LIONTRUST
ASIA FUND

MONTHLY FACTSHEET MAY 2012

MANAGED BY
MARK WILLIAMS &
CAROLYN CHAN

OVERVIEW

Objective

The Liontrust Asia Fund seeks long-term capital appreciation through investment in Asian Markets ex-Japan.

The Fund also seeks to outperform the MSCI All Country Asia ex-Japan Index.

Fund Managers

Mark Williams
Carolyn Chan

Mark Williams

- 19 years' fund management experience with 15 years' experience in Asian markets
- Managing money since 2000
- Moved to Liontrust in October 2011 as part of the Occam acquisition
- Managed Liontrust Asia Fund since 9 September 2008

Carolyn Chan

- 19 years' experience in Asian financial sector, managing Asian money since January 2010
- ASEAN product specialist for ten years
- Joined Liontrust in January 2012
- Managed Liontrust Asia Fund since January 2012

April was mixed for Asian equities. The MSCI AC Asia ex-Japan Index rose marginally by 0.04%, although that masked significant variance within the region. Chinese equities, both domestically listed and those in Hong Kong, rose over the month (the former up almost 7% and the latter by over 4% in US$ terms). The weakest markets were Taiwan and India, each falling by more than 4%.

Liontrust Asia Fund fell by 1.06% over the month.

Part of China's strength was probably connected to recent reform initiatives, including tax cuts for small enterprises, a financial sector pilot reform in Wenzhou, a large increase in the qualified foreign institutional investor (QFII) quota for investment in the stock market, and the widening of the daily trading band of the CNY against the USD. In talks with the US, China reiterated its plans to increase dividend payment by the state-owned enterprises and reform the financial sector and macro policies to help promote growth and rebalance the economy, and announced further financial market opening to foreign investments. While none of these factors will have much immediate impact on growth, they were potentially signals that the Government is increasingly willing to move towards easing for the economy after a significant period of tightening. China also saw an acceleration in Industrial profit growth, rising 4.5% yoy, up from a 5.2% yoy fall in the combined in January-February months. Property prices continued to fall, however.

Although we do not expect either easing or stimulus measures from the Chinese government of the quantity seen in 2009, April gave greater signs that growth over the globe is at best decelerating and stresses remain in the European financial system. A poor Spanish bond auction at the start of the month followed by an overall decline in business activity and retail sales from Continental Europe came at the start of the month. France also seemed under pressure as reflected by rising CDS spreads.

The latter part of the month was impacted by resurfacing concerns of American economic weakness in the March employment data and initial jobless claims worse than expected. Data was mixed, though, with FOMC minutes indicating slightly stronger than expected growth.

In Asia, China's GDP moderated more than expected to 8.1% yoy (consensus for 8.4%) but March seemed to herald an uptick, evidenced by the IP rising 11.9% y/y. Monetary growth also seemed to be loosening, with M2 up 13.4% y/y, accelerating from 13% in February. Exports also did better than expected, growing at 8.9% compared to consensus expectations of 7%, and China's largest commercial banks lent Rmb1.01tn in March, up from Rmb710.7bn in February.

India also saw a pickup in industrial production, to 4.1% from 1.1%, but below the forecast 6.7%. The RBI cut interest rates by 0.5% to 8%, although stated at the time they might struggle to lower them further due to inflationary pressures. The S&P also downgraded its long-term credit outlook for India to negative, adding to the market concerns. The majority of Asian countries kept interest rates unchanged, as CPI data was varied: China, Singapore, Thailand and Indonesia saw acceleration, while the remainder continued to disinflate.

The biggest outperformers for the portfolio in the month were Kasikornbank (Thai bank), MAPI (Indonesia department store) and Shanghai Industrial (China property and infrastructure) whereas the biggest underperformers were Daelim Industrial (Korean construction), Renhe (China commercial property) and Hon Hai (Taiwanese technology). During the month, we sold our position in Gome Electricals post profit warning and intensifying pricing competition in its online business, and in Bank Tabungan Negara. We switched the proceeds into Great Wall Motor as a proxy on robust Chinese domestic auto demand and into Bank Mandiri which continues to post strong loans growth and resilient NIM due to its deposit franchise.

Looking forward, the biggest risk to equities remains developments in the Eurozone, which we continue to monitor closely. We continue to believe that notwithstanding a collapse in the European financial sector, Asia is likely to begin to reaccelerate in the second quarter of the year, although recent data still indicated ongoing deceleration. In this environment, we are still finding attractive opportunities at current valuation levels, below longer term averages.

Discrete Years' Performance (%)

To previous quarter, 12 months ending:	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12
A) Euro	-	-	76.4	1.5	-9.7
B) Dollar	-	-	78.3	7.0	-15.1
C) Sterling	-	-	70.0	0.8	-14.7

Source: Financial Express, bid-to-bid, total return.

Past performance should not be viewed as a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital. Investment in the Fund involves a foreign currency and may be subject to fluctuations in value due to movements in exchange rates.

LIONTRUST ASIA FUND

Monthly performance in % (USD Class)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD*
2012	Fund	8.95	7.48	-3.48	-1.06									**11.83**	**12.50**
	Index	10.76	600	-3.14	0.04									**13.75**	**33.43**
	Relative	-1.81	1.49	-0.34	-1.09									**-1.92**	**-20.93**
2011	Fund	-1.56	-6.64	8.33	7.01	-3.00	-2.08	0.37	-12.36	-18.11	14.17	-8.57	-1.76	**-25.26**	**0.60**
	Index	-0.98	-3.87	6.28	3.78	-1.34	-2.32	1.14	-9.89	-13.18	12.01	-8.32	0.59	**-17.31**	**17.30**
	Relative	-0.58	-2.77	2.04	3.24	-1.66	0.24	-0.78	-2.47	-4.93	2.16	-0.26	-2.34	**-7.95**	**-16.70**
2010	Fund	-7.57	0.87	8.12	0.08	-11.73	1.45	7.49	-3.81	9.66	3.69	-3.11	5.32	**8.37**	**34.60**
	Index	-6.04	0.50	7.24	2.06	-8.39	1.70	5.79	-1.14	11.32	2.63	-1.47	5.53	**19.62**	**41.85**
	Relative	-1.53	0.37	0.88	-1.98	-3.34	-0.25	1.70	-2.67	-1.66	1.07	-1.64	-0.21	**-11.24**	**-7.25**
2009	Fund	-5.74	-5.18	12.68	16.67	18.44	0.10	13.49	-5.17	9.19	-1.58	5.16	5.17	**78.19**	**24.20**
	Index	-5.45	-6.53	13.8	16.75	16.08	-0.47	13.01	-3.26	8.84	-0.53	2.69	4.35	**72.07**	**18.59**
	Relative	-0.29	1.36	-1.12	-0.09	2.36	0.57	0.48	-1.91	0.34	-1.05	2.47	0.82	**6.12**	**5.61**
2008	Fund									-12.00	-25.68	-3.06	9.94	**-30.30**	**-30.30**
	Index									-12.22	-24.07	-5.92	9.89	**-31.08**	**-31.08**
	Relative									0.22	-1.61	2.86	0.05	**0.78**	**0.78**

*Since inception: 09.09.2008.

Fund Information

Launch Date	09.09.08
IMA Sector / Peer Group	Asia Pacific ex-Japan
Benchmark Index	MSCI AC Asia ex Japan
Fund Size	USD20m
Number of Holdings	57

Key Information

Initial Charge	Up to 5%
Annual Charge	1.75%
Minimum Initial Investment	EUR 35,000, USD 35,000, GBP 25,000
Minimum Additional Investment	EUR 5,000, USD 5,000, GBP 5,000
Total Expense Ratio (as at 31.12.11)	2.15%
Annual Accounting Date	31 December
Sedol Code	EUR B3C9986, USD B3C99B9, GBP B3C99F3
Bloomberg Code	EUR OCASFOE, USD OCASFOU, GBP OCASFOG
ISIN Code	EUR IE00B3C99861, USD IE00B3C99B93, GBP IE00B3C99F32

Sector Breakdown

Consumer Discretionary	11.5%
Consumer Staples	4.3%
Energy	7.5%
Financials	21.3%
Industrials	16.1%
Information Technology	26.1%
Materials	6.2%
Telecommunication Services	5.2%
Total	**98.2%**

Top 5 Holdings

Taiwan Semiconductor Manufacturer	4.5%
China Mobile	3.1%
Radiant Opto-Electronics	2.8%
Lippo Karawaci	2.7%
Taiwan Cement	2.4%
Total	**15.5%**

Performance

	NAV per share	Apr-12 (%)	ITD* (%)	ITD* Relative Perf (%)
EUR Class	12.02	-0.17	20.20	-22.99
USD Class	11.25	-1.06	12.50	-20.93
GBP Class	12.26	-2.54	22.60	-22.73

*Since inception: 09.09.2008.

Country Allocation

China	22.5%
Hong Kong	14.3%
India	3.4%
Indonesia	8.7%
Malaysia	1.3%
Philippines	1.3%
Singapore	4.0%
South Korea	20.1%
Taiwan	17.7%
Thailand	4.9%

Risk Ratios (annualised over 36 months – USD)

Alpha	-5.46%
Beta	1.41
Information Ratio (Relative)	-0.17
Annual Volatility	27.48%

ALPHA: A measure of the portfolio's expected return when the benchmark produces no movement.

BETA: The amount the Fund is expected to gain or lose when the benchmark moves by one unit. It takes account of the relative risk of the Fund as well as the correlation of movements between the Fund and the benchmark.

INFORMATION RATIO (RELATIVE): The overall Fund returns minus the benchmarked returns and divided by the tracking error. Shows the value added, in units of assumed risk, of the fund manager's decisions in excess of what the market would have delivered.

ANNUAL VOLATILITY: Demonstrates how widely the range of returns from the Fund differed from its average return during the review period: the smaller the volatility value the lesser the degree of fluctuation around its eventual average movement over the period.

Source: Northern Trust IFSA and Financial Express, total return to 30.04.2012.

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