD	US Dollar	1.32	2.26	10.50	16.27	29.68
FPIL Ground Rent Income	UK Pound	2.25	1.03	6.63	18.08	26.22
FPIL Student Accommodation	UK Pound	1.50	1.08	8.00	15.13	23.17
FPIL Momentum All-Weather Liquidity	US Dollar	1.28	1.11	8.40	14.12	18.68
FPIL Templeton Brazil, Russia, India, China	US Dollar	1.58	6.97	38.44		
FPIL Investec GS Global Strategic Value	US Dollar	2.31	4.10	23.98	43.18	79.43

Fund Performance Table at end of November 2006

Name	Currency	Price	1 month	1 year	2 years	3 years
OTHER FUNDS						
Protected Asset TEP GBP	UK Pound	1.6144	0.67	8.55	16.9	27.7%
Protected Asset TEP USD	US Dollar	1.2353	0.63	8.04	15.8	launch Dec 03
Protected Asset TEP EUR	Euro	1.2391	0.64	8.15	16.0	launch Dec 03
Protected Asset TEP No.2 GBP	UK Pound	1.3126	0.67	8.44	17.1	launch Dec 03
Protected Asset TEP No.2 USD	US Dollar	1.1998	0.54	7.37	15.5	launch May 04
Protected Asset TEP No.2 EUR	Euro	1.2005	0.59	7.42	15.7	launch May 04
Premier Optima 3 / Optima 4	UK Pound	1.249 / 0.978	0.56 / 1.45	9.2 / N.A	launched Apr 05 / April 06	
Premier Optima 3 / Optima 4	US Dollar	1.264 / 0.983	0.72 / 1.65	11.7 / N.A.	launched Apr 05 / April 06	
Premier Optima 3 / Optima 4	Euro	1.118 / 0.986	0.27 / 1.34	3.9 / N.A.	launched Apr 05 / April 06	
Hedge Funds						
Barclays Infiniti Capital Note 138	US Dollar	1030.9	1.08	2.91	launch Dec 04	
Infiniti Security Fund	US Dollar	933.01	0.68	4.75	8.09	8.77
Infiniti Growth Fund	US Dollar	956.56	1.39	8.20	12.24	14.36
Infiniti Momentum Fund	US Dollar	979.78	2.25	7.27	10.12	18.26
Quadriga GCT USD	US Dollar	2314.43	-0.88	0.01	0.0	14.3



6. Performance Commentary

6.1 Lanson Financial (Friends Provident Funds)

During 2006 the Optima Fund returned 17.1% and the International Growth Fund returned 15.6% in US dollar terms.

The holdings that contributed most to this performance were HSBC Chinese Equity & JF India. These two funds have grown strongly throughout the year and the managers have regularly top sliced the holdings to maintain balanced portfolios, reduce risk and to bank profits. The outlook for these regions remains positive due to continuing growth in domestic consumption, exports & foreign direct investment but a weakening US dollar may produces some headwinds.

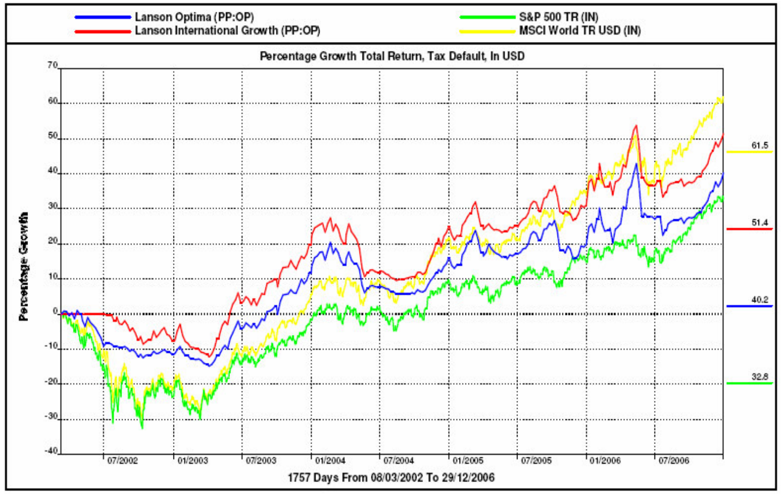
Schroder UK Mid 250 has also been a major contributor to fund performance. This fund primarily covers companies listed in the UK FTSE 250 index which returned approximately double the FTSE 100 return in 2006. The fund is also based in Sterling which appreciated by 14.9% versus the US Dollar in 2006.

Equity markets in Asia ex Japan continue to show good growth and the funds have exposure to this region through JF ASEAN.

In October 2006 the managers added Thames River Property Growth & Income to the portfolio. This fund invests in property shares and direct property investments through out Continental Europe and the UK. This holding has grown 8.5% in sterling terms 11.5% in US dollar terms since the investment date.

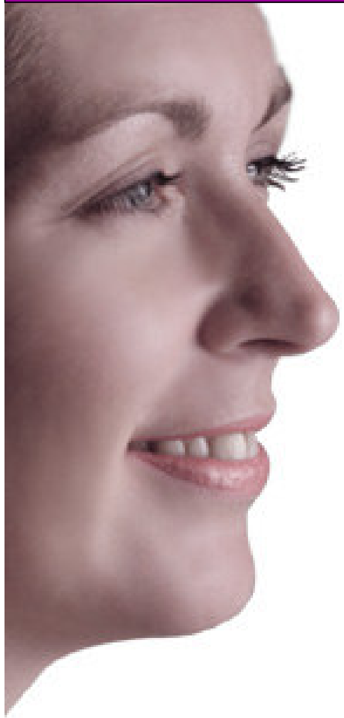
The managers believe that equity market growth will continue, but more moderately, in 2007. Regular fund reviews will help to identify the fastest growing regions and the best funds within these regions.

Lanson Optima & International Growth v Indices in USD since the launch of LIG on 8 Mar 2002



Lanson Fund Holdings on 29th December 2006

	% Market Value Optima	LIG
Investments		
HSBC Chinese	17.05	14.51
Thames River Property	12.14	10.30
JF India	11.63	8.96
Schroder UK Mid 250	8.62	6.29
JF Asean	6.46	6.54
AHL Diversified Futures	4.82	2.96
Merrill Lynch Gold & General	1.16	5.18
Equities	0.06	0.28
Cash & Deposits		
Cash	38.05	44.98

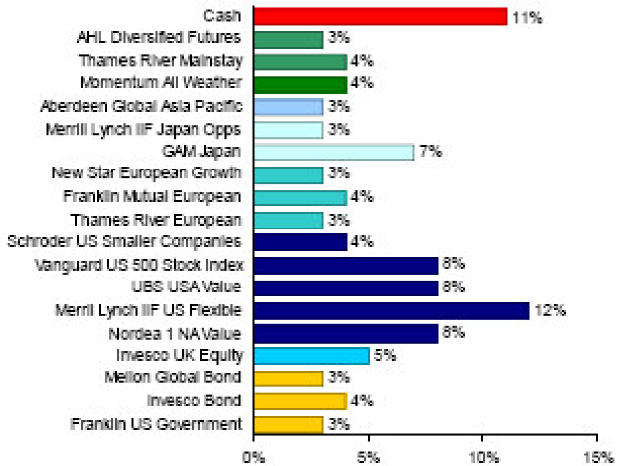


6.2 Collins Stewart (Friends Provident Funds)

Both the Aggressive fund and the Growth fund were badly affected by being over invested in emerging markets when they came down in May & June. This was the first slip-up on behalf of the fund mangers in over 5 years and meant that the Lanson Optima Fund outperformed Collins Stewart funds in 2006. However, the Aggressive fund still remains a strong performing fund.

The CS Growth USD Fund gained 5.2% in 2005 and 10.5% in 2006. It has grown 10.5% over the past 12 months and so it has lagged the American market (S&P 500 up 13.6% in 2006) and the world index. The fund always maintains an allocation to fixed interest assets (currently 21%) such as cash and bonds. It tends to maintain a strong allocation to the US market (currently 40%) which is causing it to lag the world index. The sterling version of the fund also maintains an allocation to fixed interest but this is only 18% with another 9% in low risk funds at present. Also, the sterling fund has lower allocations to the US (22%) and more in UK equities (34%).

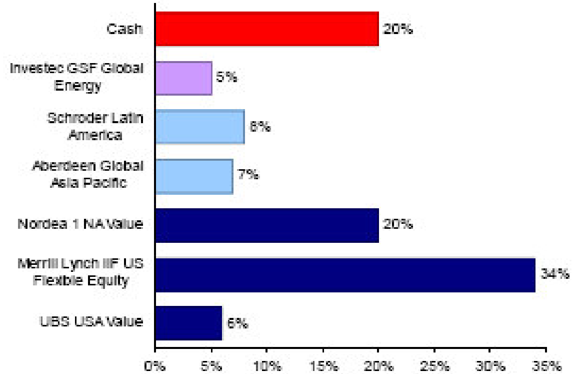
Collins Stewart Growth USD Fund Current Allocation



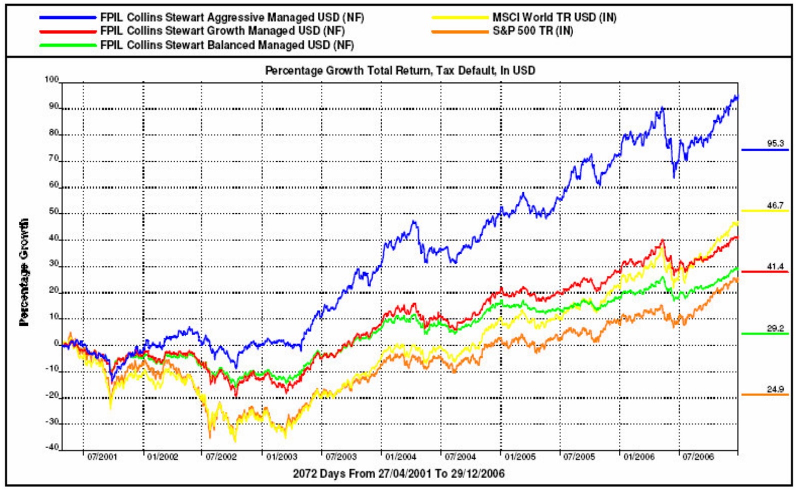
The CS Aggressive USD Fund gained 13.5% last year and 13% in 2006 which means it tracked the American market. The strategy of this fund is much more aggressive in that it does not favour any fixed allocations. It makes only a small number of allocations and targets them on regions showing fast growth. The USD fund gives a little more emphasis to the USA, whereas the sterling fund substitutes the UK, otherwise their allocations are very similar.

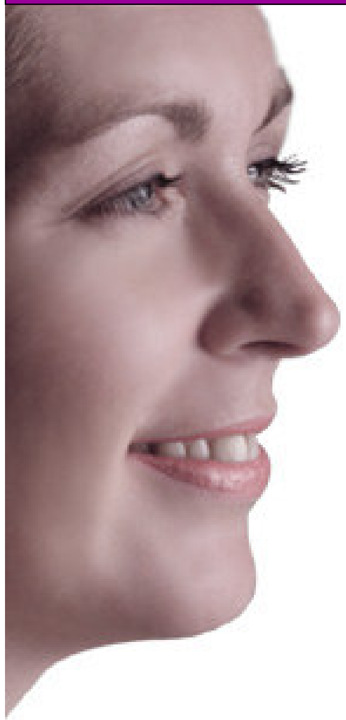
Sterling based investors may do better to switch to the CS sterling denominated funds due to the weakening US dollar, as each fund is optimised for its base currency and selects funds accordingly.

Collins Stewart Aggressive USD Fund Current Allocation

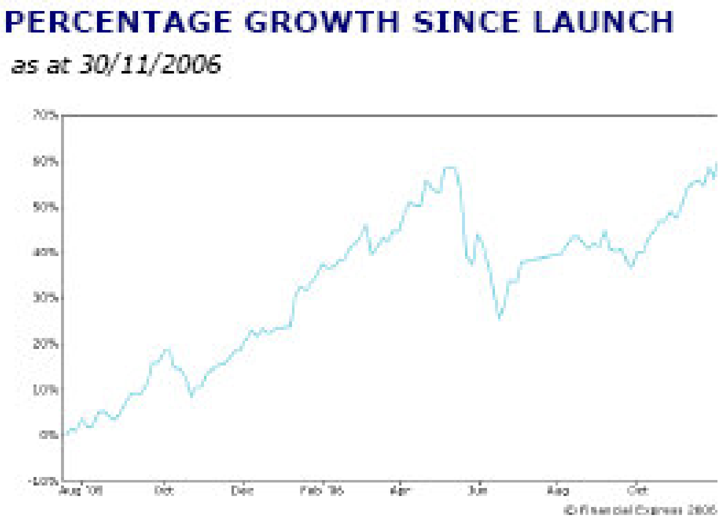


FPIL Collins Stewart USD Funds v Indices in USD since launch





6.3 Templeton BRIC Fund (Friends Provident Fund)



Percentage growth since launch in July 05 to 30 Nov 06

The regions of Brazil, Russia, India & China have continued to perform strongly and look set to continue for another year. This fund makes dynamic allocations between all 4 regions with no fixed allocation to each. It is very volatile but good for monthly savers. It has grown 38.6% in 2006 and 70.7% since launch in July 05.

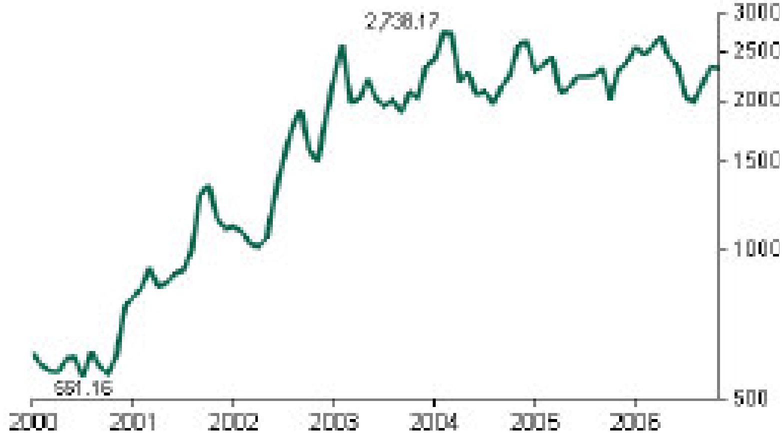
6.4 Brandeaux Property (Friends Provident Funds)

The Brandeaux Group manage 2 funds that continue to show consistent low risk returns , the first is Ground Rent Income which buys up the freeholds of properties, often from the aristocracy, and collects the ground rents and manages them efficiently. This grew 7.0% in 2006. The second is Student Accommodation which buys university halls of residence and runs them efficiently for the students and provides additional services (laundry, bar, café etc). The student fund grew 8.6% in 2006. In previous years the ground rent has outperformed the student fund.

6.5 Infiniti Capital Hedge Funds

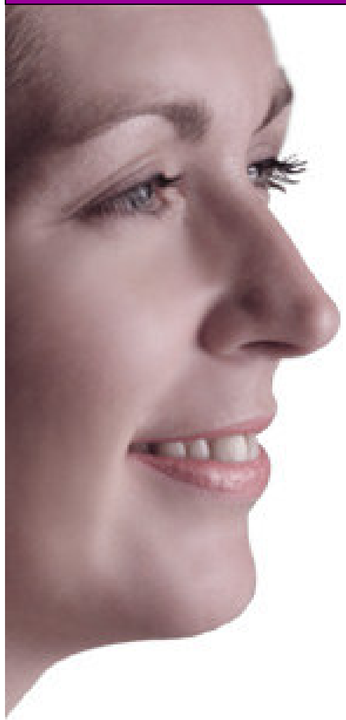
The hedge fund market has had a very slow 3 years but has picked up this year. Over the 12 months to end November, the Infiniti Security fund (low risk) has grown 5.9%. The Infiniti Growth (medium risk) has grown 8.2% and the Momentum (higher risk) 7.3%. They have considerably lagged the CSFB hedge fund index at 13-14%. The Barclays Infiniti Capital Note has been disappointing. It has grown only 3% in the 2 years since launch. They tell us they are investing with a 5 year strategy but there are better places to invest. There is a 2.5% penalty for surrendering in the next 12 months.

6.6 Quadriga Managed Futures Hedge Funds



Source: Quadriga

This sector has had a slow year and Quadriga have not fared well. They have had 2 rises of approx 16% each but also saw a large fall from May - August. This has always has been a volatile fund and it



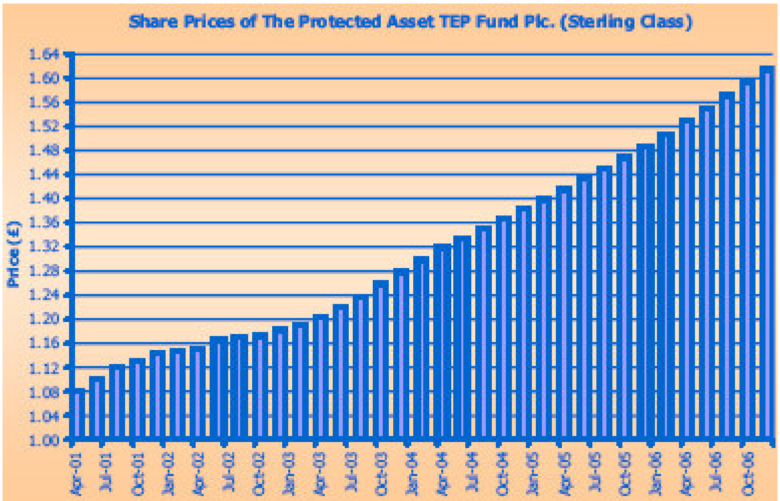
may well have some very good years ahead but it cannot be predicted and is best held for 5 years or more to be sure of catching the good years.

6.7 The FPIL Momentum All Weather Liquidity (Friends Provident Fund)

This fund is achieving its objectives of having very low volatility and of beating USD cash deposits by at least 2% and has gained 8.4% in 2006. It is a good safe haven for USD investors for locking in profits or depositing money as you approach retirement.

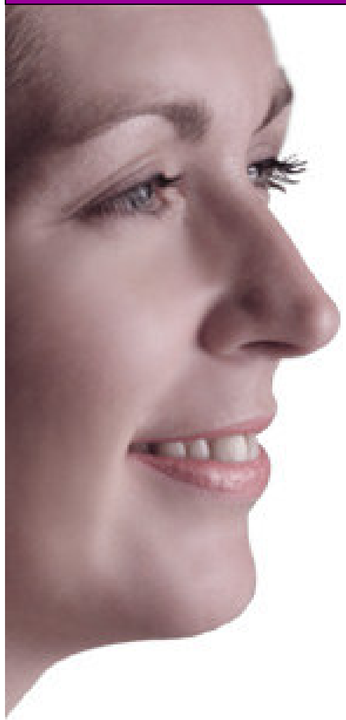
6.8 The Protected Asset TEP Fund (PATF) invests in UK traded endowment plans and has been particularly skilful in the acquisition and accounting of these, enabling it to see consistent high returns for a low risk fund. The sterling fund grew 8.6% in 2006, with the USD fund growing 8.0% and the euro fund 8.2%. The original version is suitable for short term deposits as there is no exit fee but a small entry fee. PATF2 has no entry fee but a reducing exit fee for redemptions within 5 years.

The growth this year was boosted by the Standard Life demutualisation in 2006.



6.9 Premier Optima 3 & Optima 4

This Optima 3 closed in May 2006. The Optima 4 closes in May 2007 and the guarantee will be set at the highest price it achieves from launch up to 1st May 2007. Optima 3 grew 11.4 to end November in USD terms and is up 26% since it launched, which is good for a capital guaranteed fund. Optima 4 is down around 2% since launch but is guaranteed at the launch price. These funds have been affected by the stock market correction, slow performing hedge funds and drop in commodity prices. The Optima 4 represents good value for a capital guaranteed fund. The Select versions of these have leverage in them and have performed better.



7. Where to invest now?

There are 2 key factors to successful investing, the first Is diversification and the other is asset allocation. The first one can be summarised simply as “don’t put all your eggs in one basket” and is largely self evident. There are exceptions to this and these involve cases where you are controlling the investment yourself and understand it; your own business for example. Even then it carries risks.

Asset allocation however is less well understood. It involves looking at the performance of your portfolio as a whole rather than concentrating on any one section of it. There will always be some sections of it that perform better than others. Several studies have shown that asset allocation plays a much more important role in investing than market timing or stock picking. For example, look back at the technology boom of the late 1990s, if you had not allocated some of your portfolio to this sector, you would have missed out on the growth. It almost did not matter which stocks or funds you picked, you would have done well. It was also an example of why you should not allocate all your money to one sector, no matter how well it is doing as it proved to be a bubble. Most assets go in cycles and good asset allocation spreads your investment across different assets that may be at different stages in their cycles so that the overall portfolio performance is smoothed.

Active asset allocation goes one stage further and reviews the allocations on a regular basis and tries to keep the money invested in assets that are on an up cycle. This is the approach adopted by the fund of funds mangers such as Lanson Financial & Collins Stewart who manage these for Friends Provident International.

Most clients do not have the skills or time to spend on asset allocation and even many financial advisers are too busy spending time with their clients, understanding their requirements and providing advice that they cannot spend their whole life behind a screen studying funds.

This is why we prefer to delegate this responsibility to managers who run actively managed funds of funds and outside of Singapore (apart from existing FPI clients there) we recommend Collins Stewart & Lanson Financial.

Their track record over the past 3 years has been good relative to the markets and to their peers. Over the period, they have made many changes of allocation and have used many of the Eastern Europe and Asian funds, also bonds, gold and commodities. They are mainly focussed on equities, as traditionally this is where there is most potential for growth, particularly on a world wide basis.

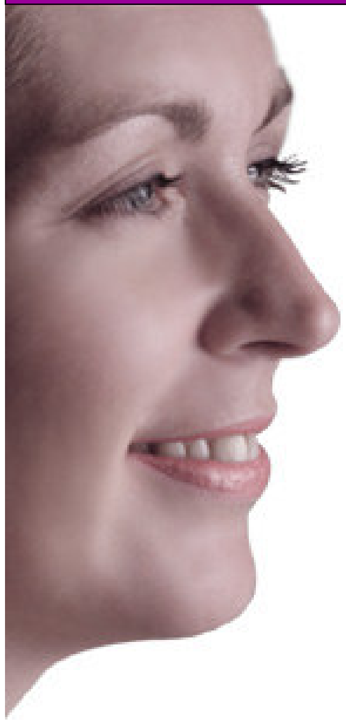
We compliment these by offering niche funds such as those mentioned here.

The other factors to consider are:

- How long you want to invest
- The amount of risk you are willing to take. Risk is about volatility and time, the longer you remain invested, the lower the risk becomes. Investing in equity funds for 1 year is very risky, but for 10 years, the risk is very small.
- Your base currency. Undoubtedly there are more funds available in US dollars but many either hedge to euro and sterling or offer investments in these currencies which have different asset allocations to the dollar versions. (Collins Stewart run sterling funds for example)

Prognosis

There could be a loss of confidence in the USD and US markets in the near future. At the time of writing, the news has not yet broken that Henry Paulson, the US Treasury Secretary and ex chairman of Goldman Sachs has been accused of wrong doing and been asked to resign. According to a reliable website www.worldreports.org the fraud does not stop with him and appears to go to the core of the US



administration. The website may be exaggerating and if true, the facts may be hushed up by the authorities, but if the website is only half true, the accusations are staggering. However, if true, the facts will come out eventually and the scandal will rock currency markets and may have an effect on the US stock markets.

At present it is expected that there will be modest growth in the US stock market in the coming year, but the effect of this news may knock international confidence in the market..

Asia is booming and likely to continue to see good growth for some time to come. China has performed very strongly and even though it will probably slow down in 2007 it should still continue to grow, with increasing domestic demand replacing slowing exports. India is regarded as the highest priced of the emerging markets, but with good long term growth potential. The emerging markets of Eastern Europe, and extent Latin America have also seen strong growth over the past few years and this is expected to continue for a while yet.

Demand for energy, commodities and metals has fallen away a little in recent months but this could change if there is a currency crisis. If there is a loss of confidence in USD, then gold in particular will benefit .

Commercial property funds have seen good growth for many years now and the European commercial market is particularly strong. It may be that 2007 sees a slowing of these markets.

With interest rates rising over the past year, the yield of bonds is less attractive and so their prices have come down or been flat. Emerging market bonds continue to show reasonable growth, although less than in recent years.

All these are discussed in more detail later along with their risks. If you look at the allocations of Lanson Financial and Collins Stewart, you will see they have a good spread across all the asset classes that are showing growth. However if you wish to allocate more to any of these areas, there are specific funds available and I have started tracking the Templeton BRIC fund (Brazil, Russia, India & China).

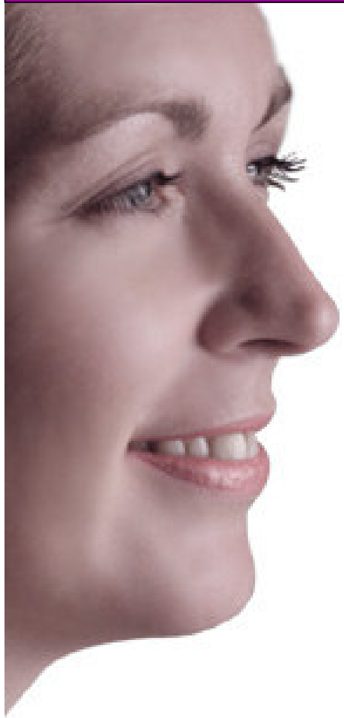
Currency is causing concern even before the US scandal breaks. I would suggest that if you are holding substantial amounts of USD, you would be better off moving the money to sterling or euro. If there is a confidence crisis in the US, it could put the euro under pressure.

With your investments it is important to focus on the currency of the assets in which you are invested, rather than worry about the currency of the fund. For example, if your fund is denominated in USD but invests in Japan, then if the USD weakens, the value of the Japanese holdings, which will be in yen, will be worth more in dollar terms. To be even clearer, suppose a fund has $1,000 of holding in Toyota, then at 117 yen to the dollar this buys 117,000 yen of shares. If the dollar weakens (or the yen strengthens) to 105 yen to the dollar, then the same holding would be worth $1,114 without any movement in the share price of Toyota.

When looked at this way, then holdings in assets in the USA would loose their value if the currency weakens and global funds may dispose of them, putting further pressure on the US stock markets.

Please see the section on currencies towards the end of the report for further guidance.

Long term monthly savers are best served by diversifying between the Collins Stewart and Lanson funds. Particularly in the early years of the plan, as you are building up capital, the volatility is not so significant. For lower risk sterling investors, the Ground Rent & Student Accommodation funds offer a predictable and consistent growth of 7-8% pa. Higher risk investors could make an allocation to broad-based funds in developing areas such as the HSBC BRIC fund or the new Martin Currie Global Resources Fund. As USD investors near their maturity date, they could allocate some of their money to lower risk funds such as Momentum All Weather or bonds.



Lump sum savers need to identify their time frame and risk and diversify across a number of asset classes.

LOW RISK

- Brandeaux Property Funds (not licensed in Singapore). The FPI mirror funds achieve 7-8% pa. The combined funds are only available through a portfolio bond and are achieving 10% pa in sterling and 7.5% in US dollars and euros.
- The Protected Asset TEP Fund is averaging 8% pa in sterling and a fraction less in USD or euro.
- Australian dollar investors can use the LM Mortgage income fund returning 7% pa on the A$.
- The Premier Optima 4 is a fund comprising a European equity fund, an emerging market bond fund and a commodity fund *with a capital guarantee* and possibility of early redemption is a good choice for medium term money. See the next section. (minimum $15,000)

MEDIUM RISK

- The funds of funds managed by Lanson Financial and Collins Stewart are beating most of their peers and the main reason for using these is that asset allocation is managed for you

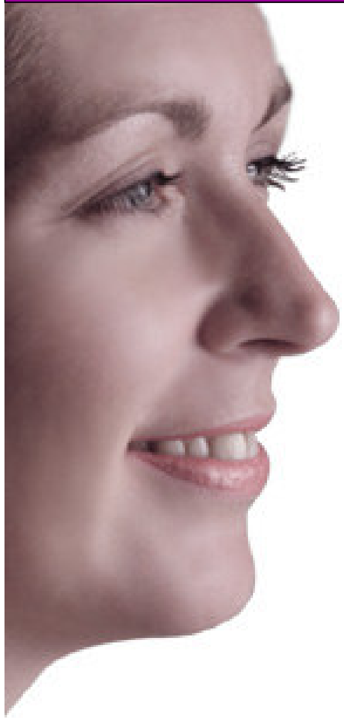
HIGH RISK

- Within the FPI range you could look at the Merrill Lynch Gold Fund, the Investec Global Strategic Equity Fund and the Templeton BRIC fund.

This newsletter is aimed at our worldwide clients and the Friends Provident clients we inherited in Singapore. For new Singapore investors, we use the funds of funds offered by Zurich Life or we construct and manage portfolios for you using the Aviva and iFAST platforms.

We have access to most funds on the market and I know some of you manage your own investments actively. If you would like a review of your investments please contact your usual consultant or let me know if you have lost contact.

For recommendations on your own personal situation, please contact me or your usual Affinity consultant.



8. Existing Pension Funds

8.1 Singapore CPF

If you are a permanent resident or a Singapore citizen you will know something about CPF. At the least you will know that some of your hard earned salary is allocated to it, and your employer has to pay an amount too. This e-mail is to explain that this is not necessarily a bad thing since you maintain a surprising amount of control over what happens to this money.

How much is contributed?

If you are eligible for CPF, then your employer pays 13% of your salary into it and you pay 20% (less if you are over 50 years old) of your salary but both contributions are capped at S$4500 per month.

What happens now?

The contribution from you and your employer is initially paid into your CPF account where, for most people with busy lives, it stays. The problem with this is that it will only grow at low rates - your Ordinary Account at 2.5% and your Special Account at 4%. As you will probably know from your other retirement planning, it is crucial that you consider not only how much is saved but also where it is invested & the returns your money is receiving - CPF is no different. At these rates of growth the money saved will barely keep pace with inflation.

Why invest?

Savings of $1,000 pm growing at 2.5% pa will grow to about $310,000 after 20 years. If they are invested and grow at 7% pa (net of all charges) they would grow to about $520,000 - a difference of $210,000 despite putting exactly the same amount in.

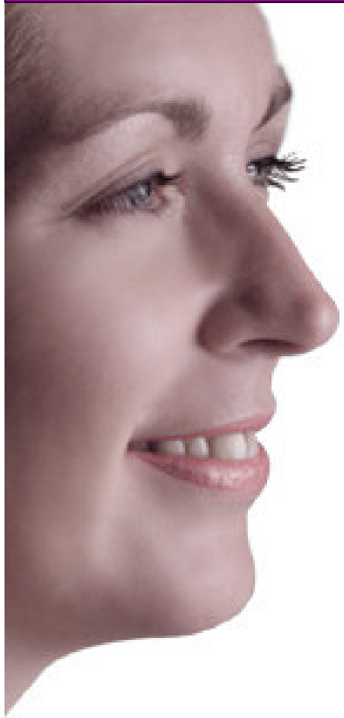
Why invest now?

It is from the money invested now, with the longest time to grow, that compound interest has a chance to make a big difference. By delaying a year in the above example and keeping your CPF contributions going into the Government Fund for just one more year before starting to invest your final fund would only grow to about $477,000 rather than the $520,000 shown above, despite putting exactly the same amount in. Time is the magic ingredient to any investment.

What can you do?

Contact your Affinity Financial Consulting consultant or enquiries@affinity-consulting.com We are regulated Financial Advisers and we can sit down with you and explain how you can transfer your CPF to one of the platforms in Singapore where we can advise on a portfolio of funds approved by the Monetary Authority of Singapore. We will advise you on this selection based on your time until retirement, your risk appetite and your personal preferences. You can invest your accumulated CPF and future contributions, to maximise their returns. These investments can be switched at any time, free of charge, to reflect your own circumstances and world investment opportunities.

Invest your CPF money in Singapore



Bring your UK pension under your control

8.2 UK Pension Funds
- Take charge of your UK Retirement Planning now!!

If you are British expat you may have left behind private pension plans or pensions with previous employers that are now frozen.

Do you hold:

- UK Personal Pensions
- UK SIPP's
- UK Money Purchase Company Benefits
- UK Final Salary Company Benefits

How would you like to benefit from NEW rules designed to encourage pension planning?

Existing pension schemes have restrictions on when and how you can draw the money. Most convert the value of the pension fund into an annuity which pays you an income for life, but leaves nothing to your heirs. Why not consider the establishment of an Offshore SIPP (Self Invested Personal Pension)

Benefits:

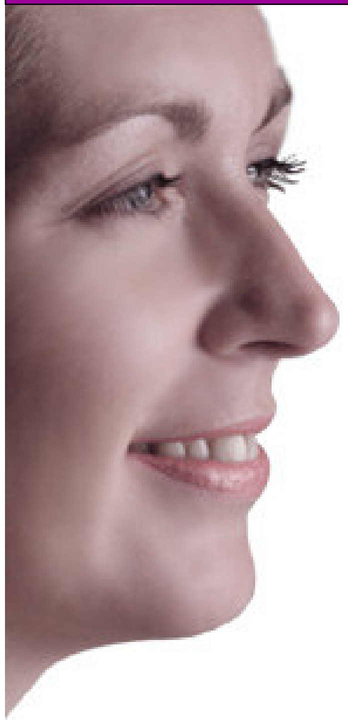
- One Personal Pension for all previous pension entitlements
- Unify retirement age – take benefits from age 50
- One single charging structure
- No need to buy an annuity - **ever**
- No need to take an income every year
- Receive benefits 'gross' if living outside the UK (in some circumstances)
- Investment control – structure the investments within the SIPP to suit you
- Flexibility massively increased

Succession Planning:

- Create a family pension
- Residual value not lost on death
- Leave the 'pension pot' to spouse, children, grandchildren, etc
- A Plan with **significant tax advantages** – including UK inheritance tax

If you would like to know more and to discuss your options please contact us immediately.

For clients in Singapore, please be aware that the MAS does not normally allow us to advise on UK pensions and we will have to make a special case for each client. This does not usually take very long.



Reduced oil prices increases consumer confidence and the slowing global economy reduces the risk of inflation

9. Economic Outlook

As usual, I have distilled a large number of economic reports over the past months. I have put together this summary for you and hope you find it useful.

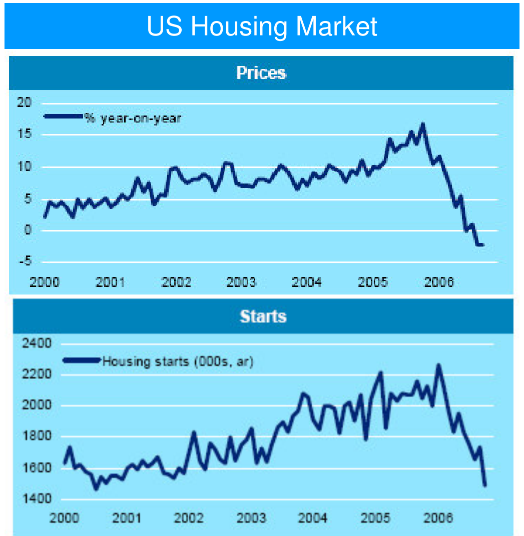
The world economy is slowing. The US economy has record a record trade deficit, way beyond what they can afford to repay and most of it is owed to China, who hold the largest US dollar deposits. Much of the Chinese US dollar holding is in US Treasury Bills and the interest payments on these are compounding America's financial problems. The other big issue that is occupying economists is that American consumers, the main drivers of global growth for the past decade, are facing a fall in their housing market.

In Germany and Japan, former economic powerhouses that seemed finally to be breaking out of a long torpor, business sentiment, industrial output and exports have turned down.

Seemingly insatiable demand from China and the rest of Asia, which two months ago seemed certain to drive oil and commodity prices still higher, has suddenly given way to anxiety about a global raw materials glut. Yet stock markets hit new five-year highs last month and the Dow Jones industrial average, the most famous, if not most representative, indicator of financial sentiment, is near a record.

Is there contradiction between rising optimism in stock markets and the gloom that appears to be creeping into the consumer and business worlds?

The answer is "Not at all". A slowdown in global growth and industrial production, triggered by weakening in American housing and consumption, is just what the doctor ordered for the world economy. This sequence of events promises to create an almost ideal financial environment in the year or two ahead, particularly for the American, British and Asian economies. According to Anatole

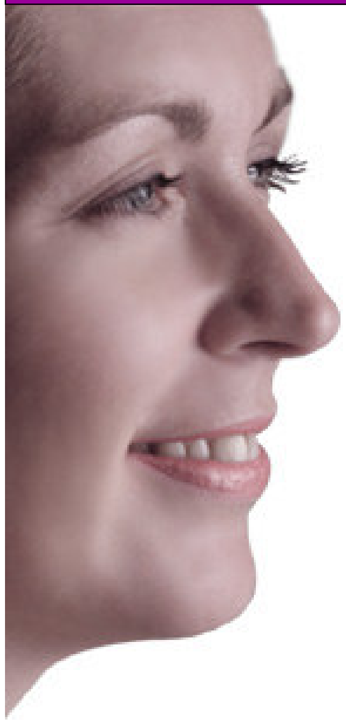


Kaletsky of The Times, what seems to lie ahead is exactly the "Goldilocks economy" - with growth neither too hot nor too cold - that financiers around the world have been dreaming of. In short, the US Federal Reserve Board appears to have managed once again to fine-tune the growth of the US and world economies with uncanny precision.

The concern was that the falling property market would shock consumers and precipitate a recession and on the other hand, there was a real threat of inflation on the back of higher oil and commodity prices.

In the past few weeks, both risks appear to have disappeared. American consumer spending has slowed a little but not enough to have an impact.   This reflects the fact that the recent house price boom was not a bubble but the effect of catching with the rise in other asset prices. A recent IMF study showed that the American house price inflation has been lower than in other advanced economies that have managed a soft landing of their housing markets such as Britain, Ireland and Sweden. Also, falling energy prices have offset the worry about falling house prices.

Hence the case of optimism about the world economy is well founded, especially global stock markets. The 25% fall in oil prices since the summer peak has lifted consumer confidence and real incomes and helped control inflation. If oil prices stay at this level or fall further, the need for central banks to increase interest rates



3 years of strong global growth

Equities are good value

Bonds are expensive

diminishes, they may even be able to reduce them, which in turn helps prevent a property price slump.

Real GDP growth %	05	06*	07*
US	3.2	3.6	2.5
Japan	2.6	2.8	2.2
Euro-12	1.5	2.6	2.2
UK	1.9	2.7	2.6
G7	2.4	3.0	2.4
Asia ex Japan	7.7	7.8	7.2
World	4.6	5.1	4.5

Source: Datastream
* Henderson forecast

Inflation %	05	06*	07*
US (core)	2.2	2.6	2.8
Japan	-0.6	0.2	0.6
Euro-12	2.2	2.4	2.3
UK (cpi)	2.0	2.4	2.5
G7 (headline)	2.2	2.5	2.1
Asia ex Japan	3.6	4.0	3.4
World	3.9	4.1	3.6

Source: Datastream
* Henderson forecast

The sudden optimism in stock markets is not surprising. The recent war in Lebanon should have convinced the US and Israel that the military option for tackling Iran is a non starter. This weakens the case for the high premium on oil prices. Slowing world demand has reduced the demand for oil and other commodities which reduces the risk of inflation. It is reasonable therefore for investors to be bullish about 2007—the Goldilocks economy.

Review of 2006

The global economy grew 4.3% 2005 and is on track for 5% in 2006, which is higher than originally expected. This is the best 3 year run for over 30 years. As a result, spare capacity has been used up and inflation started to rise - but only modestly. This has been the right environment for central banks to raise interest rates which have been below their neutral rates. They still remain below neutral in Japan and China.

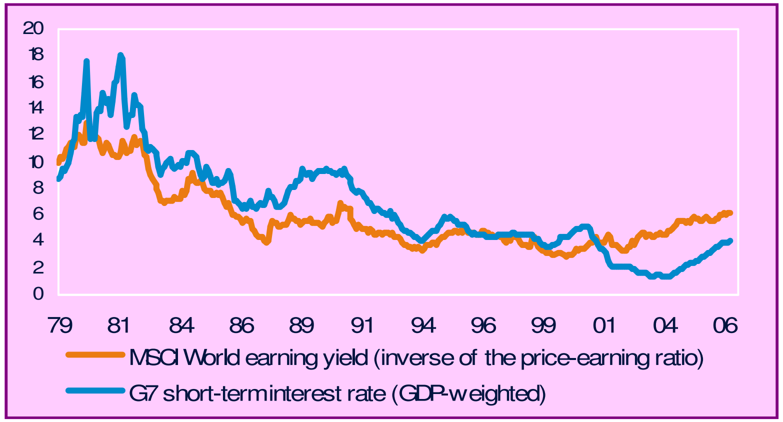
Bond yields have hardly risen this year, whereas world equity markets have done well, except Japan. The UK is up 11%, US 12%, Europe 17%, emerging markets 20% but Japan is down 7%. The Middle East stock markets saw large falls early in the year and have not recovered. These are immature markets and suffered from too much liquidity chasing too few stocks in 2005. The rises, where they have occurred have been on the back of strong earnings growth, rather than valuations.

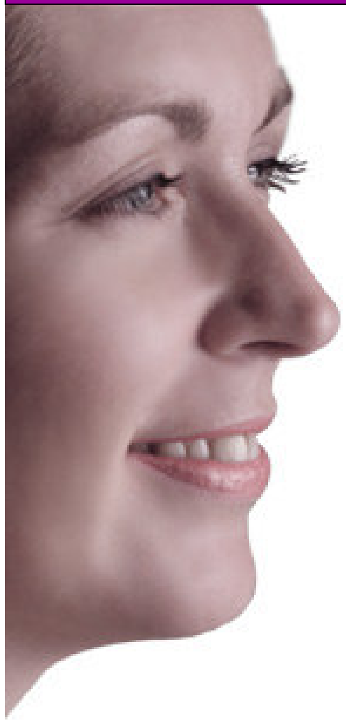
Currency markets have been characterised by the weakness in the dollar and yen and the strength of sterling and the euro. The yuan has continued slow appreciation and most other Asian currencies are up against the dollar this year.

Outlook for 2007

- Analysis points to good performance from equities

  Shares on the world's stock markets showing better yields than fixed interest deposits. Also equities traditionally do well when





Expect a soft landing for the US housing market, weakness should not be a problem.

interest rates peak and earnings are strong. This is the situation we are in now.

The following chart shows the price-earnings ratios of the American market. A p-e ratio of 10 means that the value of the company is equivalent to 10 years of earnings. An average market p-e ratio below 16 is generally taken to indicate good value in the equity market. World markets MSCI World Index has a p-e ratio of 14

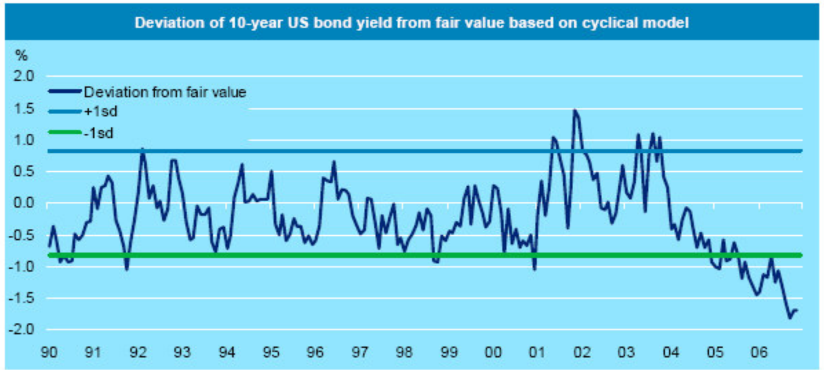
Inflation	Average P/E	Peak P/E	Trough P/E
< 2%	23.6	46.5	15.8
2 – 3%	19.8	46.5	13.9
3 – 4%	17.6	26.1	9.9
4 – 5%	14.8	19.9	9.3
5 – 6%	13.1	19.1	10.3
6 – 7%	9.5	12.7	7.4
>7%	8.5	12.0	6.7

- **S&P 500 is 17x trailing earnings**
- **S&P 500 is 16x forward earnings**

Company earnings have risen very strongly in past few years but share prices have not kept pace.

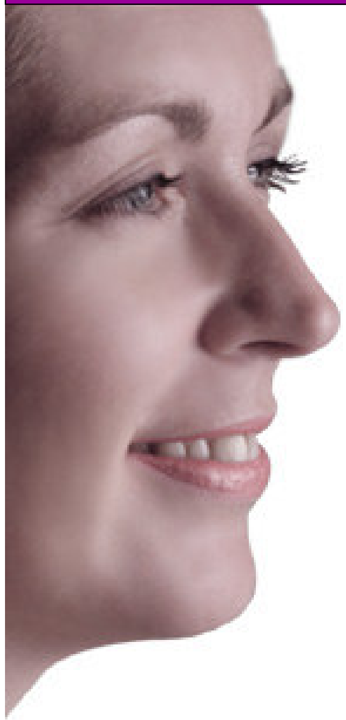
P-E ratios have historically shown an inverse correlation to inflation. The current USA p-e ratio of 15 would indicate 4-5% inflation but it is well below this, indicating stocks are good value.

- **Weakness in US housing is a not a major problem.** Most economists believe the fall in US house prices is heading



for a soft landing. When housing has weakened in the past this has been a good indicator of what's happened to the US economy. However, there are differences between the current and previous cycles. Firstly, when housing has weakened in the past it has tended to be because interest rates have risen very sharply. This time it is because house prices have become too high. So, while consumer spending is expected to moderate it is not expected to slow down sharply. Affordability problems in the US housing market are improving and reflect high house prices and not the cost of credit. There is still plenty of equity left in US property and home owners continue to borrow on it. Surveys show banks are still willing to lend, suggesting that credit conditions remain favourable despite interest rates moving up from 1% to 5.25%.

January 2007 | Another Good Year

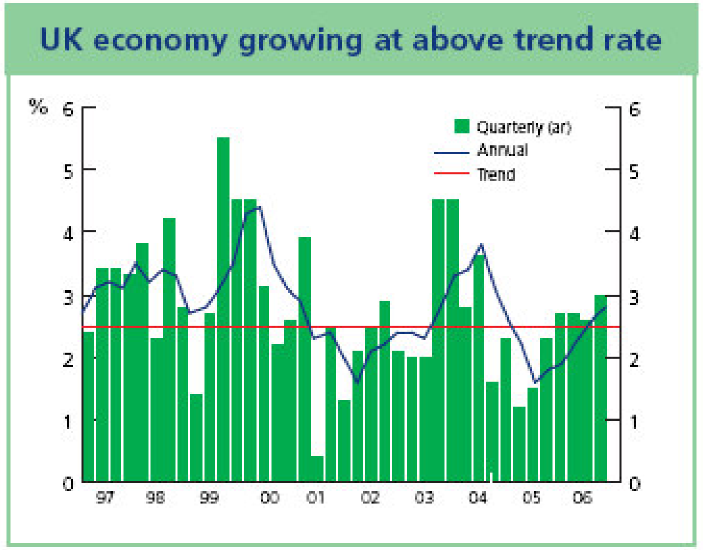


British economy is strongest of all G8 countries.

European growth is led by Germany.

The British Economy

- UK GDP increased by 0.7% in the third quarter– an annual rate of 3%. This is the fourth consecutive quarter in which growth has been faster than its long-term trend rate.

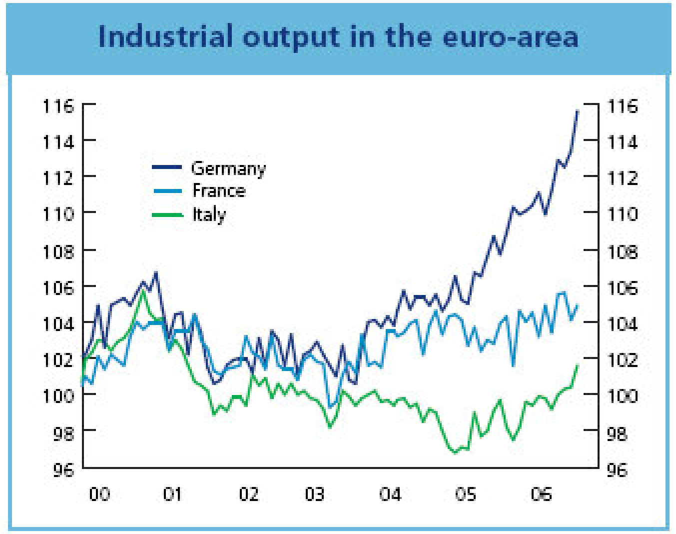


Source: Datastream

- This explains the reasoning behind the recent interest rate increases to 5%.
- In the last few years the UK has experienced the biggest wave of inward immigration (around 500,000 people) in its history, reflecting the new joiners to the European Union – Hungary, Poland and the Czech Republic in particular. This has had a positive impact on the economy. Prior to this wave, the UK was suffering from labour shortages and this was causing wage pressures. This migration has now helped keep wages under control – allowing the economy to grow faster, without causing inflationary pressures. The labour force is currently growing at 1% and the trend growth rate in the UK has been estimated as high as 3%.
- Despite the rise in Polish plumbers and dentists, the overwhelming growth in UK employment has come from the financial services sector.

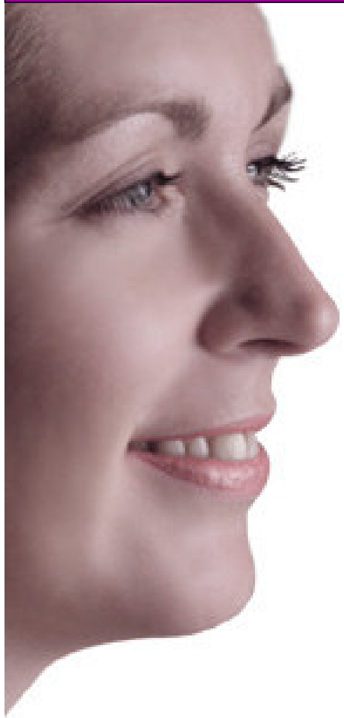
The European Economy

- Confidence in the European economy is at its highest level for 6 years according to the European Commission economic sentiment indicator. Britain has shown the biggest rise.
- Domestic demand is improving in Europe, particularly in Germany and France and this is causing unemployment to fall.



Source: Datastream

- Although industrial growth has grown strongly. While growth in output in France and Italy has been sluggish at best, in Germany it has risen by a massive 15%. The German economy is at its strongest since reunification.



- There are concerns about the effect of a slowing US economy, but a shift from export led growth to consumer spending would help insulate against this. Falling energy and commodity prices will help.
- The European Cities Monitor's annual survey showed that London is still the most popular city in Europe to locate a business, followed by Paris, Frankfurt and Barcelona.

The Japanese Economy

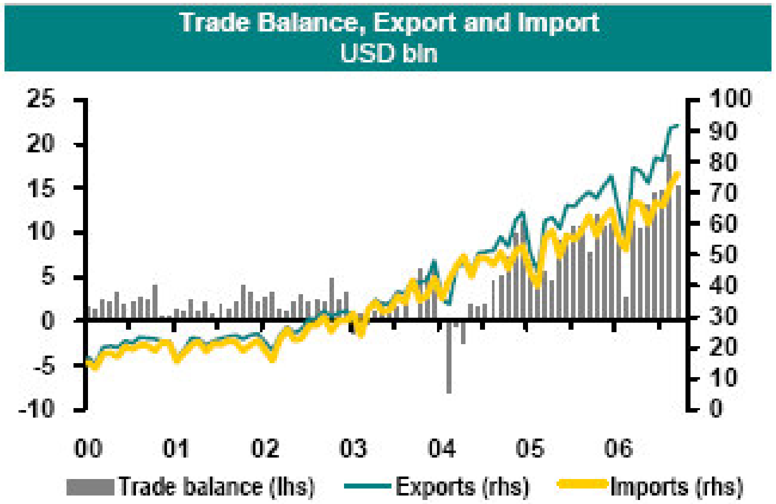
- Japan is the 2nd largest economy in the world but has suffered 10-15 years of stagflation. After a very optimistic start in Japan this year, people have turned very pessimistic. Although GDP is slowing, business conditions indicators remain strong. Inflation has been another source of pessimism, following changes in the way it was calculated. This change has seen inflation fall from 0.6% earlier in the year to 0.2%. Stripping out energy costs, the economy remains in a deflationary environment. Overall though the Bank of Japan expects that inflation will rise in 2007. They also expect GDP growth to slow from 2.3% to 2.0% in 2007.
- Conditions are in place for an improvement in Japan. Corporate Japan has restored its profitability and return on capital has risen sharply. We are also seeing improvements in bank lending and asset prices are rising. In addition, the yen remains very competitive and Japanese companies are doing very well overseas.
- This confidence was reflected by the Bank of Japan's decision to end its policy of zero interest rates in the summer. Interest rates are expected to rise gradually, from 0.25% to 1.25% by the end of 2007.

Japan has disappointed this year and is emerging from recession slower than expected.

China still showing strong growth but is reigning in over-investment.

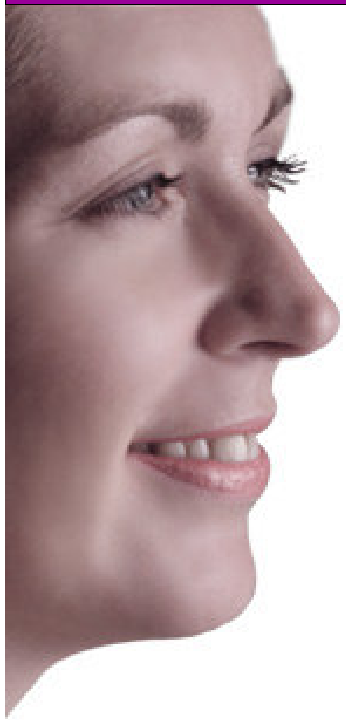
The Chinese Economy

- GDP growth has risen to 11% this year from 9.9% last year. China has overtaken France and UK and is now the world's 4th largest economy after USA, Japan and Germany.



Source: General Administration of Customs, China

- The authorities are trying to constrain the growth of investment spending which has risen by 25%.
- The recent delegation from the USA led by the Treasury Secretary and Fed Chairman continues to pressurise China to allow the yuan to slowly become stronger and stimulate consumer spending. It is early days yet but there appears to have been some movement here.
- China will continue to remain competitive and its growth in exports is predicted to be around 15% next year.
- The Chinese balance of trade surplus remains at a high level at over $15 bn at the end of October. This is the main contributing factor the US balance of payment deficit.
- The appointment of new US Treasury Secretary Henry Paulson seems to have inaugurated a new era in Sino-US relations. Paulson shifted the dialogue with Beijing away from pressuring for a more rapid appreciation of the yuan to more strategic discussions. In his dialogue with the Chinese, he intends to focus on issues such as financial liberalisation, the protection of property rights and the coordination of energy and environmental policies. Paulson was given more room for manoeuvre in this



Asia and emerging markets still showing good growth, but are showing signs of slowing.

South Africa still economically strong.

regard by the abandonment of a Congressional bill that called for taxing Chinese imports to the US by 27.5%. The immediate result of that was the appreciation of the yuan at 0.6% in the last two weeks of September. His departure may play into China's hands.

- China's call for punitive actions on North Korea due to the latter's recent nuclear test is a sign that Chinese authorities are keen to improve relations with the US.

Other Australasian Economies

- China & India dominate the Asia stock markets. The remaining Asian markets will inevitably be affected if there is a downturn in demand from the developed world, particularly the USA. However the strengthening of domestic consumer spending and growing capital expenditure in these markets should insulate them to a degree.
- GDP growth in the emerging Asian economies is predicted to be around 7.8% in 2007, more than double the USA which is next highest.
- Business confidence in Australia fell sharply after 2 rate rises to 6%. However the economy is doing well with the resource exporting states of Western Australia and Queensland doing much better than NSW and Victoria.

India

- Since 1994 the Indian economy has grown at 7% annually; this year may be nearer 8%. It has seen the emergence of world class, world beating, companies; Mittal Steel's hostile bid for Europe's Arcelor was a loud a wakeup call.

- Inflation is rising and many indicators point to overheating; money supply growth at 18% is one. GDP growth at over 9% in the four quarters to March this year is another. The central bank has been tightening for two years now and may turn more aggressive if the politicians renege on the mandated fiscal tightening.
- India is hampered by 2 things - bureaucracy and weak political leadership. "The British invented bureaucracy and the Indians perfected it" and lack of efficient infrastructure. China realised some time ago that it had to invest in infrastructure but India has barely started. What India needs is strong political leadership to develop one of the world's most exciting growth stories. Unfortunately India is not known for strong political leadership.

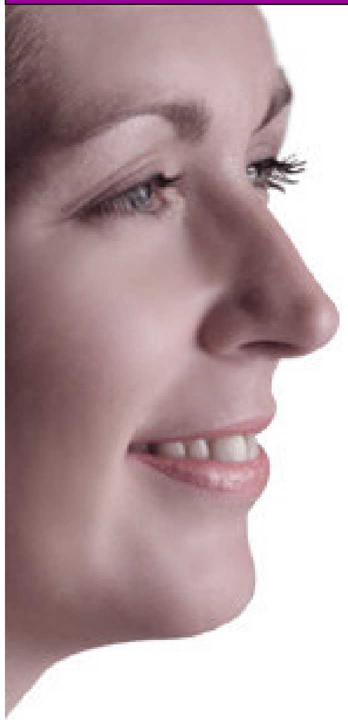
- There is good reason to be optimistic. Stock market performance has been stellar but stocks are now a tad expensive.

South Africa

- The South African economy continues to be strong, despite a sharply depreciating currency and rising interest rates. The main driver of growth recently has been the consumer credit growth of 20%. Thanks to the ambitious social transfer programme of the government and the banks' focus on consumer lending, the black population has been able to rapidly increase its consumption. Disposable income growth has been rising as a result of the social transfers and because of strong employment growth over the past few years. With consumption growth rising and the currency very strong until recently, import growth has been ballooning.

- In the last two years alone, South Africa has attracted 50% more foreign capital than in the ten preceding years together. Currently, the current account deficit is 6% of GDP. However financing the current account deficit has become harder since May, when a sudden wave of risk aversion hit emerging markets. The central bank had to raise interest rates by 150 bps to secure the required inflows.

- Global liquidity is expected to remain supportive to emerging markets and commodity prices should remain strong on the back of robust demand from the emerging world. Therefore, South Africa's chances to obtain the necessary foreign capital to sustain a high current account deficit are good. The vulnerability of the



Interest rates risen substantially this year but now stabilising and diverging.

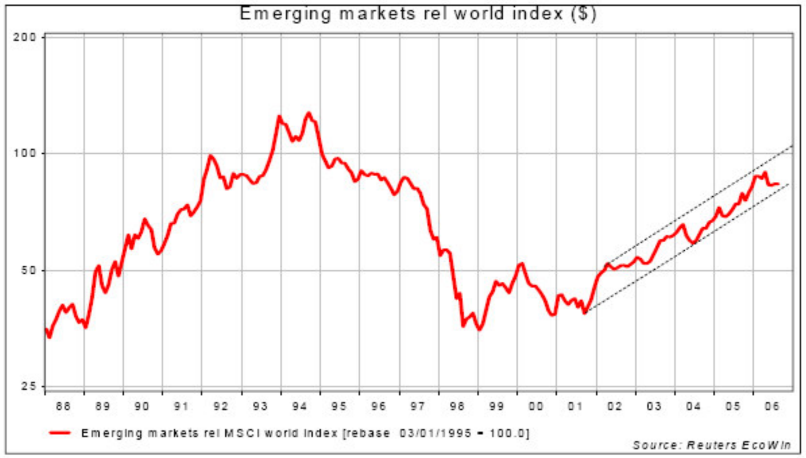
US Dollar has weakened significantly and is likely to continue to weaken.

.

country is worrying. In the medium to long term, the external financing might be feasible, but in the short term the South African currency is likely to remain very volatile. The central bank will have to hike rates further, probably with two more steps of 50 bps to 9.50%. Meanwhile, the domestic demand growth rate will have to come down. With the structural drivers of consumer demand unlikely to weaken, the authorities will have to postpone some of their ambitious infrastructure investment plans. GDP growth rate is anticipated to be 3.5%.

Emerging Markets

Emerging markets have performed very strongly over the past 6 years. They are very vulnerable to a slow down in the USA but most have been able to stimulate domestic spending and generate investment. Although these markets are very volatile, it is expected that they will continue to show good growth in 2007. Latin America has been the strongest region this year



10. Markets

10.1 Interest Rates

- Interest rates have risen worldwide this year but are expected to stabilise next year. They will see some divergence
- The Fed is expected to reduce rates to cushion the effect of the housing market fall.

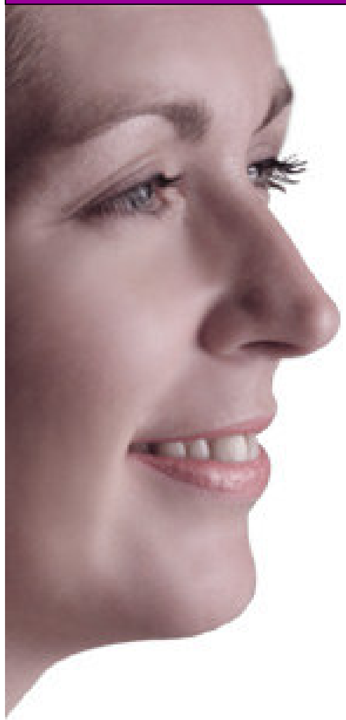
Official interest rates %	Dec-06	Dec-07
US	5.25	4.50 - 5.00
UK	5.00	5.00
Eurozone	3.50	3.75 - 4.00
Japan	0.25	1.00 - 1.25

- The ECB is expected to continue to raise rates to offset inflation.
- Japan is also expected to raise rates as the economy strengthens.

10.2 Currencies

- The corruption scandal, that is rumoured to be breaking in the US with the Treasury Secretary forced to resign, could cast suspicion over the whole US administration and if true, it is likely to weaken confidence in an already weakened dollar.
- As expected, the US dollar has weakened and is widely expected to continue to weaken. The massive balance of payments deficit is the main factor in this and a weaker dollar will help the US economy. Because the Americans are in debt to the Chinese by over $1 trillion the Chinese hold tremendous power over the fate of the US economy and the USD. Although it is within the power of the Chinese to

GBP/USD	1.97
EUR/USD	1.32
EUR/GBP	0.67
USD/JPY	118.8
GBP/SGD	3.03
Rates as at 2nd January 2007	



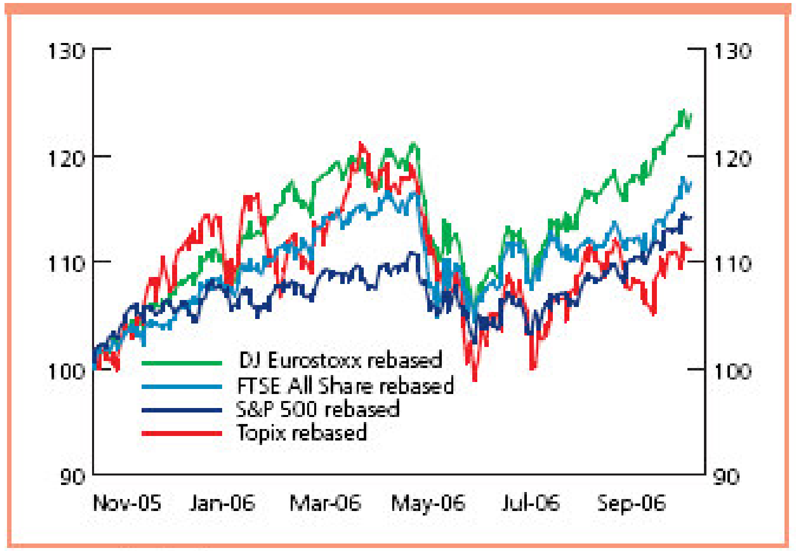
collapse the USD, it is not in their financial interest as it would kill their export trade and devalue their massive reserves.

- Having broken through the $1.95 to the £1 barrier, technical traders show there is no more resistance until it reaches $2.15. However there is a big psychological barrier at $2.

- The USD has traded in a narrow range of $1.25 to $1.30 to the euro over the past 6-7 months against expectations.

10.3 Stock Markets

- It has been a good year for most stock markets around the world. The best is Peru +182%, followed by Cyprus +157% then China +102%, Morocco +86% and Venezuela +85%. The FTSE 100 is up 26.3% making it the 56th best and the S&P 500 is ranked 84th best. The worst markets have been those in the Middle East that saw a correction caused after too much liquidity drove prices too high, combined with the bursting of the oil price bubble. Jordan –34%, Kuwait –13%, Lebanon –10% and Turkey –7% were the worst hit. (as at 23rd December)
- All markets saw a correction in May and June with the emerging markets taking more of a drop than the developed markets. The trigger was the announcement by the Fed in May that they would continue to raise interest rates as they were worried about inflation. Investors perceived this would hurt corporate earnings and sold stocks.
- The US stock market is generally considered to be good value with low p-e ratios and strong liquidity. It may slow down next year as the effect of the housing collapse and reduced consumer spending kick in. However to a large degree this has been compensated by strong corporate investment on the back of good profits. The average bull market is 2.1 years with a gain of 90%. This bull market is now 4.1 years old but with a gain of only 69%

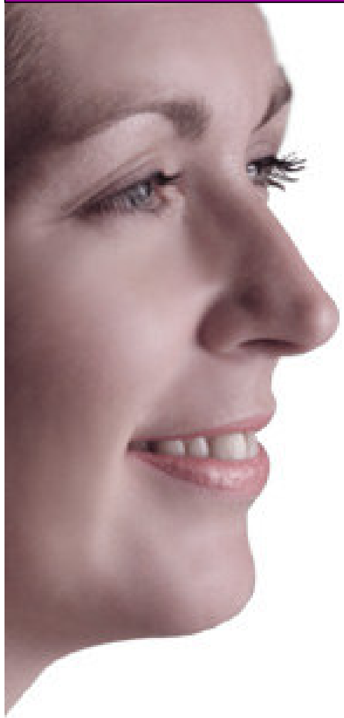


Source: Datastream

Source: Datastream and Henderson Global Investors
Produced on 23 November 2006

Equities have shown good growth this year and are expected to continue to grow next year. Most markets still good value.

Slowing global growth may mean lower returns in 2007



Asia and emerging markets have lead the field for growth in 2006 but they are slowing down and the differential between emerging and developed markets is narrowing.

but it is expected to continue through 2007.

- **The European stock market** has returned more than 10% a year over the past 10 and over 20% per year over the past 4 years and is much loved by investors. The economy is doing better but is not a powerhouse. Companies are restructuring and there is a high level of merger and acquisition activity which is a good sign.

- **The Japanese stock market** has been disappointing this year. Investors treat it as a cyclical market and it will require some good news to make a big change next year. Business confidence is strong, profitability is restored, bank lending is improving and conditions are good for a recovery, but it may be slow.

- **Asian stock markets** are still good value and have performed strongly this year. The Chinese market has shown the most growth at nearly 95% beating the next best performers markets such as Indonesia, up over 50% and India, up over 45%. China has shown a remarkable growth this year after 18 months of prolonged downturn.
- These markets are very vulnerable to a downturn in the USA (or China) or a crisis, but there is little to suggest that this is imminent. However it would not be surprising to see a correction soon after such a long run up.
- The military coup in Thailand has dented investor confidence, resulting in a drop in the stock exchange, but interestingly it has led to a strengthening of the currency.

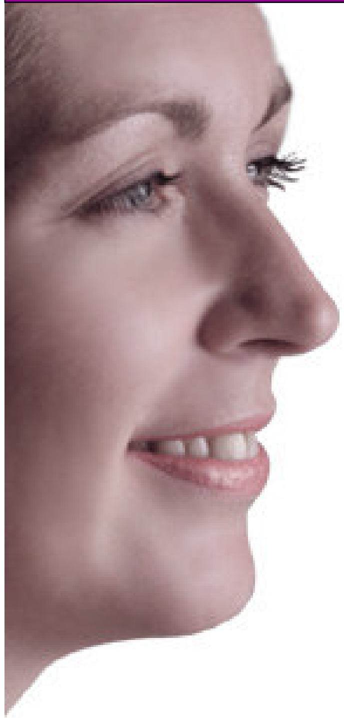
- **Emerging Market stock markets** have had 5 years of strong growth and their performance relative to the developed markets is now slowing. As with Asian markets, these are very vulnerable to a downturn in the USA or a crisis and could also be due for a correction.
- Brazil, Russia, India & China (BRIC) have been the darling of emerging market investors, but their trend of outperforming the broader emerging markets reversed in September. However these 4 regions have still been the best performing regions overall this year. China +102%, Russia +66%, Brazil +41% and India +37%. These 4 countries have been lumped together because of their size, dynamism and potential as economic powerhouses have been drivers of this sector. Now we are seeing divergence in their performance, China and India continued to rise whilst Brazil and Russia fell back. This is principally because growth in Brazil and Russia is commodity driven and likely to be affected by a US slowdown, whereas India and China have a strong manufacturing and services base which would withstand a US slowdown much better. The Russian stock market is also looking rather expensive.
- On the whole though, emerging markets are “coming of age”. They are bigger and stronger. The value of shares in the MSCI Emerging Markets Index has now passed $2 trillion, four times the size in 2002. These markets make up only 7-8% of the value of world stock markets but 24% of world GDP. There is still plenty of scope for these markets to catch up.

10.4 Bond Markets

- Most fund managers are very negative about bonds at the moment. Rising interest rates have put pressure on bond yields. Bonds have an inverted yield curve which means that long term bonds have a lower return than short term bonds. This is often an indicator of imminent recession.
- Strong demand from Asia, particularly China, for US Treasury Bills has driven down the long term yields.

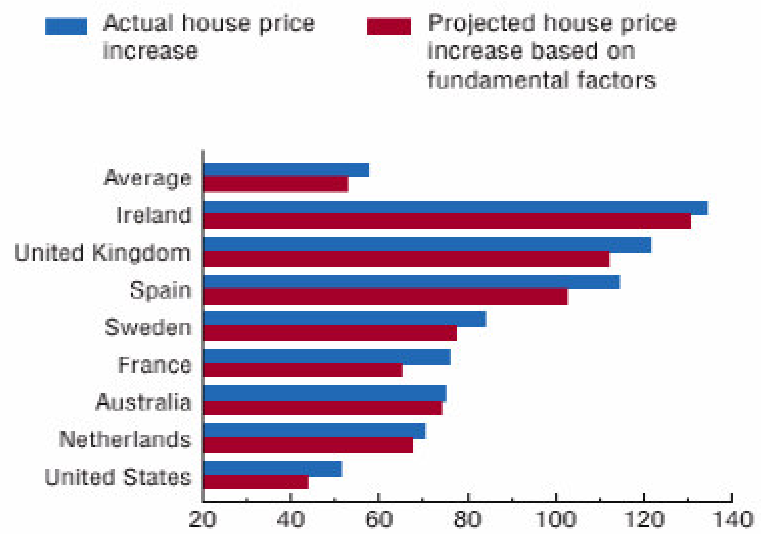
10.5 Property

- The chart below shows house prices around the world compared to what economists calculate as their fair value based on market fundamentals. This shows that Australia is the least overvalued country and Spain the most overvalued. It also puts the US house price collapse into context as their prices have not risen as much as in other countries, with Ireland showing the highest



Commodities have seen a correction but still fundamentally strong.

(1997–2005; cumulative percent change; constant prices)



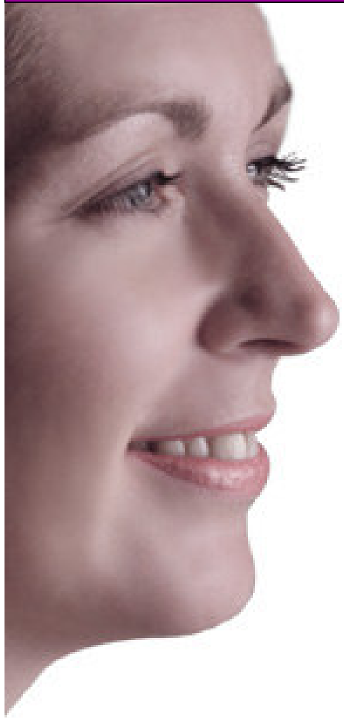
Sources: Haver Analytics; IMF, *International Financial Statistics;* national authorities; and IMF staff calculations.

rise, followed by UK

- According to Abbey International, there are over 17 million people in UK who cannot get onto the housing ladder of whom 6.9 million say they cannot afford a deposit. The average house price in UK is £185,000 which is over 7 time the average income. It has always been that anything over 5.5 is unsustainable. The UK housing market is up 10% in 2006 which is better than expectations after only rising 3% in 2005. Forecasts for 2007 vary in the range of 3-7%.
- Commercial property in UK and Europe is booming and it looks as though the UK commercial property markets has grown 20% in 2006 with Europe very close to this as well. Individual property funds have taken so much meney they are struggling to find good investments and fund returns have lagged the market. It may have reached a peak in UK with returns expected to slow to around 9% in 2007. Europe and Asia are still expected to show good returns.
- The average price of a house in South Africa (according to Absa) is 824,000 rand ($104,000) and house price inflation is now running at 13.9% down from 23% last year.
- Dubai is predicted to be heading for a domestic property price correction. The IMF has forecast that with approximately 60,000 units coming available in each of the next 2 years, there could be a correction in prices, especially apartments, but not a collapse. They do not see it as a bubble. Thereafter it is expected to grow at a more normal rate. Standard Chartered Bank have said several times this year that they expect a 20%-30% drop in prices over the next 2 years.
- Conversely, Singapore has only recently emerged from its property downturn. The Urban Development Authority state that private property prices are 12% higher that the bottom in 2004 but still 31% below their peak in the mid 1990's. Property rose 7% in 2005 but 21% in the first 9 months of 2006. The average price is now S$1760 per square foot. Prices are expected to rise by some 25% this year and another 10-15% next year.

10.6 Commodities & Metals

- Commodity prices have dropped in the second half of the year, led by oil, which is 25% below its peak. This is probably a much needed correction as they were driven too high by speculation and hedge funds.
- The signs of cooling in global growth have caused most commodities to come down in price. However the structural demand for energy is still intact. Supply constraints also provide support.
- There could be more short term falls in many commodities but



the long term outlook is still very strong. Gold is expected to rise because of increasing consumer demand and the weakening dollar.

- If the dollar weakens further as a result of the massive trade deficit loss of confidence in the current US administration, or both, then gold will benefit. It is probably a good time to buy gold now, but buy the metal or funds that invest in metal rather than gold back bonds. We will be pleased to discuss investment alternatives with you.

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Thanks for making it to the end. I hope you found it useful.

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