

RIC Emerging Markets Equity Fund

Performance Review

	Three Months %	Year to Date %	One Year % ¹	Three Years %	Five Years %	Ten Years %	Fifteen Years %	Since Inception % ²
RIC Emerging Markets Equity Fund (\$ Gross of Fees)	5.3	-16.5	-16.5	23.8	4.2	16.0	8.3	8.3
RIC Emerging Markets Equity Fund (\$ Net of Class A Fees)	5.0	-17.7	-17.7	22.0	2.7	14.3	6.7	6.9
RIC Emerging Market Equity Fund Benchmark (\$) ³	3.3	-18.9	-18.9	19.8	2.4	14.3	8.1	7.3
Morningstar Median Manager (\$) ⁴	2.9	-20.8	-20.8	16.9	-0.2	11.8	6.3	5.6
Quartile Ranking	1	1	1	1	1	1	2	1
Fund Size \$ 3,498m								

¹ Returns greater than one year are annualised.

² Inception date 31/12/1994

³ Prior to 1st April 2011 the benchmark was MSCI EMF (Net), prior to 1st Jan 2009, it was gross. Prior to April 1999 it was ING Barings Extended EM Index. Between 04/1999 & 02/2003 the IFC Investable Index. The benchmark is currently the Russell Emerging Markets Net Index.

⁴ Morningstar Offshore & International Equity Global Emerging Mkts Universe

Market Performance

Overview

The Russell Emerging Markets Index rose by 3.3%. Emerging markets were mixed at the individual country level, but overall ended the period higher. Investors became more confident as news on the US economy improved and policymakers in developed and emerging markets took steps to loosen monetary policy and stimulate economic growth. The best performing markets included Brazil and China, whilst India and Turkey were notable underperformers. Brazil's market recovered (+8.9%) after a torrid middle part of the year. The Brazilian central bank responded quickly to slowing global economy by cutting interest rates in October, triggering a positive response from the markets. Similar steps by Chinese policymakers to loosen monetary policy and protect growth were equally rewarded (+7.2%). The People's Bank of China pleased investors after it cut financial institutions reserve requirement ratio by half a percentage point. On the downside, India, Turkey and Egypt were among the worst performing markets. In India (-16.1%) investors began to worry that interest rate hikes earlier in the year had slowed the economy too much. The rupee, meanwhile, hit an all-time low against the US dollar after industrial production tumbled. The Turkish market fell very heavily in the last quarter of 2011 (-14.4%) as the central bank governor concerned investors by warning them that inflation was now his number one problem. Egypt suffered further falls (-11.9%), as protests continued against the military rulers who are in 'caretaker' control of the country.

Fund Performance

Performance History(1)



(1) Performance is quoted gross of management fees.

Key Drivers

The Fund outperformed in the fourth quarter of 2011, led by Somerset, Arrowstreet and Harding Loevner. The main driver of performance was the underlying manager's strong stock selection, notably within the technology and energy sectors. From a country perspective, an underweight position to India added to returns, as the country struggled on high inflation and rising interest rate concerns. Additionally, positive returns were seen from strong stock selection and an underweight allocation to underperforming Taiwan.

Manager Review

Manager	Approach / Process	Excess Return	Manager Performance
Genesis	Market - Oriented Bottom Up	1.9%	Genesis enjoyed a positive quarter driven by strong stock selection within the materials & processing sector. An off-benchmark position to South African miner Anglo American was rewarded, as their shares rose after it unexpectedly sold a stake in its Chilean copper business for \$5.4 billion. Notable gains were also seen from effective stock selection in Korea and an off-benchmark position in miner First Quantum Minerals was the largest gain, as the company's shares rose after Zambia, where the Canadian company is based, lifted a ban on metal exports.
Alliance Bernstein	Value	-0.3%	Alliance Bernstein underperformed, finishing the quarter as the weakest manager due to its ineffective country positioning and poor stock selection at the sector level. The manager's overweight allocation to Turkey was detrimental as the market fell heavily after the country's central bank announced that inflation would rise in the fourth-quarter to nearly eight percent. The largest detractor to performance was stock selection within the financial services sector, in particular holding Turkiye Vakiflar Bankasi, which fell significantly as the Turkish central bank raised the overnight lending rate by 3.5% to 12.5% and raised the required reserve ratio on banks' lira deposits.
Arrowstreet Capital	Market - Oriented Quant	3.1%	Arrowstreet's outperformance over the quarter was led by its effective country positioning and positive stock selection. A key contributor to returns was a sizeable underweight to India, as the country struggled on high inflation and rising interest rate concerns coupled with disappointing factory output and industrial production results. The manager's overweight allocation to beverage supplier AmBev went rewarded, due to its share price rising significantly in November as the drinks company has seen consistent growth in Brazil.
Harding Loevner	Market - Oriented	3.1%	Harding Loevner significantly outperformed the benchmark due to its strong stock selection. Key contributors at the country level were underweight allocations and effective selection in Taiwan and India. The manager's stock selection in the technology sector was rewarded, notably an overweight to Samsung Electronics, whose shares rose over the quarter, as the company overtook Apple as the top smartphone maker and a strong sales forecast for the quarter.
UBS	Growth	2.3%	UBS enjoyed a strong performance, driven largely by its significant underweight allocation to struggling India. The manager's stock selection in the consumer-related sectors were key contributors, notably holding China's gaming and casino company Melco Crown as it climbed after the Chinese region of Macau reported a 39% rise in gambling revenue. In addition, an overweight exposure to South African food retailer Shoprite was rewarded, as the company's turnover increased due to positive growth in customer numbers and internal levels of food inflation remaining low.
Victoria 1522 Investments	Market - Oriented Thematic	2.3%	Victoria 1522's outperformance was due to its zero allocation to underperforming India and positive stock selection within the technology sector. In the latter, an overweight position to Taiwan's Semiconductor Manufacturing was rewarded, as the company continued to see increasing orders despite a general slowdown in the industry. Elsewhere, a holding in Agricultural Bank of China was the largest positive contributor at stock level, as the share price rose after the bank announced its third-quarter profits increased 40.2%, beating analyst expectations.
Somerset Capital	Quality, Value	1.1%	Somerset's outperformance was driven by its strong stock selection in the consumer sectors. Within the consumer staples sector, an off-benchmark allocation to food utilities and resource company First Pacific was beneficial, as risk sentiment was eroded by macro events and investors moved to more defensive sectors. Elsewhere, an overweight allocation to Taiwanese Far Eastone Telecoms added to returns, as the company reported a revenue increase of 44% year-on-year due to accelerated mobile internet growth. From a country perspective, a significant underweight to struggling India went rewarded, as the country experienced high inflation coupled with industrial production and factory output falling more than expected.

Fund Statistics

Manager Weights	Characteristics	Fund	Benchmark
 <ul style="list-style-type: none"> ■ Genesis: 17.5% ■ Alliance Bernstein: 12.5% ■ Arrowstreet Capital: 22.5% ■ Harding Loevner: 20.0% ■ UBS: 12.5% ■ Victoria 1522 Investments: 7.5% ■ Somerset Capital: 7.5% 	Sector Deviation	6.58	--
	Market Cap Weighted Nlog	0.04	--
	Price/Earnings (excl negative earnings)	9.85	10.13
	Dividend Yield	2.76	3.12
	Price to Book	1.58	1.59
	EPS Growth (1 Year)	26.12	26.01
	Tracking Error	Fund	Average Manager
One Year	2.4	4.8	
Three Years	2.6	5.1	
Five Years	2.9	5.4	

Fund Analysis

Country Exposure ¹	Fund %	Benchmark %	Country Returns
Brazil	14.5	14.2	8.7
Chile	1.4	1.9	7.9
China	15.2	17.9	7.6
Colombia	0.9	1.1	-0.8
Czech Republic	0.1	0.3	-2.1
Egypt	0.4	0.3	-11.9
Hungary	0.4	0.3	-2.6
India	4.0	6.6	-16.0
Indonesia	4.4	2.9	5.4
Korea	15.0	13.7	5.7
Malaysia	2.0	3.6	13.0
Mexico	4.0	3.8	9.4
Morocco	0	0.3	-8.2
Peru	0.6	0.3	10.6
Philippines	1.4	1.0	8.4
Poland	1.4	1.2	-5.8
Russia	8.1	7.3	1.4
South Africa	9.0	7.6	7.1
Taiwan	7.6	11.6	-1.7
Thailand	3.2	2.0	11.0
Turkey	2.6	1.5	-14.4
United Arab Emirates	0.1	0.4	-3.9
United States	0.1	0.2	0.6
Other	3.7	0	

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

Top Ten Holdings

Company Name	Fund%	Benchmark %	Country	Sector
Samsung Electronics Co., Ltd.	4.4	2.8	South Korea	Technology
GAZPROM OAO	2.6	1.5	Russia	Energy
Petroleo Brasileiro SA	2.4	2.2	Brazil	Energy
LUKOIL HOLDINGS	2.4	1.0	Russia	Energy
Taiwan Semiconductor Manufacturing Co., Ltd.	1.8	1.5	Taiwan	Technology
Cia de Bebidas das Americas	1.8	0.7	Brazil	Consumer Staples
China Mobile, Ltd.	1.7	1.2	Hong Kong	Utilities
Hyundai Motor Co.	1.2	0.8	South Korea	Consumer Discretionary
Cia Vale do Rio Doce	1.1	1.8	Brazil	Materials & Processing
Kia Motors Corp.	1.0	0.4	South Korea	Consumer Discretionary

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