



Monthly Style Summary - Asia

October 2009 - end September 2009



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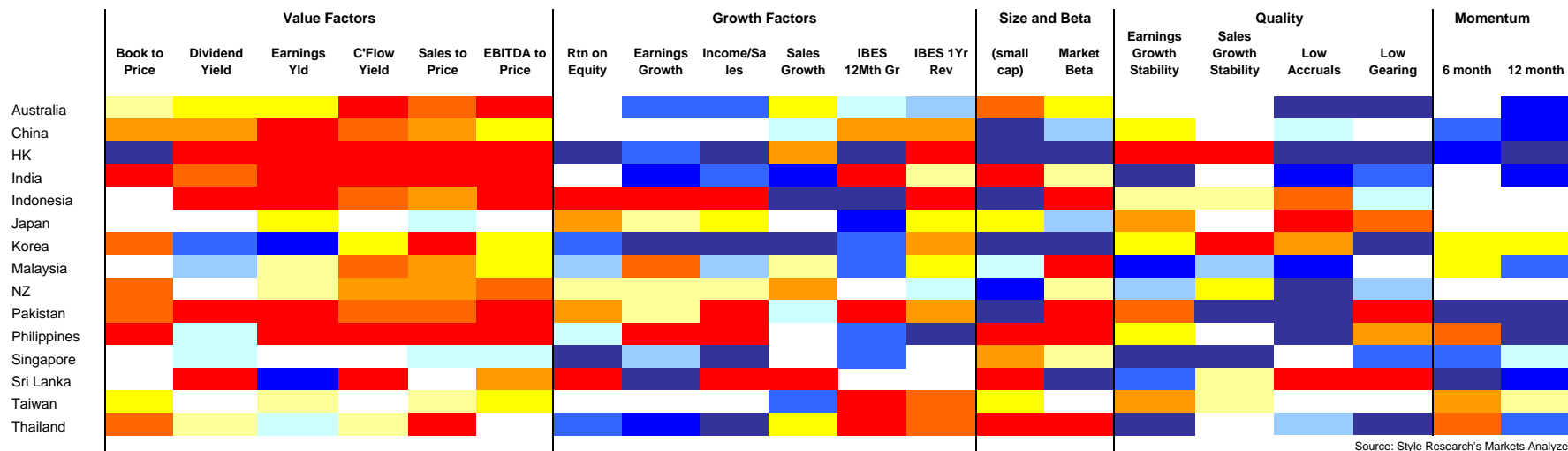
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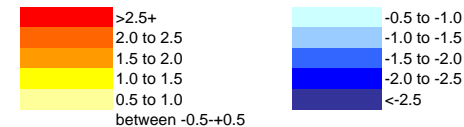
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Style Reward Patterns over the last 3 months - Percentage Relative Gain



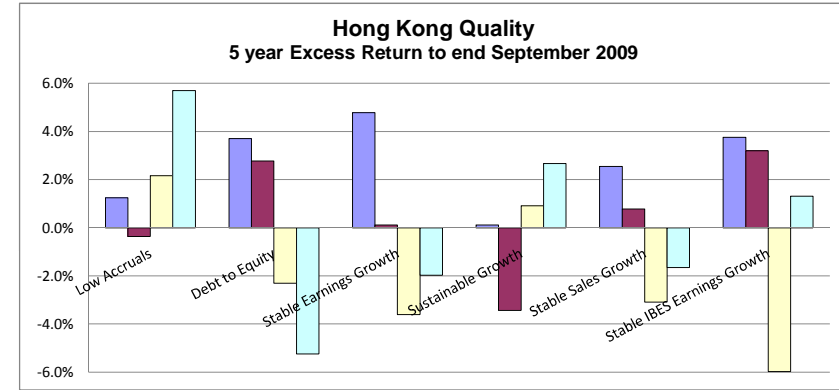
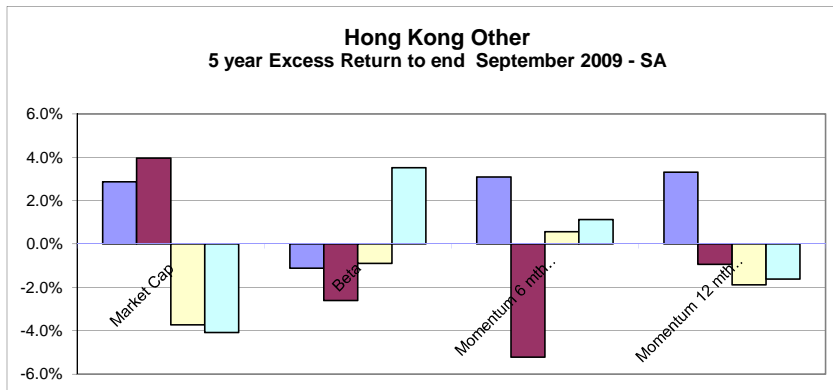
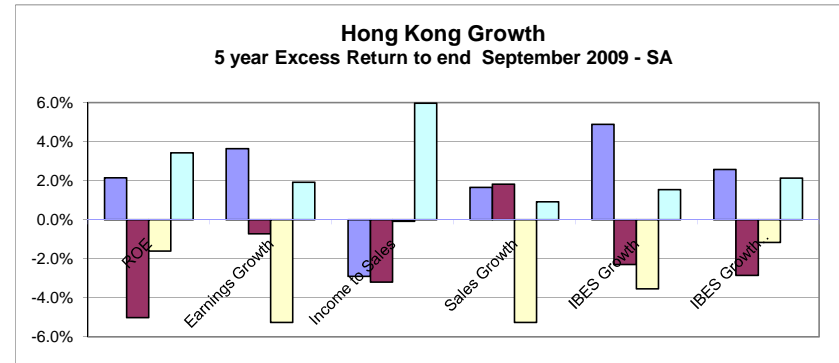
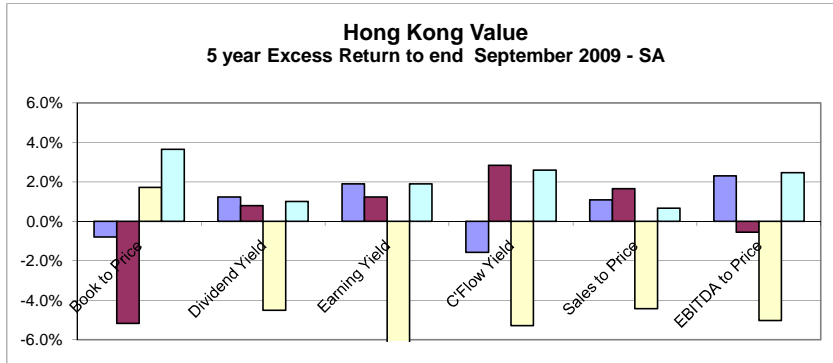
3 month return of factor less market return. Stocks selected within sectors to avoid distortion. Portfolio and benchmark market cap weighted, minimum stock size USD 200 million. Top half of factor except for:
 Size bottom 20% (small cap)
 Low Accruals bottom 50% (high quality)
 Low Gearing bottom 50% (high quality)



Value has again outperformed Growth in the 3 months end September - and more definitely than last month- and similar to the global review. Unlike the global analysis, where small cap stocks generally performed badly, the region was characterised by either strong or weak performance, with little in between.

Our longer term look at Hong Kong shows being overweight any of the top quartile Value stocks gave good excess returns, with Book to Price being particularly good. Also, tilting portfolios to top quartile Growth (Income to Sales is best) characteristics can provide good long term outperformance. Interestingly, for both Value and Growth, while top quartile stocks perform well, 3rd quartile (the one below) generally loses money relative to the market. And like China but unlike most other markets, high beta stocks outperformed the market.

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



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

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 200 million

Source: Style Research's Markets Analyzer



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