

# RIC Pacific Basin Equity Fund

## Performance Review

	Three Months %	Year to Date %	One Year % <sup>1</sup>	Three Years %	Five Years %	Ten Years %	Fifteen Years %	Since Inception % <sup>2</sup>
RIC Pacific Basin Equity Fund (\$ Gross of Fees)	13.6	13.6	-7.0	27.3	4.1	12.7	7.7	8.2
RIC Pacific Basin Equity Fund (\$ Net of Class A Fees)	13.2	13.2	-8.1	25.8	2.9	11.4	6.4	6.9
RIC Pacific Basin Equity Fund Benchmark (\$) <sup>3</sup>	13.0	13.0	-7.5	24.5	4.3	12.4	5.8	6.1
Morningstar Median Manager (\$) <sup>4</sup>	11.9	11.9	-7.5	22.9	3.1	11.1	5.4	6.0
Quartile ranking	2	2	3	1	3	2	2	2
Fund size \$ 459m								

<sup>1</sup> Returns greater than one year are annualised.

<sup>2</sup> Inception date 30/06/1995

<sup>3</sup> Prior to 5th October 2005 the benchmark was MSCI AC Pac ex Japan. Prior to 1st April 2011 it was MSCI AC Asia Pac ex Japan Net. The benchmark is currently the Russell Asia Pacific ex Japan Net Index.

<sup>4</sup> Morningstar Offshore & International Equity Asia Pacific ex Japan Universe

## Manager Performance

### Overview

The Russell Asia Pacific ex Japan Index (the index) jumped 13.0% in the first three months of 2012, driven mainly by hopes that the worst of Europe's debt crisis is over and expectations the US recovery will be sustained. In Europe, finance ministers confirmed a second, EUR130 billion Greek bailout package that enabled the troubled nation to stave off default while stronger US jobs and manufacturing figures suggest the recovery in the world's biggest economy remains on track. The market was also well supported by speculation that Chinese officials will continue to ease monetary policy in the wake of recent softer growth and inflation figures. Importantly, whilst some question marks still hang over China's growth prospects, Russell maintains the view the country will successfully avoid a 'hard landing'. At the sector level, information technology, industrials and consumer discretionary made the biggest gains over the quarter as confidence in the global recovery improved. The traditionally defensive telecommunication services and utilities sectors were also stronger but lagged their more cyclical counterparts.

## Fund Performance

### Performance History(1)



(1) Performance is quoted gross of management fees

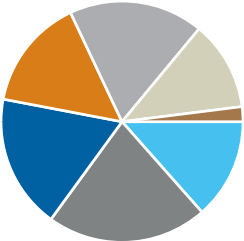
### Key Drivers

The Fund outperformed the benchmark over the March quarter. At the country level, strong stock selection in Singapore, Australia and India contributed positively to the Fund's overall returns. In terms of individual stocks, overweight holdings in Tata Motors and Ezion Holdings added the most value. Tata Motors jumped more than 50% on the back of stronger sales while Ezion, a provider of marine logistics and support services, gained amid generally positive sentiment toward the company. At the sector level, strong stock picking within financials contributed the most to returns, including an overweight holding in Singapore's City Developments.

## Manager Review

Manager	Approach / Process	Excess Return	Russell Analysis
Balanced Equity Management	Contrarian approach based on sum of the parts through cycle valuations	2.4%	Specialist Australian shares manager BEM outperformed over the period. At the sector level, the manager benefited from strong stock selection within the industrials and materials sectors, including overweight exposures to Qantas and Boral. Qantas gained after announcing a joint venture with China Eastern Airlines – a move designed to expand its Asian operations – while Boral rose after analysts reacted positively to the company's efforts to sell its non-core assets.
Aberdeen Asset Management	Fundamental analysis with a strong focus on valuation and quality	1.0%	Quality and value manager Aberdeen outperformed over the quarter. Among the key contributors to performance were overweight holdings in City Developments and United Overseas Bank. City Developments gained on the back of stronger 2011 earnings while United Overseas Bank benefited from positive comments from a leading broker. At the sector level, strong stock selection within consumer discretionary and materials also added to the manager's overall returns.
Havenport	Thematic driven approach, focusing on growth opportunities	-1.6%	Thematic manager Havenport underperformed over the quarter, due in part to negative stock selection in South Korea and China. At the stock level, overweight holdings in China Unicom and Luk Fook Holdings International weighed on returns. China Unicom fell after the company's 2011 profit failed to meet analysts' expectations while Luk Fook Holdings eased amid a softer retail environment. Poor stock selection within the information technology and industrials sectors also hurt the manager's overall returns.
MIR	Combination of quantitative and qualitative approaches	-0.8%	Value and momentum manager MIR underperformed over the quarter. At the individual stock level, overweight holdings in LG Uplus and Astra International detracted the most from performance. LG Uplus fell after the company's fourth quarter earnings result disappointed the market while Astra traded lower in the wake of the Bank of Indonesia's decision to place restrictions on automotive loans. Also worth noting is that whilst value as a factor experienced a strong start to 2012, all measures of momentum struggled in the first quarter.
TT International	Top Down	0.2%	Market-oriented manager TT moderately outperformed over the period. At the country level, strong stock picking in Singapore had the biggest impact on returns, including an overweight holding in Keppel Land. Keppel Land gained more than 60% in the wake of a record profit in 2011. An overweight holding in Hon Hai Precision Industry was also positive after strong demand for Apple's iPhones and iPads contributed to a 64% jump in the company's fourth quarter net income. In terms of sectors, positive stock selection within consumer discretionary and financials added the most value to the manager's overall performance.
CouplandCardiff	Growth / Momentum	2.6%	Concentrated growth manager Coupland Cardiff outperformed over the quarter. Overweight holdings in CapitaLand and Big C Supercenter contributed the most to overall returns. CapitaLand rose after a leading broker said the stock will benefit from lower Chinese interest rates while Big C Supercenter gained on news its 2011 net profit almost doubled on the previous year. At the sector level, strong stock selection within financials, consumer discretionary and industrials added the most value to the manager's overall performance. An underweight exposure to the weaker telecommunication services sector was also beneficial.
RIS	China Completion Portfolio	-0.0%	Russell's Implementation Services team (RIS) uses an optimised China completion portfolio. This strategy is reducing our structural negative exposure to China and brings the overall fund country allocation closer to our ideal allocation based on our outlook for the country.

Fund Statistics

Manager Weights	Characteristics	Fund	Benchmark
 <ul style="list-style-type: none"> <li>■ Balanced Equity Management: 13.5%</li> <li>■ Aberdeen Asset Management: 21.5%</li> <li>■ Havenport: 18.0%</li> <li>■ MIR: 15.0%</li> <li>■ TT International: 18.0%</li> <li>■ CouplandCardiff: 12.0%</li> <li>■ RIS: 2.0%</li> </ul>	Sector Deviation	6.40	--
	Market Cap Weighted Nlog	-0.35	--
	Price/Earnings (excl negative earnings)	10.13	10.74
	Dividend Yield	3.28	3.35
	Price to Book	1.62	1.64
	EPS Growth (1 Year)	26.80	25.45
	Tracking Error	Fund	Median Manager
One Year	1.4	5.4	
Three Years	2.4	6.1	
Five Years	2.8	7.1	

Fund Analysis

Country Exposure <sup>1</sup>	Fund %	Benchmark %	Benchmark Country Returns
Australia	21.5	23.5	-3.0
Cayman Islands	0.1	0	
China	17.9	18.7	-6.0
Hong Kong	11.5	7.8	-4.3
India	7.6	7.4	-5.5
Indonesia	1.7	2.9	2.3
Malaysia	2.8	3.6	-1.1
New Zealand	0.1	0.6	3.5
Philippines	1.4	1.1	5.0
Singapore	9.2	5.1	-0.0
South Korea	13.1	14.5	-1.1
Sri Lanka	0.3	0	
Taiwan	8.3	12.6	-2.8
Thailand	4.5	2.3	1.9

<sup>1</sup> Due to rounding, totals may not equal 100%

Top Ten Holdings

Company Name	Fund %	Benchmark %	Country	Sector
Samsung Electronics Co., Ltd.	4.5	3.2	South Korea	Information Technology
Westpac Banking Corp.	2.4	1.5	Australia	Financials
Australia & New Zealand Banking Group, Ltd.	2.1	1.4	Australia	Financials
BHP Billiton, Ltd.	2.1	2.6	Australia	Materials
CHINA CONSTRUCTION BANK CORP	2.0	1.3	China	Financials
China Mobile, Ltd.	1.9	1.3	Hong Kong	Telecommunication Services
CNOOC LTD	1.3	0.7	Hong Kong	Energy
Taiwan Semiconductor Manufacturing Co., Ltd.	1.3	1.6	Taiwan	Information Technology
OVERSEA-CHINESE BANKING CORP LTD	1.2	0.4	Singapore	Financials
Newcrest Mining, Ltd.	1.1	0.5	Australia	Materials

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