

**Target Value Fund**  
(An Absolute Gain 'Value' Fund)

**Performance Report – 31 October 2011**

Inception:- 1 June 2011

Fund Size:- US\$491 million

NAV per Class P share (weighted average):- US\$963.994

2011	The Fund (Net)	MSCI ACFE Ex-Japan (Gross)	Over/ (Under) Performance
• June	-0.1%	-2.7%	2.6%
• July	3.3%	1.6%	1.7%
• August	-3.1%	-9.6%	6.4%
• September	-13.5%	-13.9%	0.4%
• October	11.5%	12.4%	-0.9%
• YTD	-3.6%	-13.4%	9.8%
<b>Since inception</b>			
• Performance	-3.60%	-13.44%	9.84%
• CAGR	-8.42%	-29.28%	20.85%
• Volatility (Std Dev)	0.28	0.32	
• Sharpe Ratio	-0.16	-0.45	

## Performance

Global stock market continued to swing wildly. As the survival of European Union has significant impact to its banking system and economy, global market reacted strongly with every piece of news that relate to it. In reaction to some positive developments in the EU and couple with an oversold position in September, the market roared back strongly in October. In environment like this, we prefer to err on the cautious side. The great volatility did present an opportunity for us to optimize our stock holdings.

**For the month, the Fund's NAV went up by 11.5% and while the benchmark index MSCI ACFE Ex-Japan increased 12.4%. Year to date the Fund's NAV declined 3.6% while the benchmark index fell 13.4%.**

Although it is too soon to be too optimistic about China, some recent positive developments seem to indicate that the situation has begun to stabilise. Lower commodity prices and industrial activities will lessen pressure on inflation. Food prices seem to have peaked as well. Its unstoppable property price has (unbelievably) declined in some cities. The government is also reforming some of its tax system to try to stimulate consumptions. As a stock picker, our happiest thing is to find the Chinese stocks are rather cheap. We take the opportunity to buy into the stocks which offer good value whenever there is a market correction.

Top 8 Holdings (37% of portfolio)		Country	%
Alliance Financial	Malaysia	Hong Kong	36
BOC HK	Hong Kong	Singapore	15
DBS Group	Singapore	Philippines	7
Digital China	Hong Kong	Malaysia	5
First Resources	Singapore	Indonesia	4
GOME	Hong Kong	USA (ADR)	3
Texwinca	Hong Kong	Taiwan	3
Wing Hang Bank	Hong Kong	China	3
		Thailand	2
		Cash	22
			100

Market Capitalisation		
	No. of Hldgs	% of Hldgs
Small: Up to US\$1b	12	19
Mid: US\$1b to US\$5b	14	37
Large: >US\$5b	6	22
Total	32	78

Sector Exposure (%)			
Consumer & Retailer	26	Infrastructure	3
Banking & Finance	23	Industrial	4
Property & Construction	15	Others	4
Food & Agriculture	3	Cash	22
		Total	100

Note: 1) Past performance cannot guarantee future results.

2) This is neither a solicitation for business nor an invitation to subscribe to the Fund.

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