

Pacific Basin Equity Fund

Performance Review

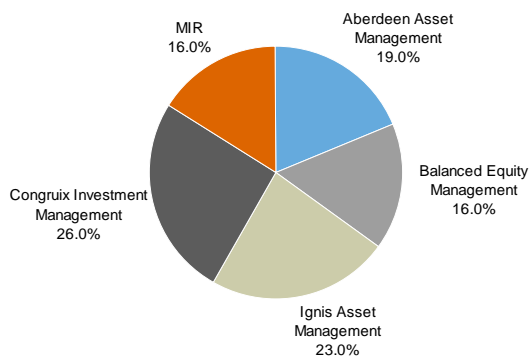
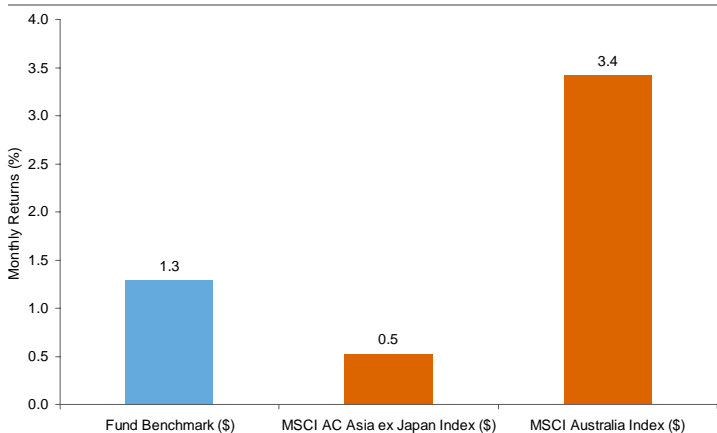
	One Month %	Three Months %	Year to Date %	One Year % ¹	Three Years	Five Years %	Ten Years %	Since Inception % ²
Pacific Basin Equity Fund (USD) Gross of fees	0.9	-1.8	-6.0	94.7	1.7	9.8	8.8	8.0
Fund Benchmark (US\$) ³	1.3	-1.7	-5.1	88.9	2.9	10.4	8.2	5.8
Pacific Basin Equity Fund (RAND) Gross of fees	2.5	1.3	-2.2	48.6	3.4	16.1	10.9	13.7
Fund Benchmark (RAND)	2.9	1.4	-1.2	44.2	4.7	16.7	10.3	11.3

¹ Returns greater than one year are annualised.

² Inception date 09/06/95. Performance is measured from 01/07/95. In order to enable accurate peer relative and total return benchmark relative performance comparisons, performance is calculated from the first full month following inception.

³ Benchmark prior to 05/10/2005 was the MSCI All Country Pacific ex-Japan Index. Benchmark currently MSCI All Country Asia Pacific ex-Japan Index.

Fund Highlights and Portfolio Management Activity



As at 28/02/2010

- The MSCI Asia Pacific ex Japan Index advanced 1.3% in February as the world's economy continued to recover from the global recession. Asian stocks slumped at the beginning of the month on the back of accelerating European debt, weakening commodity prices – as the US dollar strengthened – and a rise in US unemployment claims, adding fears of a double-dip recession. However, stocks immediately recovered as the EU appeared likely to bailout Greece, commodities began to recover and firms posted better-than-expected earnings within the region. Hong Kong was among the best-performing countries in Asia after its fourth quarter (of 2009) GDP results beat forecasts, expanding 2.3%. In addition, its exports leapt in January and retail spending also jumped. The Philippines was the strongest performing country after the IMF forecast its economy would expand by 3.25% in 2010 as consumer spending improves and the government eases its monetary policies. At a sector level, health care was up in excess of 5% after Australian biotherapies group CSL reported a 23% jump in profits six months to the end of 2009.
- The Fund marginally underperformed its benchmark as the majority of the managers, most notably TT and Ignis, detracted from performance.
- Aberdeen was the best-performing manager as value stocks outperformed their growth counterparts. Its country positioning and stock selection was the primary driver of performance. A large underweight to Taiwanese technology was particularly beneficial as the sector was the only one to post negative returns in the region. Elsewhere, stock selection within Asian banks also enhanced performance. In contrast, growth manager Ignis was the worst performer during February. Stock selection in Asian financials was the primary detractor. While stock selection was positive within technology, a large overweight to the sector offset the gains.
- The Fund is overweight Hong Kong and Singapore in accordance with Russell's strategist views who express a marginal preference for those two countries based on relative earnings pessimism and the potential for upgrades on the back of stronger exports. But the main focus for Asian managers this year is on stock picking in an environment where countries are driven by more similar factors compared to last year.

Monthly Manager Performance

Manager	Approach / Process	*Manager Performance	Russell Analysis
Aberdeen Asset Management	Fundamental analysis with a strong focus on valuation and quality	+	Aberdeen outperformed in an environment where quality and value stocks performed well in the region. Country allocation, a direct result of the manager's stock selection, was the primary driver of performance. In addition, its avoidance of energy major Reliance Industries – which has the greatest weight on India's main Index – was a positive. The stock fell after the company reportedly raised its offer for LyondsellBasell despite the weak global petrochemical demand and a subdued margins outlook.
Balanced Equity Management	Contrarian approach based on sum of the parts through cycle valuations	-	Stock selection was the primary hindrance for the Australian manager as – in a complete reversal of last year's performance – it underperformed during the month. An overweight to Australia's biggest telecommunication group, Telstra, was a detractor as it reported first half net profits fell 3.3% from a year earlier.
Congruix	Thematic driven approach, focusing on growth opportunities	Flat	Thematic manager Congruix finished flat this month. Stock selection in Hong Kong and Australian equities, notably within financials, was the primary driver. The manager believes it is well aligned for a rally in the Asia Pacific region, however, a sell-off in the near term will allow for further buying opportunities.
Ignis Asset Management	Sustainable growth manager	-	An overweight to Korean technology was a hindrance. The sector led the losses after news Greece may still face ratings downgrades prompted heavy selling by foreign investors on the Korean stock market.
MIR	Combination of quantitative and qualitative approaches	-	MIR, who combines a quantitative and qualitative approach, underperformed during February. Although value outperformed during the month, earnings and short-term price momentum factors were the major laggards.
TT International	Top Down	-	Stock selection, notably within Australian industrials, was the primary laggard. Unlike value manager Aberdeen, selection in Indian equities was also a detractor as the manager maintained its overweight to Reliance Industries. TT maintains a positive view on the region and believes the market is overly concerned by the tightening in China's monetary policy.

*Manager Attribution Key	Relative Performance vs Fund Benchmark	Manager	Manager Specific Benchmark
++	>1.5%	Aberdeen Asset Management	MSCI AC Asia ex Japan Index
+	0.25% to 1.5%	Balanced Equity Management	MSCI Australia + NZ Composite Index
Flat	-0.25% to 0.25%	Congruix Investment Management	MSCI AC Asia Pacific ex Japan Index
-	-1.5% to -0.25%	Ignis Asset Management	MSCI AC Asia ex Japan Index
--	<-1.5%	MIR	MSCI AC Asia Pacific ex Japan Index

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