

WIOF CHINA PERFORMANCE FUND

Sub-fund of Luxembourg domiciled Sicav - Part 1

Fund owner: WIOF

Fund manager/adviser: APS Asset Management Pte Ltd

Named portfolio manager/adviser(s):

James Liu (since launch)

Peer group: Greater China Equities

Location: Singapore

Launch date: November 2008

Fund size (November 2010): US\$15m

Contact group: +6563338600 or +12123327808 or www.wiof.eu

Further information on S&P's fund coverage can be found at www.FundsInsights.com



Report date January 2011

Investment style

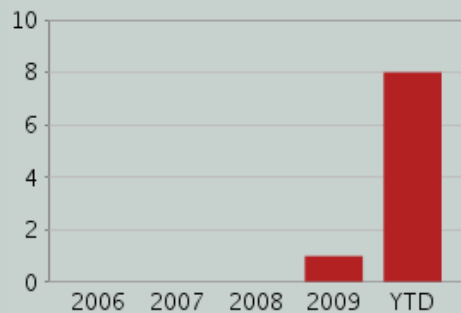
	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

Performance statistics

Fund	Launch	94.6%
Standard & Poor's peer median		96.7%
Index**		103.9%
Fund rank		161/294

Note: returns are cumulative

Calendar year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine, with tenth decile as rank one.

Performance Data Source - © 2010 Lipper Inc. All rights reserved. All statistical data on this report has been run to 29 October 2010 on NAV to NAV basis, with gross income reinvested, in USD.

Standard & Poor's opinion (January 2011)

WIOF China Performance Fund aims to deliver an absolute return of 10% a year as well as to outperform the MSCI Golden Dragon index. The fund is advised and managed by APS Asset Management. While APS is based in Singapore, the investment team is located across the region and comprises 13 experienced professionals. The fund is managed by James Liu, Deputy Chairman and Deputy CIO of APS, in a bottom-up fashion with Liu making full and effective use of his colleagues for stock ideas. The focus is on growth companies trading below their intrinsic market values. A concentrated portfolio is favoured, with Liu building a portfolio of 20-30 high conviction names. Turnover is modest, with much trimming or adding to existing positions on valuation grounds.

Performance of this fund is clouded by the fact that it originally started off as a China and India fund. Using a composite performance on China only (adjusted for fees) from launch to April 2009 and then the actual returns, would show this fund outperforming the MSCI Golden Dragon index by over 25 percentage points. Alternatively, the team has delivered a top quartile track record within the S&P HK & China peer group through the APS China A Share Fund. While the mandate is slightly different the track record shows that the team has a strong record in managing assets investing in China.

We are impressed by the experience and quality of the manager and team which, when combined with the demonstrable track record, lead us to increase the fund's S&P rating one band to AA.

Fund manager & team

This fund is sub-advised by APS Asset Management. APS is a pure bottom-up Asian equity manager with investment staff in Singapore, Shanghai, Shenzhen, Beijing and Tokyo. This fund is managed by the China investment team, comprising James Liu (Deputy Chairman and Deputy CIO), one senior portfolio manager, 10 analysts and one senior adviser. The team has an average of eight years' experience and runs over \$720m. Those most involved with this fund are:

James Liu - Deputy Chairman/Deputy CIO - bachelor of economics (Shanghai Institute of Foreign Trade), started his career in September 1991 at CITIC Technology Shanghai. He joined Shanghai International Securities as a senior manager in 1993 and moved to APS Asset Management in 1996.

Management style

The fund is managed in a bottom-up fashion aiming to deliver 10% absolute returns and to outperform the MSCI Golden Dragon index. A concentrated portfolio comprising 20-30 high conviction stock ideas is constructed predominantly from stock selection. Themes are also examined and discussed at bi-annual strategy meetings.

Ideas are generated from four sources: long-term structural business trends; new companies, new products; out-of-favour stocks; and company-specific leads. Rigorous company analysis combines DCF models, on-site visits and management interviews. The focus is on companies with sound business models and good growth, that are trading below intrinsic value.

Risk controls are broad but portfolio construction is subject to the 5/40 rule. Position sizes are based on conviction. Risk is controlled by diversifying the portfolio across a range of different alphas: structural alphas (more than three years), dynamic alphas (two years), economic alphas (three years) and opportunistic alphas (six months).

Stocks are sold when the share price is above fair value or when there is a deterioration in company fundamentals. Turnover is around 40% a year and cash limited to 10%.

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STANDARD & POOR'S



Portfolio & performance analysis (November 2010)

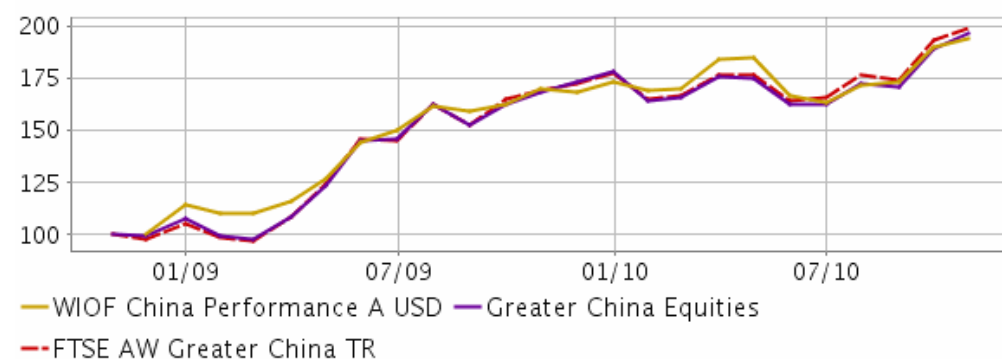
The fund size has grown modestly over the past 15 months from \$10m to \$15m, mainly a result of performance. The fund is invested in 26 of the team's best ideas. Manager James Liu expects the Chinese economy to continue to grow strongly and believes that the infrastructure theme will develop into increased domestic consumption including healthcare. At review 13% was held in healthcare to benefit from this theme. Most holdings are bought on a stock-specific basis. For example: China Power International is expected to benefit from tariff reforms, rising inflation and a low price-to-book value. The hotel chain, Shanghai Jinji is held for its fast growth potential and low price-to-book and earnings multiples. Nothing is held in financials as the fund may not hold A shares and Liu finds stocks outside China too expensive in the financial sector.

The fund was launched in November 2008 initially as a China and India fund and became solely a China fund in May 2009. Performance has lagged the Greater China peer group since inception as a result of the inclusion of India.

We can examine the team's China record two ways. First is to link together the group's China composite record until April 2009 with the fund's performance since then. The combined result is that the fund would have outperformed the Golden Dragon index by over 25 percentage points. Secondly, the manager has also run the APS China A Share Fund, using a similar approach to this fund, since July 2004. Since then that fund has comfortably outperformed its composite benchmark index and is comfortably top-quartile in the S&P China & HK peer group. Stock selection has been the main driver of performance.

Strong contributors in 2009 included Xinyi Glass, China Power International, BYD Co and Shanghai Jin Jiang International Hotels. In the first 10 months of 2010, the fund benefited from consumption stocks including healthcare stock China Shineway and from Ajisen China.

Cumulative performance



Discrete performance (calendar years)

	2009			YTD 29/10/2010		
	%	Rank	%	Rank	%	Rank
Fund						
Index**	40.4		39.7		-48.8	
Median	48.0		47.3		-50.0	
				51.8	269/297	12.1
				69.6		12.1
				66.4		9.6

** FTSE AW Greater China TR

Fund benchmark: MSCI Golden Dragon

Share class screened: LU0363285684 (A Acc)

Portfolio characteristics (1 November 2010)

No. of holdings	26
Turnover ratio (%)	46
% in top 10	56

Top 10 holdings

	%
Hi-P International	7.4
Ying Li Intl Real Estate	6.7
Ajisen (China) Holdings *	6.4
Hsu Fu Chi International	6.0
Shandong Chenming Paper *	5.4
Shenzhen International *	5.3
Xinyi Glass Holdings *	4.9
Tianjin Zhong Xin Pharmaceutical	4.8
Samson Holding	4.6
Livzon Pharmaceutical	4.4

* In top 10 holdings a year ago

Regional allocation

	%
H shares index future	14.5
Hong Kong	33.4
Red chips	14.1
Shanghai B	3.5
Shenzhen B	6.5
Others	24.8
Cash	3.2

Sector allocation

	%
Consumer discretionary	31.8
Consumer staples	6.0
Healthcare	12.7
Industrials	23.2
Information technology	6.6
Materials	10.5
Telecoms	2.7
Utilities	3.3
Cash	3.2

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Symbols and definitions

Long-only fund ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-hedge-funds ratings

Absolute return fund ratings

Specialist fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Ucits III flexible beta fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

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All fund ratings

Not Rated (NR) Funds designated as Not Rated currently do not meet the requisite performance standards and/or the minimum qualitative criteria to achieve a fund rating.

Under Review (UR) Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

(New) Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Tenure Review (TR) The fund manager/team involved in the management of the fund does not currently have the minimum 12 months' relevant investment management experience required to be eligible to be considered for a rating.

Long-term fund management rating LTFMR The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more, and continues to hold a rating.

Bond fund volatility ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising the highest quality fixed income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute return fund N ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.