

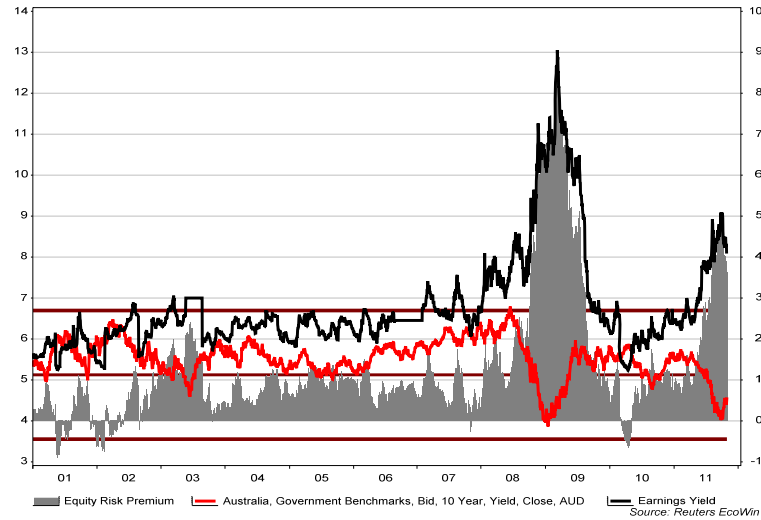


MW GaveKal Quarterly Investor Conference Call
Asian Equity Market Outlook
December 2011

Asian Equity Market Outlook

Asian Markets Are Cheap But ...

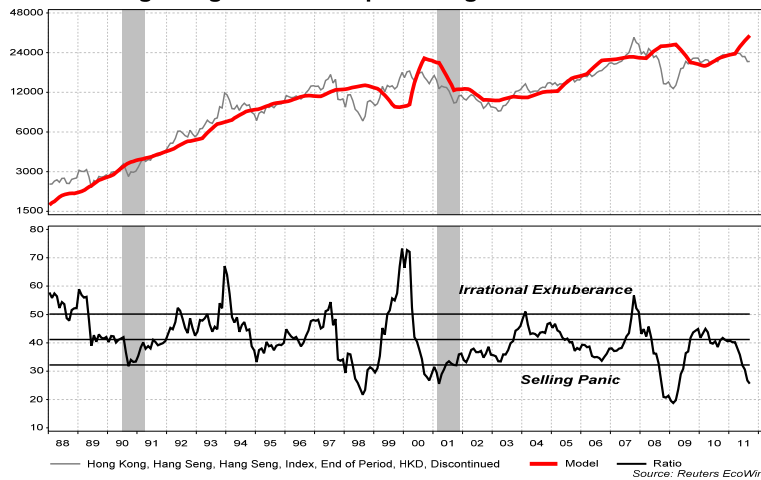
Australia Equity Risk Premium



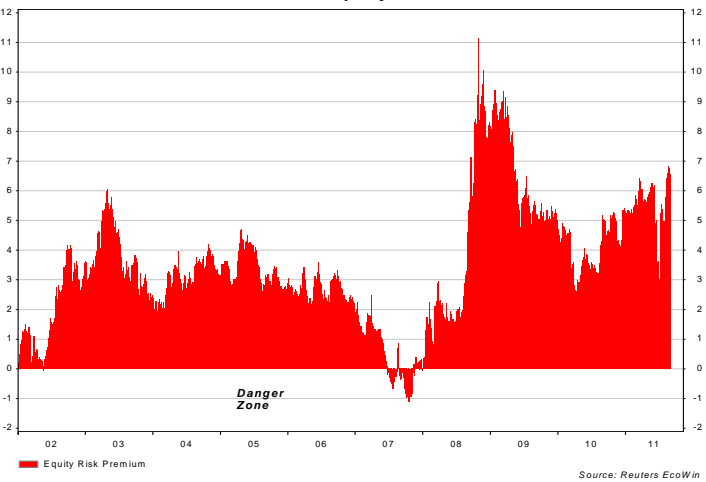
Japan, Nikkei 225 Price to Book Value



Hong Kong Mulhenkamp Earnings Discount Model



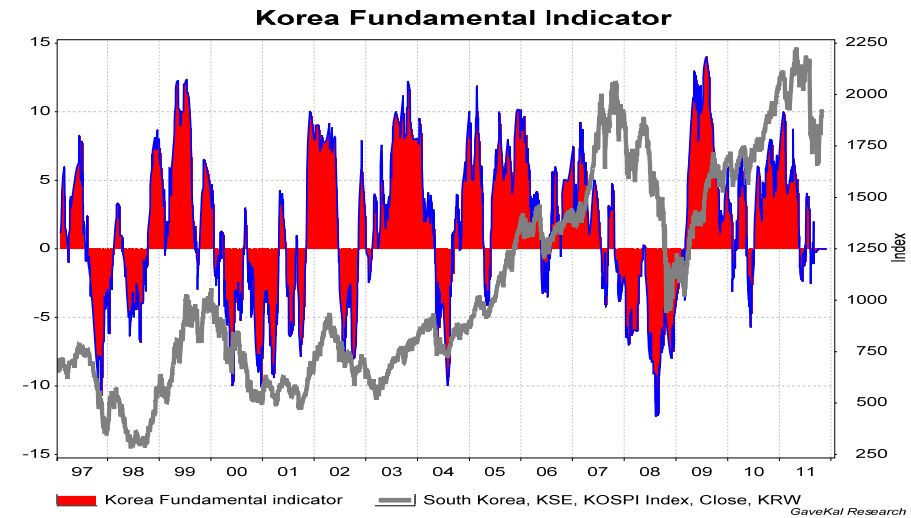
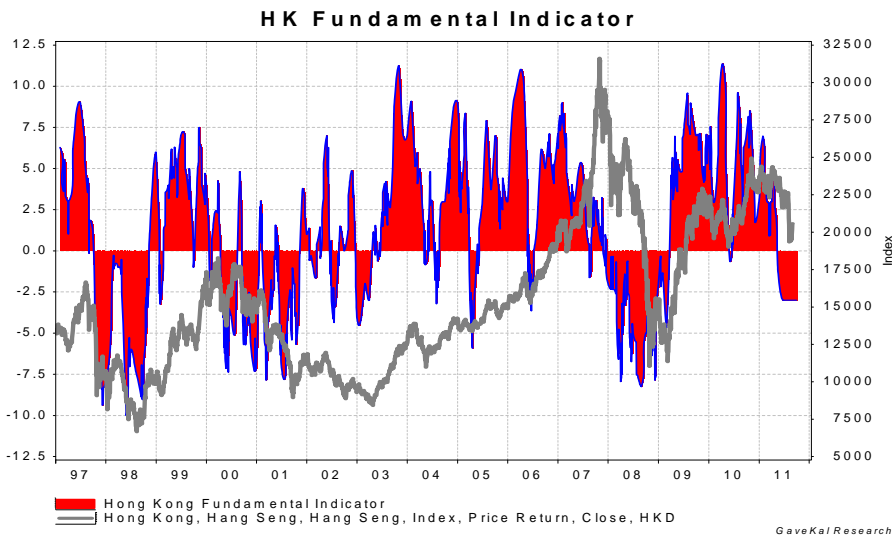
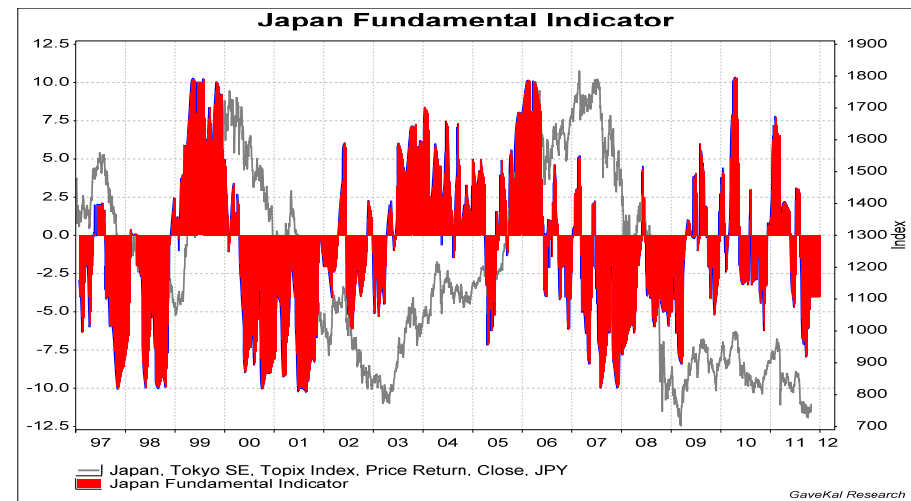
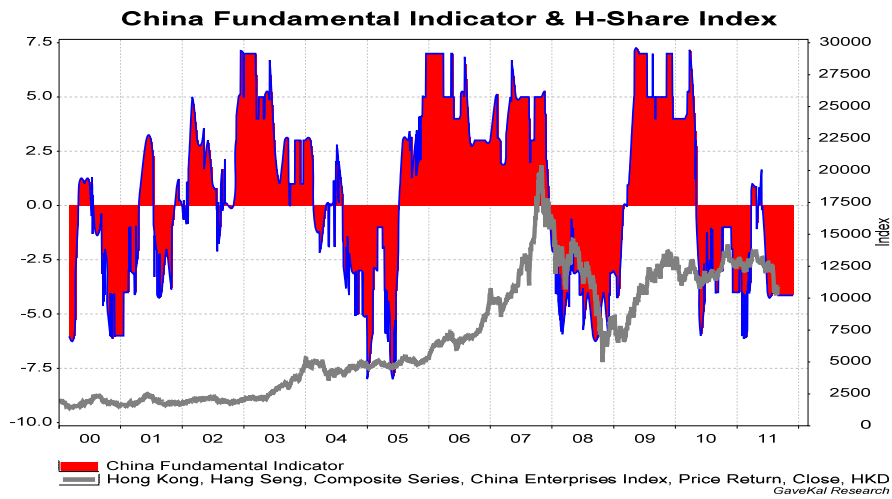
China H Shares Equity Risk Premium



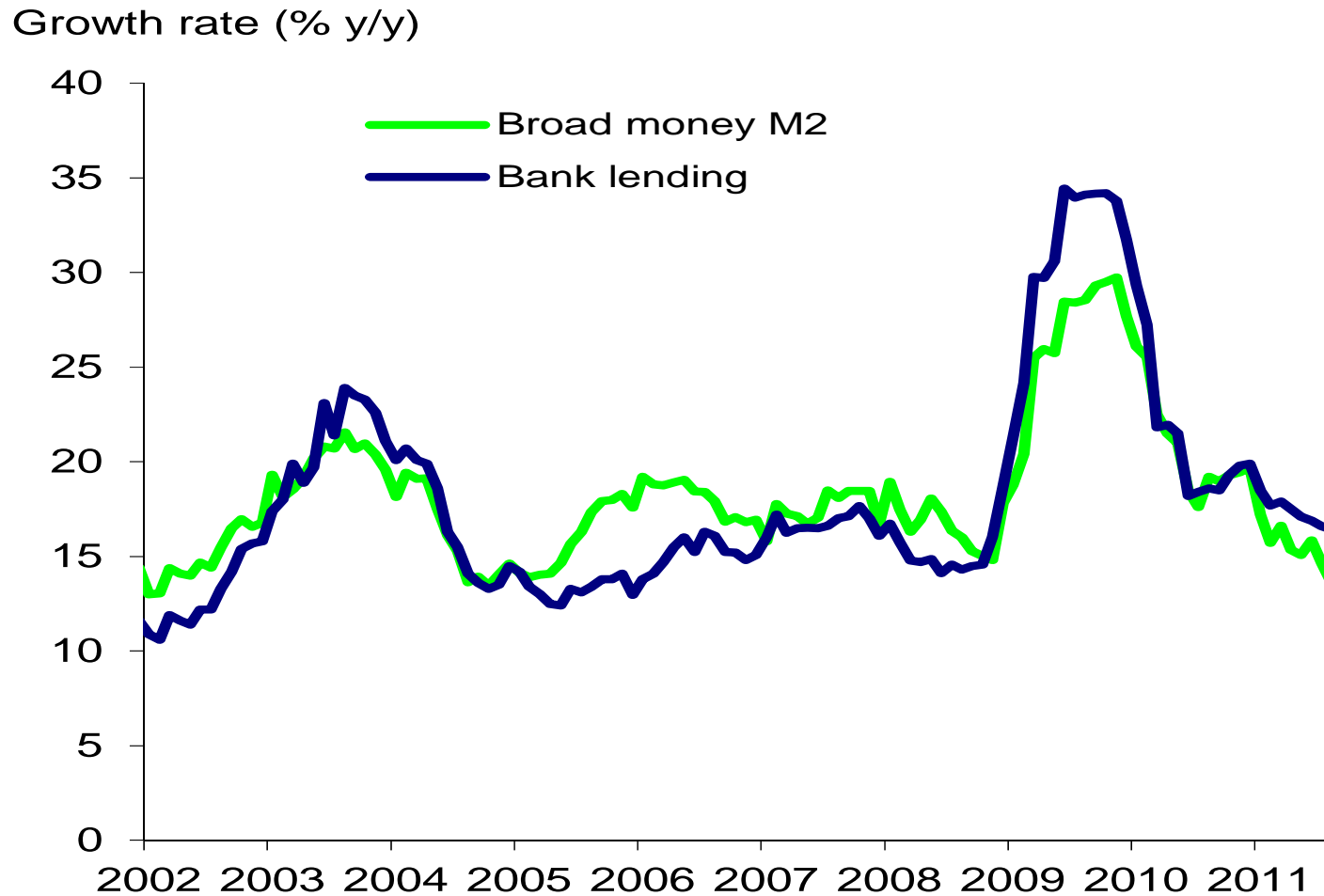
Source: MW GaveKal / Reuters EcoWin

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Cyclical Headwinds Are Strong

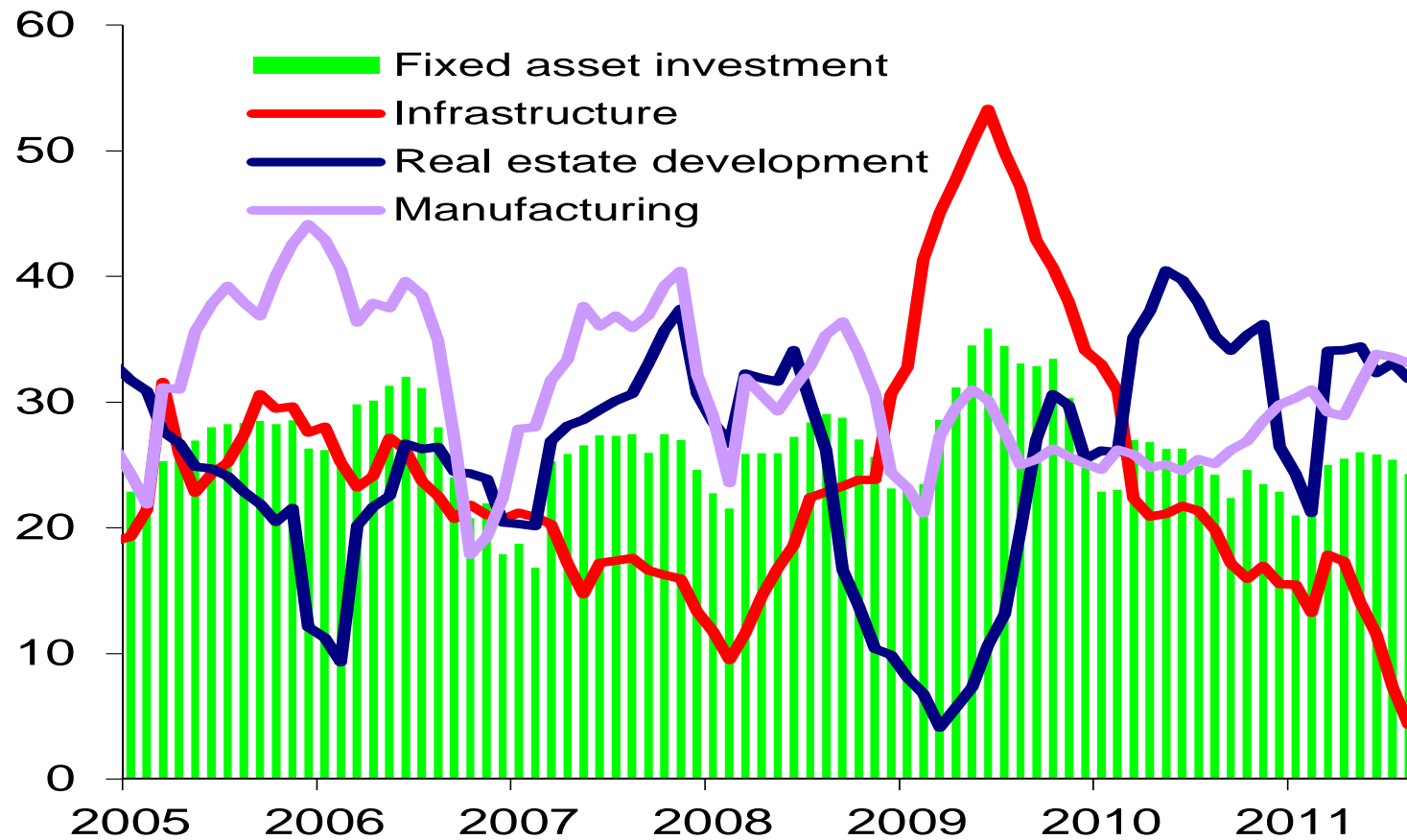


China – The Adjustment After the Boom



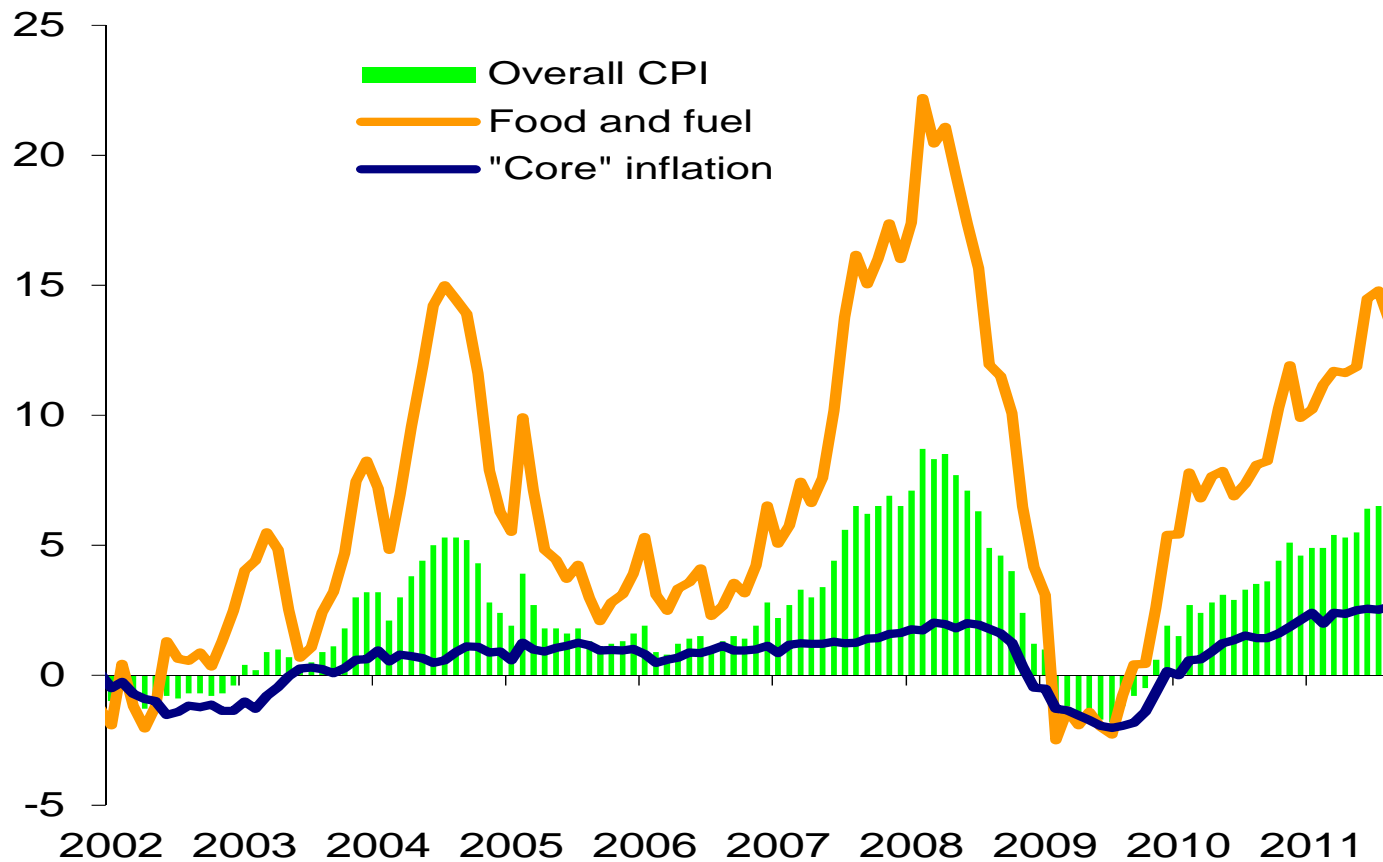
Fixed Asset Investment – Weak Infrastructure, Strong Capex

Growth rate (% y/y 3mma)



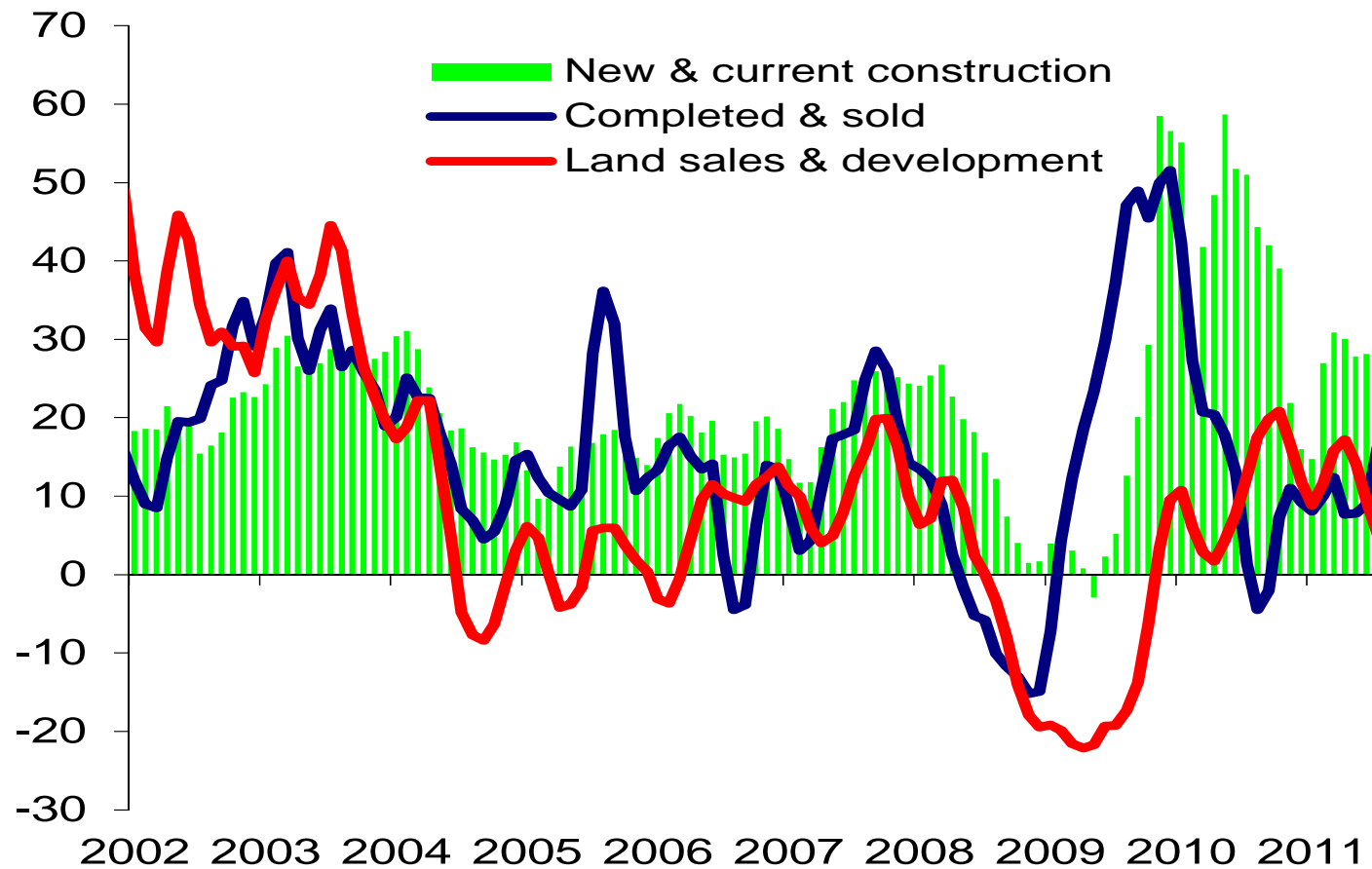
China – Leading Indicators for Easing

Inflation rate (% y/y)



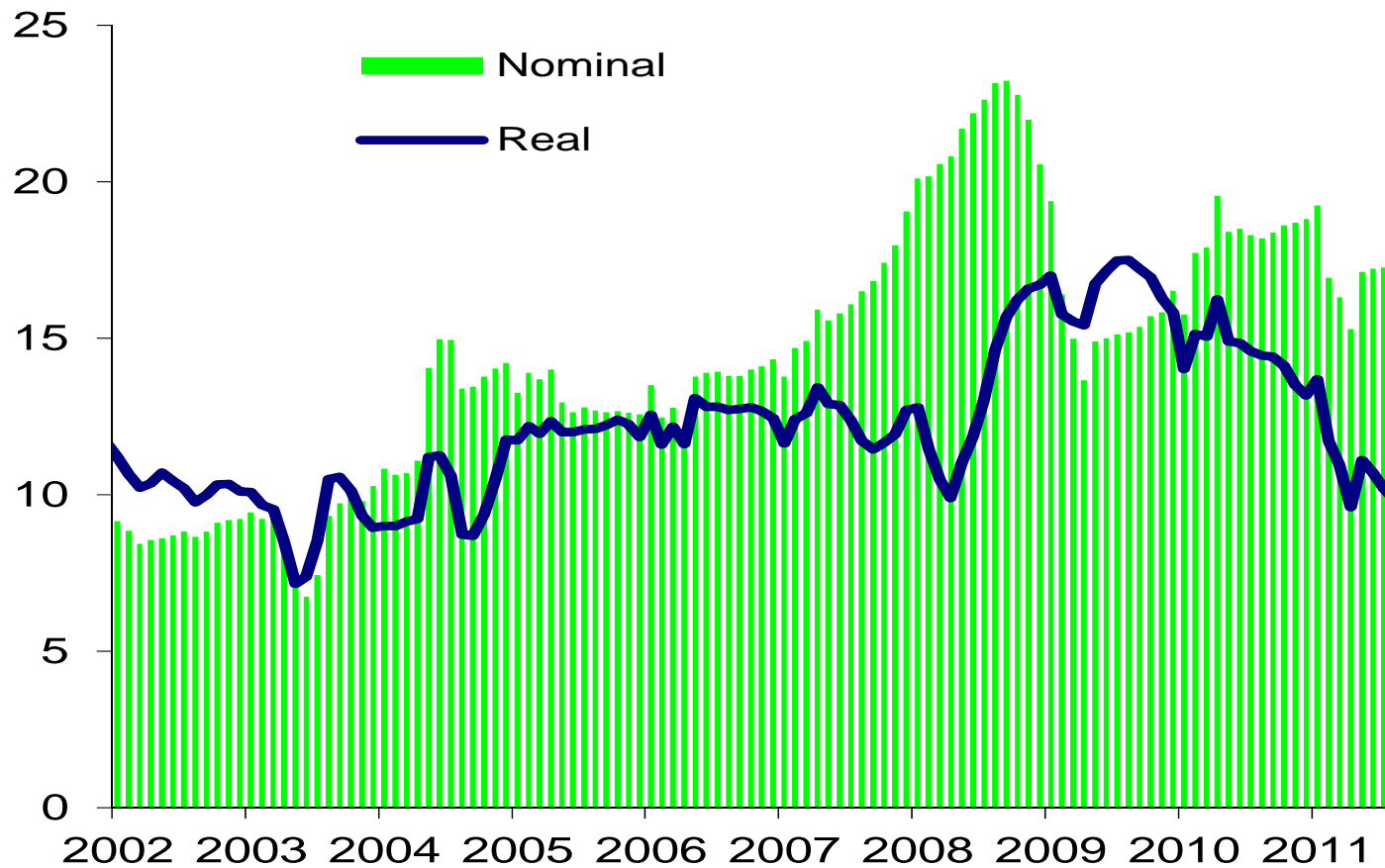
China – Property Market is Slowing

Construction and floor space indicators (% y/y)



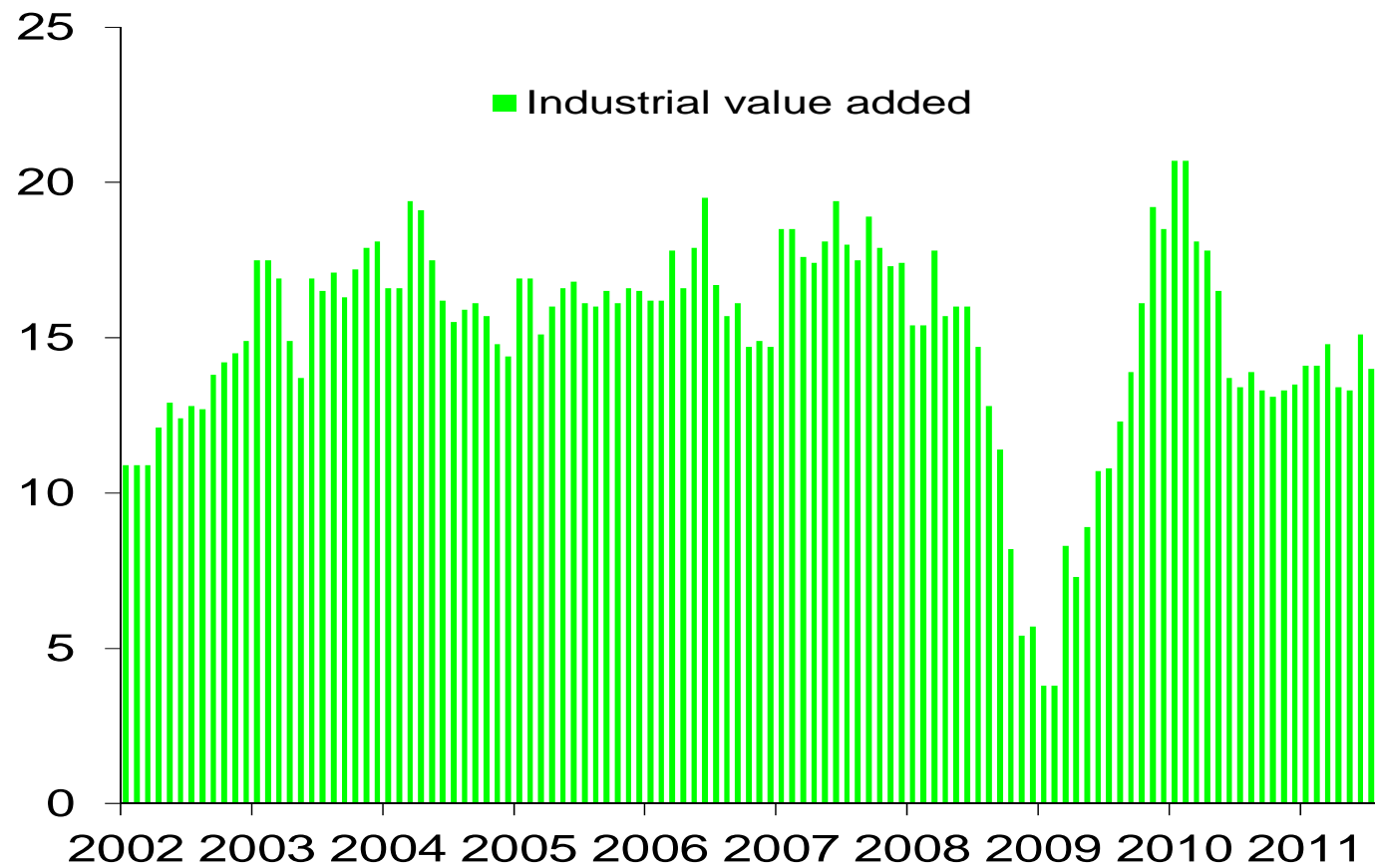
China – Structural Drivers Still Exist

Retail sales growth (% y/y 3mma)

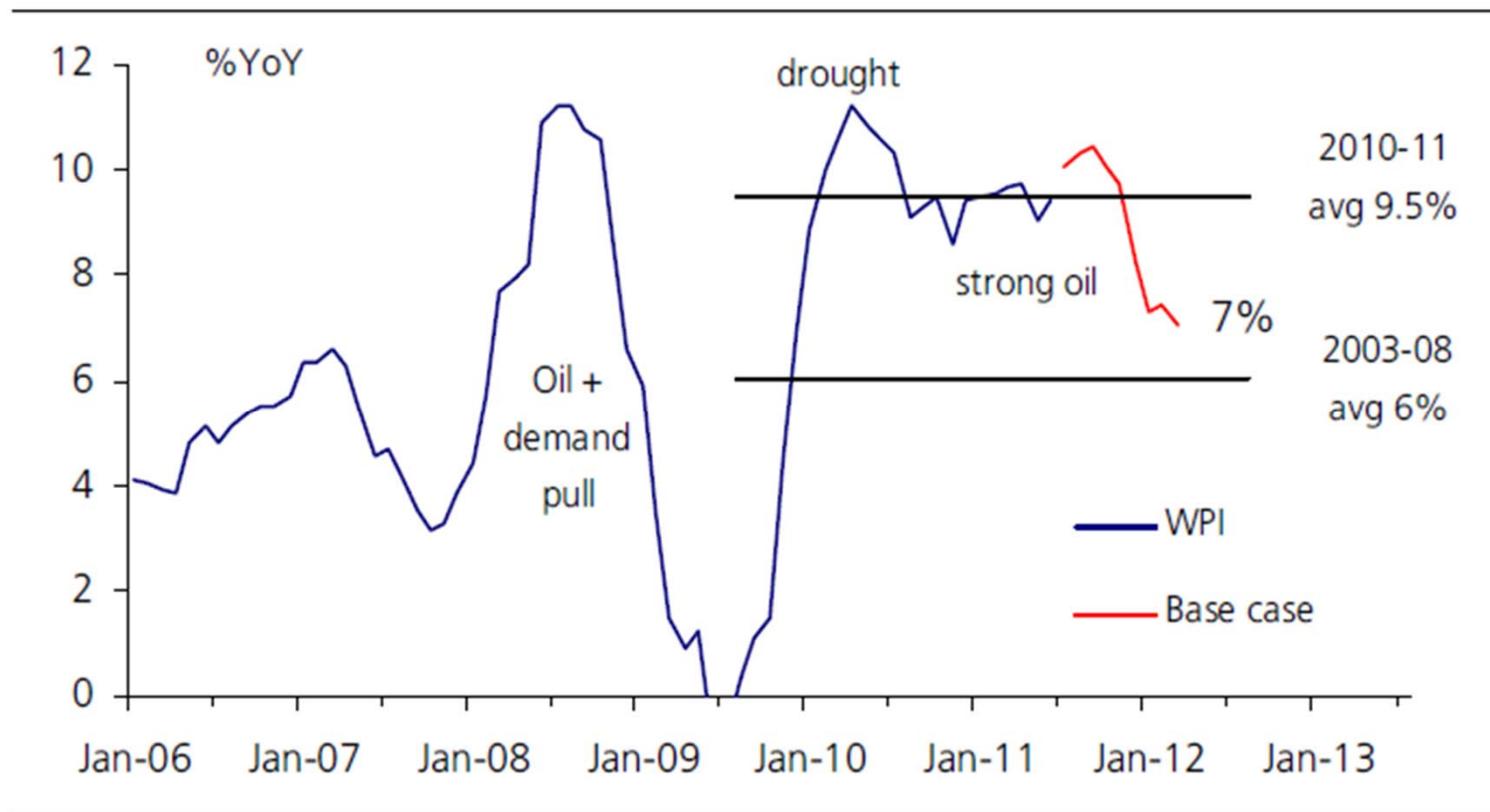


China – Industrial Value-Added Growth

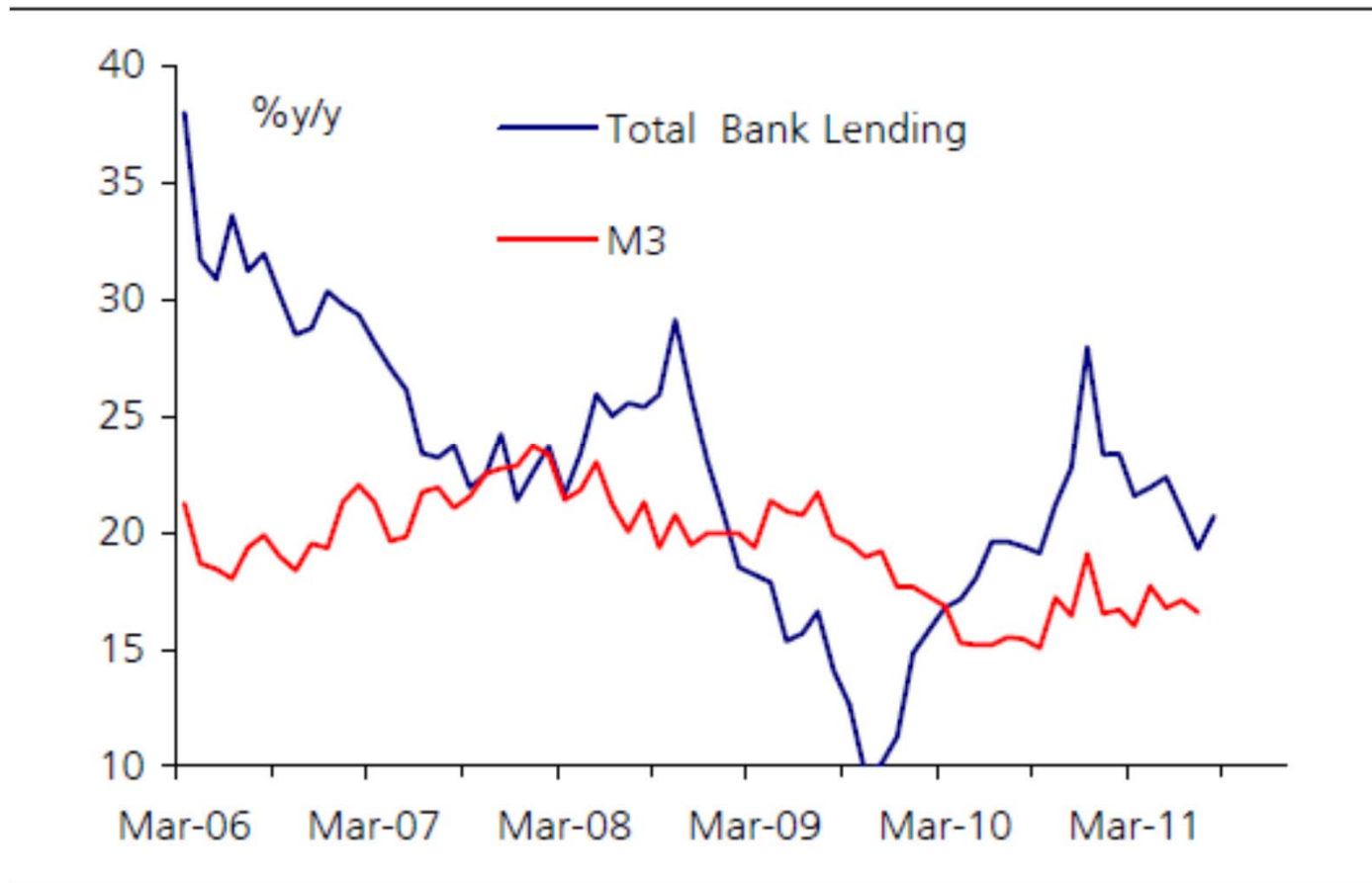
Real growth rate (% y/y)



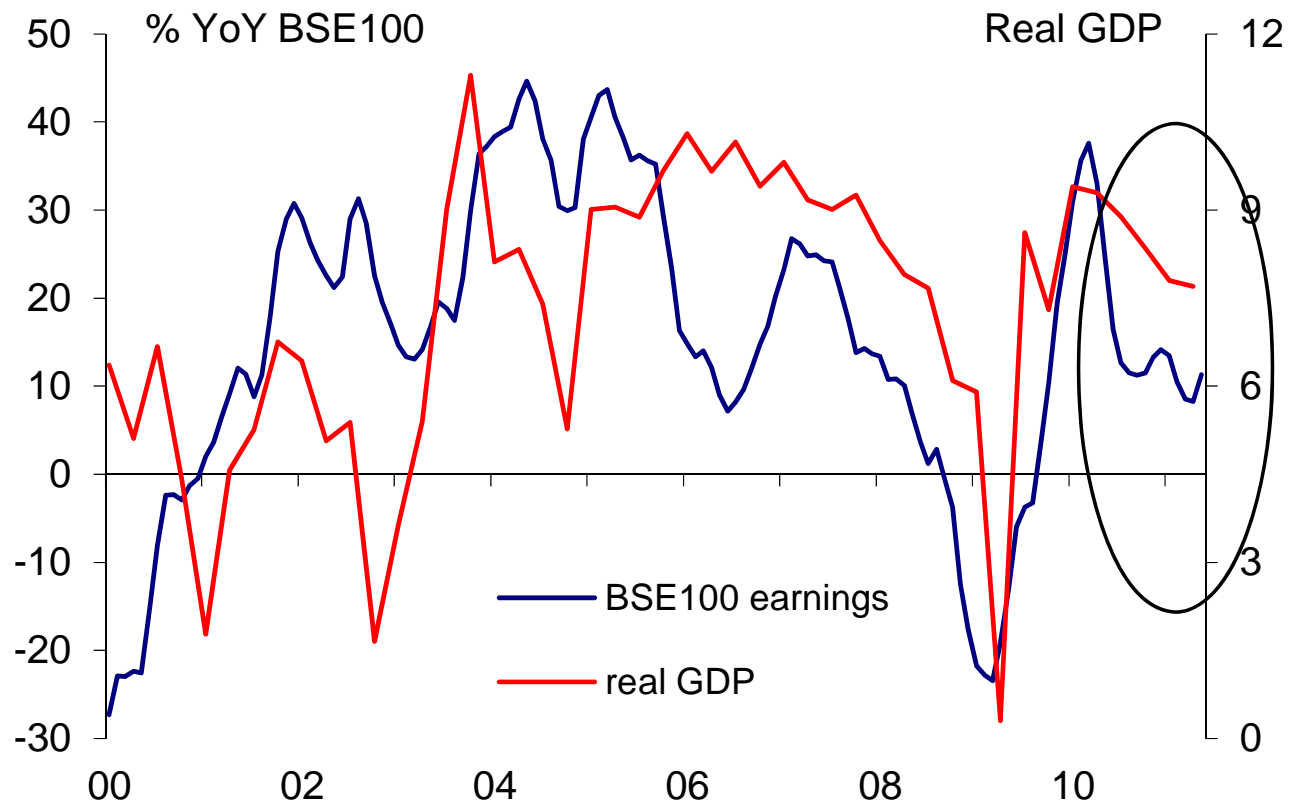
India – Cyclical Adjustments Are Underway



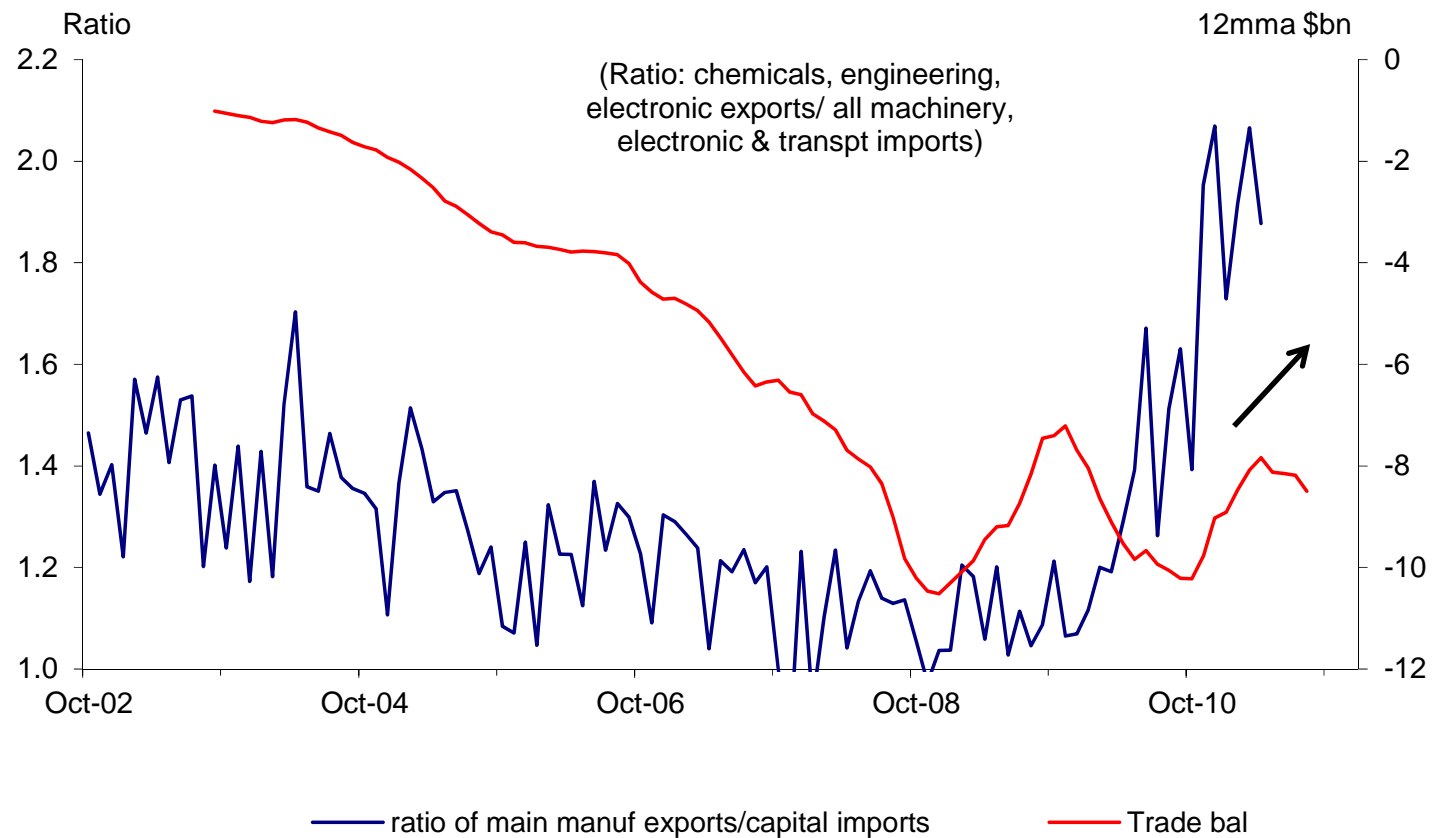
India – Bank Lending Growth To Normalize



India – Corporate Squeeze & Slower GDP



India – Back to Trend Growth



Stock Selection Strategy: Large Cap – Cheap Growth, Market Leaders

Growth Screen

MSCI ASIA PACIFIC EX JAPAN as Universe, Market Cap > \$5bn, 12MFL EPSG > 10%, Rolling 12M EPSG > 10%, PEG <=1.1

Sorted by Growth Score, which values higher 12MFL EPS Growth, Lower PEG Ratio & Better Earnings Trend Growth (1yr forecast & 3 yr historical)

Rank	Company Name	BBG Tkr	Country	Sector	Market Cap (USD m)	12 MFL EPS Grwth	Rolling 12m EPS Growth	PEG	Earnings Trend Growth (2/3)	Earnings Trend Growth (1/3)	Earnings Stability	Score
1	China National Building Material Co. Ltd.	3323 HK	China	Materials	5,968.92	36.64	38.54	0.2	27.37	42.31	22.56	3
2	Longfor Properties Co. Ltd.	960 HK	China	Financials	5,898.00	45.20	49.91	0.3	23.74	38.52	NA	3
3	Anhui Conch Cement Co. Ltd.	914 HK	China	Materials	17,473.84	36.71	75.76	0.3	25.77	40.26	28.44	5
4	Suncorp Group Ltd.	SUN AU	Australia	Financials	10,979.61	52.19	180.25	0.4	18.44	29.73	28.62	9
5	PICC Property and Casualty Company Ltd	2328 HK	China	Financials	15,411.66	31.27	192.50	0.5	19.06	30.78	107.49	13
6	Lenovo Group Ltd.	992 HK	China	Information Technology	6,959.14	38.85	100.54	0.6	18.57	30.41	111.13	14
7	Insurance Australia Group Ltd.	IAG AU	Australia	Financials	6,564.68	35.88	175.40	0.5	15.14	25.24	88.26	15
8	SJM Holdings Ltd.	880 HK	Hong Kong	Consumer Discretionary	9,801.09	32.59	282.32	0.5	18.76	30.53	47.31	15
9	China Vanke Co Ltd B HKD	200002 CH	China	Financials	10,600.99	29.02	37.50	0.3	14.62	24.47	83.23	15
10	HTC Corp.	2498 TT	Taiwan	Information Technology	20,613.12	21.95	77.34	0.4	20.81	33.08	30.33	16
11	Kunlun Energy Co. Ltd.	135 HK	China	Energy	6,801.60	33.39	78.51	0.6	18.46	30.21	43.05	16
12	Zhaojin Mining Industry Co. Ltd.	1818 HK	China	Materials	5,620.71	36.33	57.69	0.8	18.70	30.85	11.36	18
13	Indorama Ventures PCL	IVL TB	Thailand	Materials	5,122.38	26.72	72.92	0.5	16.91	27.64	NA	19
14	CSR Corp. Ltd.	1766 HK	China	Industrials	5,814.29	26.94	50.70	0.5	15.06	24.84	20.64	20
15	Evergrande Real Estate Group Ltd.	3333 HK	China	Financials	5,954.34	26.64	583.78	0.2	12.15	20.76	NA	20
16	Jiangxi Copper Co. Ltd.	358 HK	China	Materials	7,353.78	24.69	101.27	0.3	14.45	23.31	26.19	20
17	Sands China Ltd.	1928 HK	Hong Kong	Consumer Discretionary	20,848.83	34.59	148.46	0.8	18.47	30.35	NA	21
18	Sterlite Industries (India) Ltd.	STL IN	India	Materials	8,163.84	24.16	28.23	0.3	12.71	21.08	26.51	23
19	Mundra Port & Special Economic Zone Ltd.	MSEZ IN	India	Industrials	6,355.76	37.64	36.07	0.9	17.07	28.89	8.56	23
20	LG Household & Health Care Ltd.	051900 KS	South Korea	Consumer Staples	6,416.28	37.84	44.36	1.1	24.56	39.52	34.99	23
21	SK Holdings Co. Ltd.	003600 KS	South Korea	Industrials	5,094.27	15.53	145.48	0.2	19.99	31.41	66.62	23
22	Samsung Engineering Co. Ltd.	028050 KS	South Korea	Industrials	7,317.77	30.17	38.15	0.7	15.05	25.29	14.52	24
23	Wynn Macau Ltd.	1128 HK	Hong Kong	Consumer Discretionary	14,104.40	29.15	107.32	0.7	16.40	27.11	NA	24
24	Country Garden Holdings Co. Ltd.	2007 HK	China	Financials	5,477.53	24.24	93.06	0.4	10.94	18.76	32.46	25
25	China Longyuan Power Group Corp. Ltd.	916 HK	China	Utilities	6,121.97	27.40	55.40	0.7	14.00	23.43	NA	26
26	Kia Motors Corp.	000270 KS	South Korea	Consumer Discretionary	24,243.61	17.57	152.64	0.4	15.65	25.31	40.84	26
27	Coal India Ltd.	COAL IN	India	Energy	41,533.49	26.91	12.94	0.7	13.21	21.82	NA	29
28	Adani Enterprises Ltd.	ADE IN	India	Industrials	10,559.43	26.64	41.67	0.7	12.24	21.16	27.07	29
29	Fortescue Metals Group Ltd.	FMG AU	Australia	Materials	15,710.68	27.33	53.65	0.5	9.75	15.94	284.87	29
30	SK C&C Co. Ltd.	034730 KS	South Korea	Information Technology	6,149.99	20.52	91.09	0.8	18.68	29.92	NA	32
31	Krung Thai Bank PCL	KTB TB	Thailand	Financials	5,738.79	16.66	27.10	0.5	12.91	21.18	72.40	32
32	Kerry Properties Ltd.	683 HK	Hong Kong	Financials	5,454.45	20.91	43.32	0.6	11.71	19.50	42.76	32
33	LG Chem Ltd.	051910 KS	South Korea	Materials	19,469.52	18.60	48.01	0.5	12.53	20.76	45.76	33
34	Tencent Holdings Ltd.	700 HK	China	Information Technology	40,806.36	30.01	54.86	1.1	14.47	24.37	9.84	34
35	Manila Electric Co.	MER PM	Philippines	Utilities	6,353.58	21.34	58.49	0.9	17.29	27.20	66.07	34

Source: MW GaveKal, Citi estimates

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Stock Selection Strategy: Large Cap – Good Income

Income Screen

MSCI ASIA PACIFIC EX JAPAN as Universe, Market Cap > \$2bn, Dividend Yield > 4%, Dividend Growth between -12% & 30% , Yield Stability Above Average.

Sorted by Income Score, which values higher yield, stable dividend growth & higher yield stability.

Rank	Company Name	BBG Tkr	Country	Sector	Market Cap (USD m)	Dividend Yield	Dividend Growth	Yield Stability	Score
1	Telstra Corp. Ltd.	TLS AU	Australia	Telecommunication Services	39,418.82	9.69	-	1.1	3
2	SP AusNet	SPN AU	Australia	Utilities	2,725.64	9.09	-	2.5	4
3	MAp Group	MAP AU	Australia	Industrials	6,376.34	7.02	-	4.8	7
4	QBE Insurance Group Ltd.	QBE AU	Australia	Financials	15,619.97	7.05	-	6.7	7
5	CFS Retail Property Trust	CFX AU	Australia	Financials	5,332.92	7.00	1.60	3.8	11
6	Far EasTone Telecommunications Co. Ltd.	4904 TT	Taiwan	Telecommunication Services	4,954.32	5.91	(10.71)	8.3	13
7	Mirvac Group	MGR AU	Australia	Financials	4,327.21	6.56	2.50	6.0	14
8	Bendigo & Adelaide Bank Ltd.	BEN AU	Australia	Financials	3,280.24	6.77	3.45	8.6	16
9	Telecom Corp. of New Zealand Ltd.	TEL NZ	New Zealand	Telecommunication Services	3,939.65	10.12	3.55	18.5	17
10	Dexus Property Group	DXS AU	Australia	Financials	4,119.55	5.89	1.57	7.5	18
11	SK Telecom Co. Ltd.	017670 KS	South Korea	Telecommunication Services	9,716.30	5.42	-	10.6	18
12	Stockland Australia	SGP AU	Australia	Financials	7,446.33	6.95	9.72	8.4	19
13	National Australia Bank Ltd.	NAB AU	Australia	Financials	53,296.82	6.00	4.11	7.0	19
14	Toll Holdings Ltd.	TOL AU	Australia	Industrials	3,451.40	5.15	-	10.4	19
15	Metcash Ltd.	MTS AU	Australia	Consumer Staples	3,316.65	6.65	3.85	14.2	20
16	StarHub Ltd.	STH SP	Singapore	Telecommunication Services	3,862.94	7.60	5.26	28.1	23
17	Renhe Commercial Holdings Co. Ltd.	1387 HK	China	Financials	2,800.21	6.24	(10.68)	49.4	23
18	Commonwealth Bank of Australia	CBA AU	Australia	Financials	76,400.72	6.12	10.34	10.2	23
19	ASX Ltd.	ASX AU	Australia	Financials	5,470.50	6.02	5.83	13.4	23
20	Quanta Computer Inc.	2382 TT	Taiwan	Information Technology	7,949.72	5.88	(2.73)	35.3	24
21	Sonic Healthcare Ltd.	SHL AU	Australia	Health Care	4,639.79	4.58	-	15.6	24
22	Westpac Banking Corp.	WBC AU	Australia	Financials	67,110.36	5.98	19.83	5.8	25
23	Chunghwa Telecom Co. Ltd.	2412 TT	Taiwan	Telecommunication Services	20,182.81	5.96	(11.06)	48.9	25
24	Zhejiang Expressway Co. Ltd.	576 HK	China	Industrials	2,607.35	4.77	-	25.2	25
25	Macquarie Group Ltd.	MQG AU	Australia	Financials	8,664.23	5.08	-	30.5	25
26	Transurban Group	TCL AU	Australia	Industrials	8,116.31	5.16	16.30	3.4	27
27	Goodman Group	GMG AU	Australia	Financials	4,555.81	4.96	2.94	18.9	28
28	Lite-On Technology Corp.	2301 TT	Taiwan	Information Technology	2,142.36	7.19	28.21	23.1	30
29	Globe Telecom Inc.	GLO PM	Philippines	Telecommunication Services	2,810.21	10.00	25.00	30.9	30
30	Woolworths Ltd.	WOW AU	Australia	Consumer Staples	30,829.10	4.48	6.09	9.3	30
31	Power Assets Holdings Ltd.	6 HK	Hong Kong	Utilities	15,995.51	4.31	-	33.1	31
32	Hopewell Holdings Ltd.	54 HK	Hong Kong	Financials	2,377.87	4.18	4.04	10.5	32
33	Advanced Info Service PCL	ADVANC TB	Thailand	Telecommunication Services	12,170.57	8.14	9.84	54.7	32
34	Australia & New Zealand Banking Group Ltd.	ANZ AU	Australia	Financials	56,239.62	5.32	23.53	9.6	33
35	Asia Cement Corp.	1102 TT	Taiwan	Materials	3,552.38	6.01	7.67	39.1	33

Source: MW GaveKal, Citi estimates

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Appendix



Key Personnel of the MW GaveKal Asian Opportunities UCITS Fund

- **Alfred Ho:** Chief Investment Officer

Alfred Ho has over sixteen years of experience in investing in Asian markets. Before joining MW-GaveKal in July 2008, Alfred Ho managed the GaveKal Asian Absolute Return Funds and was GaveKal CIO from 2006 to 2008. Before that, Alfred Ho was the Chief Investment Officer for INVESCO Asia and was responsible for managing large retail and institutional portfolios. Alfred was the lead manager for the INVESCO GT Asia Enterprise Fund which received best performing fund awards by SCMP/Micropal in 1992, 1995, 1998 and 2001. Alfred Ho initiated the launch of the first absolute-return driven product for the company - INVESCO Asia Alpha Fund in 1999. Prior to joining INVESCO, Alfred worked as an analyst with W.I. Carr in Hong Kong. Alfred graduated from the University of Wisconsin-Madison with a Bachelor of Science degree in Economics, and a Master of Science degree in Finance where he was enrolled in the Applied Security Analysis Program at the School of Business. He is a holder of the Chartered Financial Analyst designation.

- **Louis-Vincent Gave:** Chief Executive Officer

Louis-Vincent Gave joined MW-GaveKal at its inception in July 2008. Prior to this, Louis-Vincent Gave worked for GaveKal, an independent research firm which he co-founded in 1999. Before GaveKal, Louis-Vincent Gave worked for Paribas Capital Markets where he was an equity research analyst from 1997 to 1999. In 1996 and 1997, Louis-Vincent served in the French Mountain Infantry Division as a second lieutenant. Louis-Vincent Gave studied Economics, History and Chinese at Duke University and Nanjing University. Louis-Vincent Gave has written three books (Our Brave New World, The End is Not Nigh and A Roadmap for Troubling Times).

- **Daniel Fields:** Analyst

Dan graduated from the University of Idaho in 2006 with a Bachelor's degree in Finance where he was a member of a student led trading and asset allocation group. After graduation he went to work for Fisher Investments in the trading department, later joining the research team where he was responsible for providing both industry and stock specific analysis. In 2009 he moved to Hong Kong and joined GaveKal Research as an analyst responsible for macroeconomic research of commodity producing countries. Dan joined MW GaveKal in May 2010.

- **Stephanie Woo:** Analyst

Stephanie graduated from the University of Toronto in 2004 with a Bachelor's degree in Commerce and Finance. After graduation, she worked for consulting company Intercedent Asia as a Research Associate. There she was responsible for doing field research to provide strategic market analysis, industry and competitive intelligence to corporate clients. Stephanie joined GaveKal in March 2008 and has contributed in the team's macroeconomic and stock specific research with focus on Asia. In November 2010 she joined MW GaveKal.

- **Victor Luk:** Quant Analyst

Victor graduated from the Chinese University of Hong Kong in 2005 with a Bachelor of Science. He joined GaveKal immediately afterwards (Victor had been working at GaveKal part time for a year before that).

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The value of all investments and the income derived there from can decrease as well as increase. Prospective investors in the Fund should read the risk disclosure in the Prospectus.

Past performance is not necessarily indicative of future results. Unless otherwise stated, returns are after trading costs, administration, management and incentive fees (“Net”).

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