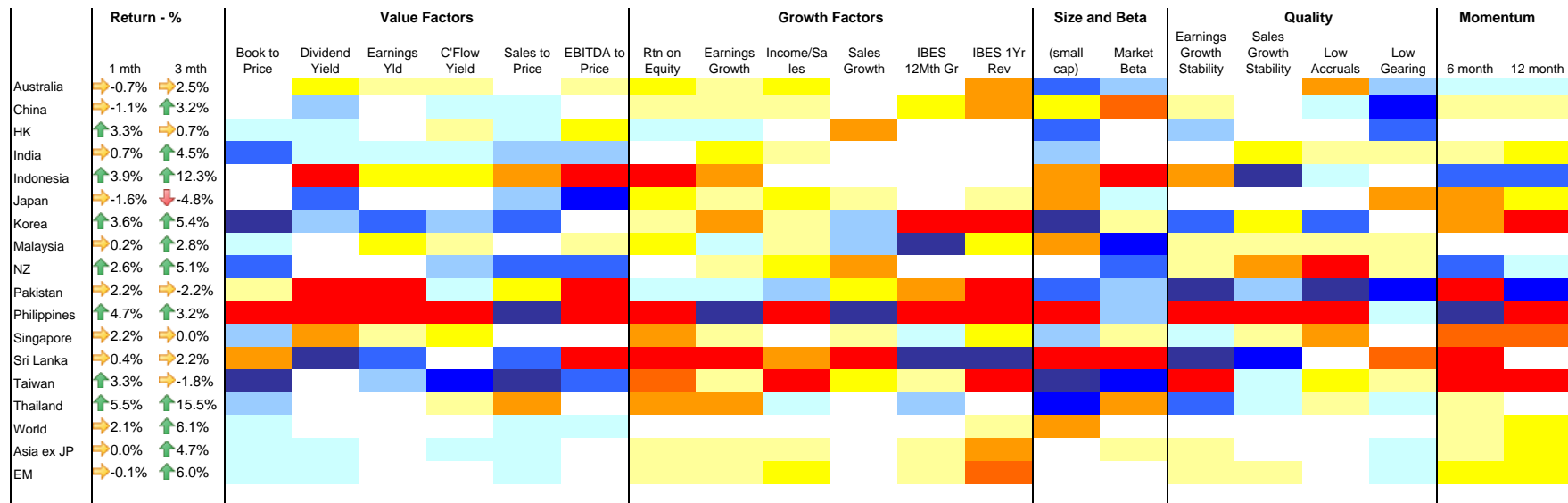
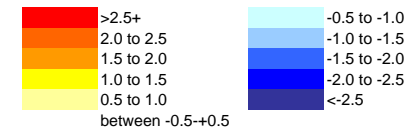


Style Reward Patterns over the last 3 months - Percentage Relative Gain



Source: Style Research's Markets Analyzer

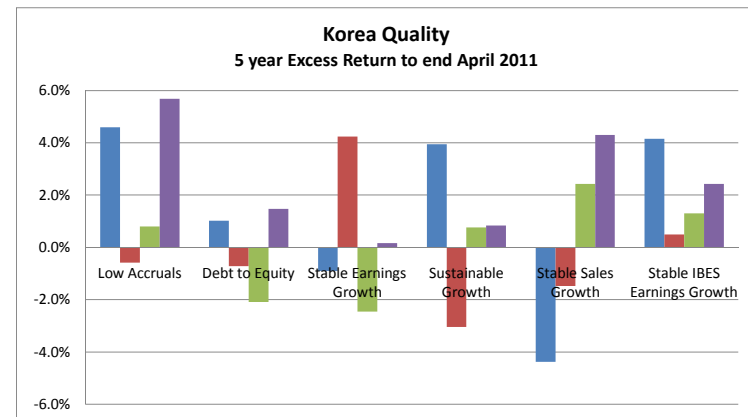
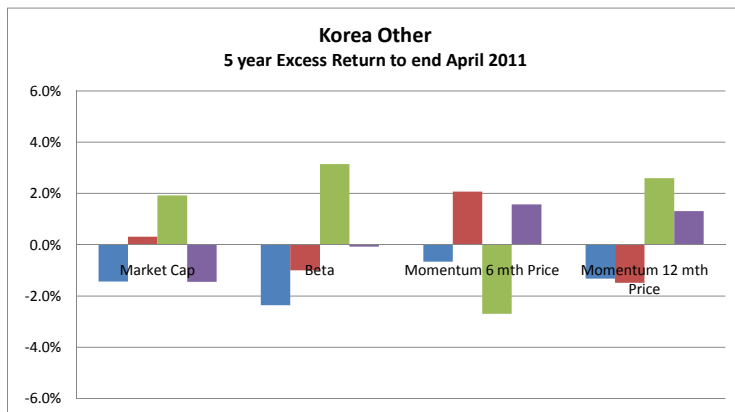
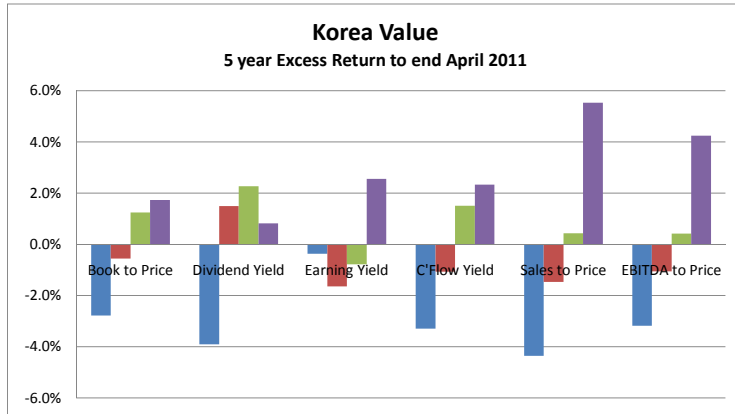
3 month return of factor less market return. Stocks selected within sectors to avoid distortion.  
Country returns in local currency, except for World, Asia ex Japan and EM which are in Yen  
Portfolio and benchmark market cap weighted, minimum stock size USD 100 million.  
Top half of factor except for:  
Size bottom 20% (small cap)  
Low Accruals bottom 50% (high quality)  
Low Gearing bottom 50% (high quality)



With almost all markets in the region either rising or remaining a least steady in the last 1 and 3 months there has been a general shift towards Growth in countries around the region. In many countries forecast earnings or revisions to forecast earnings have strong returns - and this bodes well for long term market prospects. Small cap and high beta stocks are not yet showing this optimistic pattern. This is a similar to the global picture where Growth has performed well - you can read more this in the global analysis.

A closer look at Korea over the last 5 years shows high Value characteristics gave excess returns, while overweighting Growth was not always a useful strategy (a very similar Value pattern to Japan, India and Indonesia). Interesting, shorting low Value stocks was in many cases as rewarding as overweighting high Value. Forecast Earnings and Accruals are also useful factors to consider.

## Style Reward Patterns over the last 5 years - Percentage Relative Gain



Source: Style Research's Markets Analyzer

5 year return of factor less market return by quartile. Stocks selected within sectors to avoid distortion. Portfolio and benchmark are market cap weighted, minimum stock size USD 100 million

■ bottom quartile     ■ 3rd quartile  
■ 2nd quartile     ■ top quartile



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