

RIC Japan Equity Fund

Performance Review

	Three Months %	Year to Date %	One Year % ¹	Three Years %	Five Years %	Ten Years %	Fifteen Years %	Since Inception % ²
RIC Japan Equity Fund (¥ Gross of Fees)	-9.2	-12.0	-3.4	-7.6	-11.8	0.0	-0.2	1.9
RIC Japan Equity Fund (¥ Net of Class A Fees)	-9.4	-12.7	-4.4	-8.6	-12.7	-1.0	-1.2	0.9
Japanese Equity Fund Benchmark (¥) ³	-9.7	-13.9	-6.6	-9.8	-12.6	-1.6	-3.8	-1.6
Morningstar Median Manager (¥) ⁴	-11.1	-15.0	-7.3	-10.8	-14.3	-3.1	-3.9	-1.9
Quartile Ranking	1	2	1	2	1	1	1	1
Fund Size ¥ 62bn								

¹ Returns greater than one year are annualised.

² Inception date 30/06/1995

³ Prior to 1st January 2009, benchmark was gross of withholding tax, total return. Benchmark currently net of withholding tax.

⁴ Morningstar Offshore & International Equity Japan Universe

Market Performance

Overview

Japanese equities declined over the quarter, with the Topix losing 9.7% against a backdrop of escalating European sovereign debt concerns and doubts about the sustainability of the US recovery. Greece remained the focal point of Europe's debt woes amid speculation the country may yet default, though significant doubts were also raised over the solvency of 'core' European nations such as Spain and Italy. In the US, softer jobs and manufacturing data suggested economic growth may have stalled while investor sentiment was further impacted by Standard & Poor's decision downgrade the US government debt rating to AA+. Also adding to the dour tone was Moody's decision to downgrade Japan's own sovereign credit rating to Aa3. Not surprisingly, Japanese exporters were among the hardest hit over the quarter, particularly those companies operating within sectors where demand from the US, Europe and China is greatest. Meanwhile, a weaker yen and some better-than-expected earnings guidance, following the recent earthquake, did provide some support to the local market. At the sector level, energy and materials were among the worst performers over the quarter due to their strong correlation to the global growth outlook. By contrast, consumer staples and health care were finished the period in positive territory as their more defensive characteristics benefitted from market volatility.

Fund Performance

Performance History (1)



(1) Performance is quoted gross of management fees.

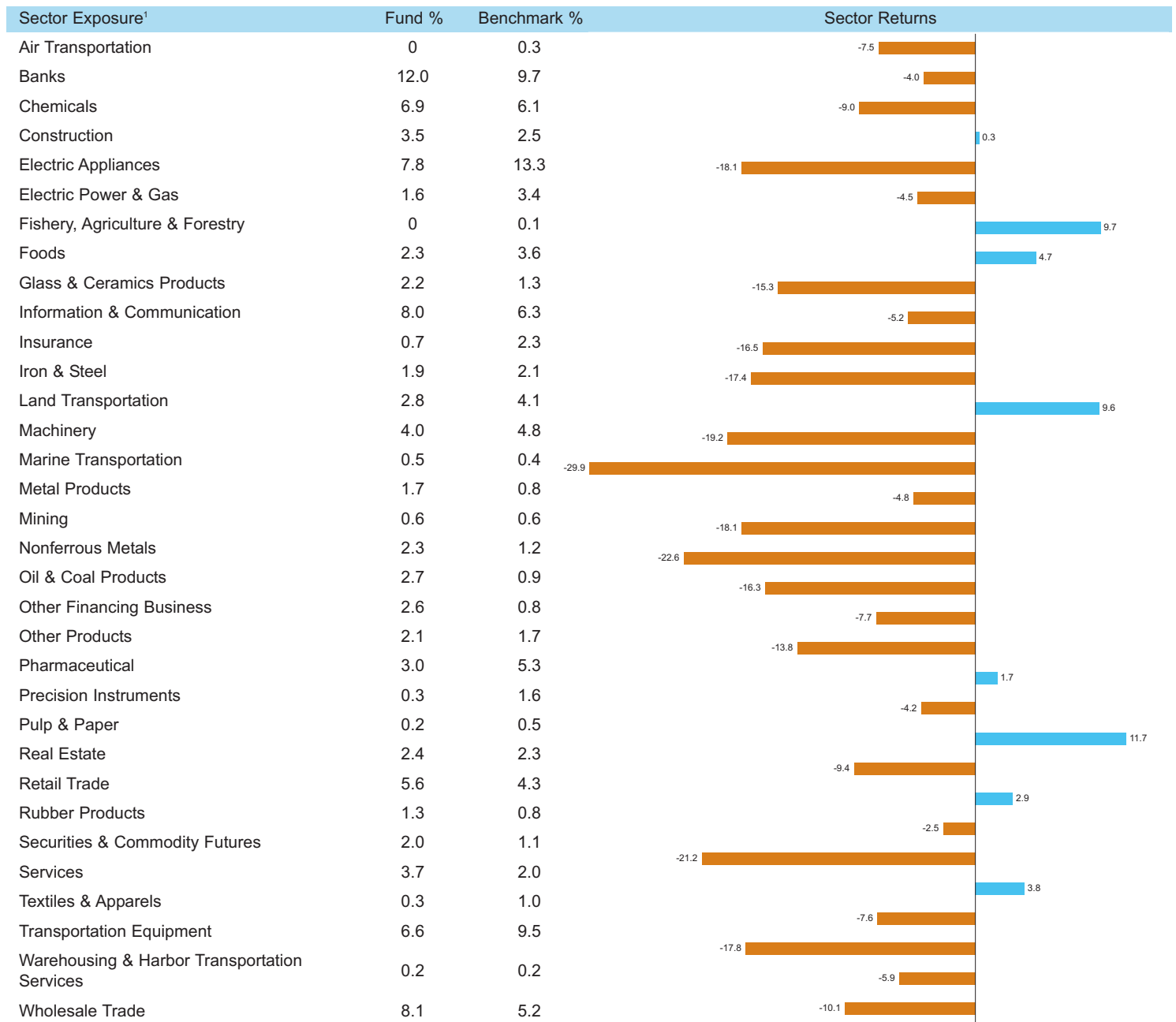
Key Drivers

The Fund outperformed the benchmark over the period. Contributing to the Fund's performance was strong stock selection within the consumer discretionary sector, including an underweight exposure to Honda Motors. Honda, which generates most of its sales abroad, fell sharply on fears the global economy is headed for recession. An overweight holding in online retailer Rakuten also proved beneficial after the stock rose amid increasingly positive sentiment toward the company. By contrast, an underweight exposure to the consumer staples sector and poor stock selection within industrials detracted from the Fund's overall performance.

Manager Review

Manager	Approach / Process	Excess Return	Russell Analysis
Alliance Bernstein	Value	-1.7%	Alliance Bernstein underperformed over the quarter. Poor stock selection within the industrials and financials sectors weighed the most on performance, including overweight holdings in Furukawa Electric and Sumitomo Electric. Both Furukawa and Sumitomo fell sharply amid serious allegations of price-fixing. Also hurting the manager's performance was an overweight exposure to financial services company, Orix, which traded lower as market volatility rose throughout the period.
JPMorgan	Market - Oriented	-2.8%	JP Morgan underperformed over the quarter. Poor stock selection within the industrials sector detracted the most from returns, including overweight holdings in shipping companies Kawasaki Kisen Kaisha and Mitsui O.S.K. Lines. Both companies fell sharply on concerns that a higher yen and plunging container shipping rates will impact future earnings. Also weighing on performance was an overweight exposure to, Mitsui Mining & Smelting, which slumped amid speculation that nuclear power plants will remain closed due to the recent earthquakes.
Lazard	Neutral to slightly below average valuation, low momentum.	1.8%	Contrarian manager Lazard outperformed the benchmark over the quarter. Contributing to the manager's performance was very strong stock selection within the consumer discretionary sector, including overweight holdings in Rinnai Corp. and Takamatsu Construction Group. Rinnai rose after the company said it expects its partnership with Oman's Al Hashar Group to boost growth in the Sultanate by 30% while Takamatsu gained on speculation the company will be a key beneficiary of Japan's post-earthquake rebuilding effort.
RIS	Deep Value	2.9%	The Deep Value ISP outperformed the benchmark over the period, due in part to strong stock selection within the consumer discretionary and financials sectors. At the stock level, overweight holdings in Taisei Corp. and Nippon Paper were among the key contributors to returns. Taisei rose after a major broker upgraded the company's investment rating on expectations that demand for reconstruction work will rise following the recent earthquake, while Nippon Paper gained on news of cost-cutting.
Zebra	Value	7.3%	Quant-driven, value manager Zebra Capital outperformed over the period, benefiting in part from strong stock selection within the consumer discretionary, financials and industrials sectors. At the stock level, the key contributors to performance were overweight holdings in Central Japan Railway and Heiwa Corp. Central Japan Railway gained on better-than-expected passenger traffic while pachinko machine maker, Heiwa, rose after investors reacted positively to the company's March quarter earnings results.
CouplandCardiff	Growth / Momentum	-1.6%	Coupland Cardiff underperformed over the period. The manager's significant underweight exposure to the strong-performing consumer staples sector and poor stock selection within telecommunication services weighed the most on performance. At the stock level, overweight holdings in Nippon Sheet Glass and Makita Corp. were among the key detractors. Nippon Sheet Glass fell following disappointing June quarter earnings results while Makita eased on concerns that a stronger yen will impact future sales.
Sumitomo Trust & Banking	Growth style with GARP bias	-2.5%	Sumitomo Trust & Banking underperformed the quarter. Poor stock selection within the industrials sector hurt the manager's performance, including overweight holdings in Mitsubishi Electric and Daihatsu Diesel. Mitsubishi fell as investors worried that a stronger yen will limit the company's earnings and growth potential while Daihatsu traded sharply lower on concerns that slower global growth will impact demand for the company's products. An underweight exposure to consumer staples also weighed on the manager's overall performance.

Fund Analysis



¹ Sector Weights may not sum to 100% due to rounding.

Fund Statistics

Manager Weights	Characteristics	Fund	Benchmark
 <ul style="list-style-type: none"> ■ Alliance Bernstein: 20.0% ■ JPMorgan: 12.0% ■ Lazard: 18.0% ■ RIS: 10.0% ■ Zebra: 15.0% ■ CouplandCardiff: 10.0% ■ Sumitomo Trust & Banking: 15.0% 	Sector Deviation	7.85	--
	Market Cap Weighted Nlog	-0.14	--
	Price/Earnings (excl negative earnings)	12.35	13.94
	Dividend Yield	2.35	2.89
	Price to Book	0.93	1.01
	EPS Growth (1 Year)	34.33	33.67
	Tracking Error	Fund	Average Manager
One Year	1.1	4.2	
Three Years	3.9	5.5	
Five Years	3.4	5.8	

Top Ten Holdings

Company Name	Fund %	Benchmark %	Country	Sector
Mitsubishi UFJ Financial Group, Inc.	3.5	2.6	Japan	Banks
Nippon Telegraph & Telephone Corp.	2.7	1.3	Japan	Information & Communication
Toyota Motor Corp.	2.3	3.4	Japan	Transportation Equipment
Mitsui & Co., Ltd.	1.8	0.9	Japan	Wholesale Trade
Mitsubishi Corp.	1.8	1.2	Japan	Wholesale Trade
SUMITOMO MITSUI GR	1.6	1.6	Japan	Banks
MTSUI TRST HLDGS	1.5	0.5	Japan	Banks
Canon, Inc.	1.4	2.1	Japan	Electric Appliances
ORIX Corp.	1.4	0.3	Japan	Other Financing Business
JX HOLDINGS INC	1.3	0.5	Japan	Oil & Coal Products

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