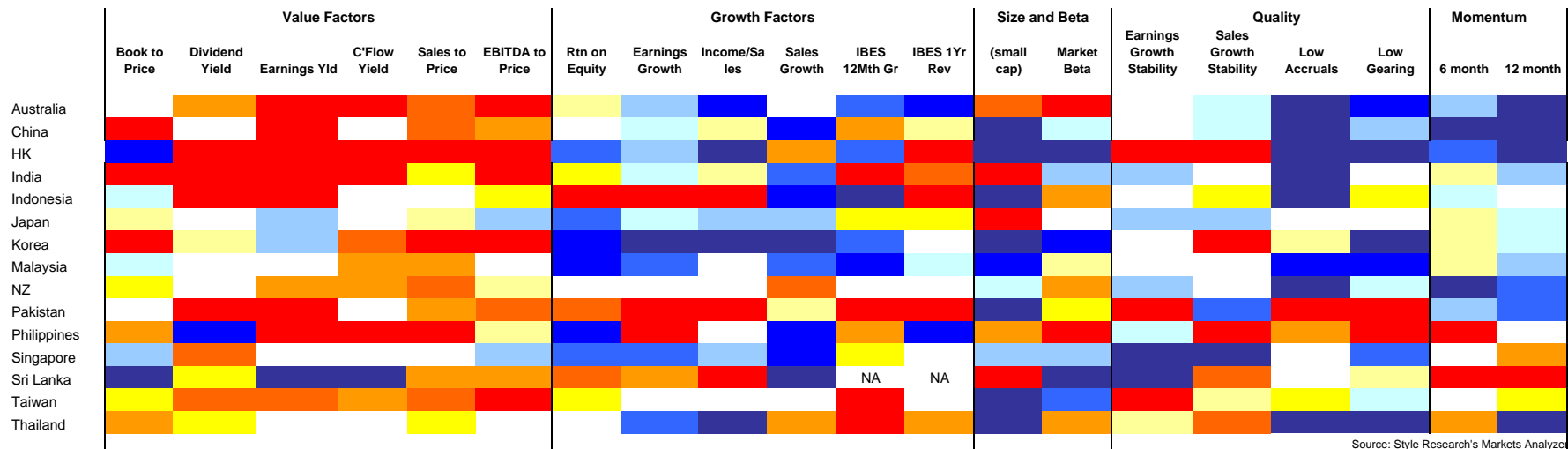
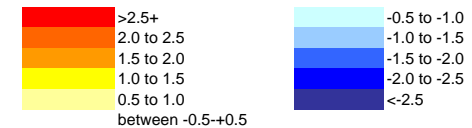


Style Reward Patterns over the last 3 months - Percentage Relative Gain



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 100 million. Top half of factor except for:

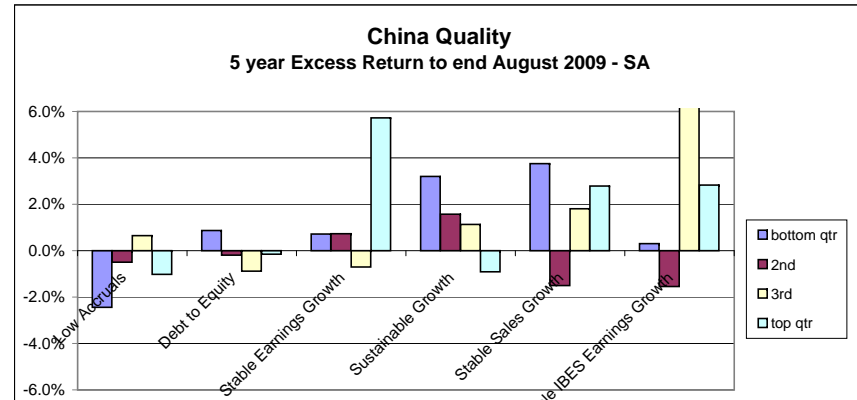
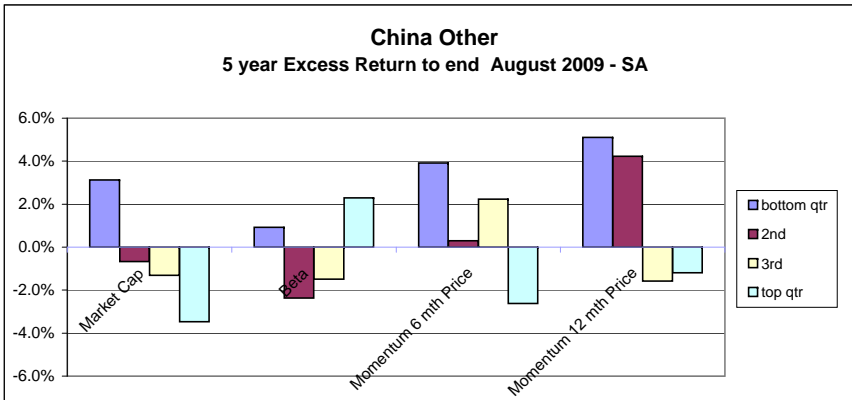
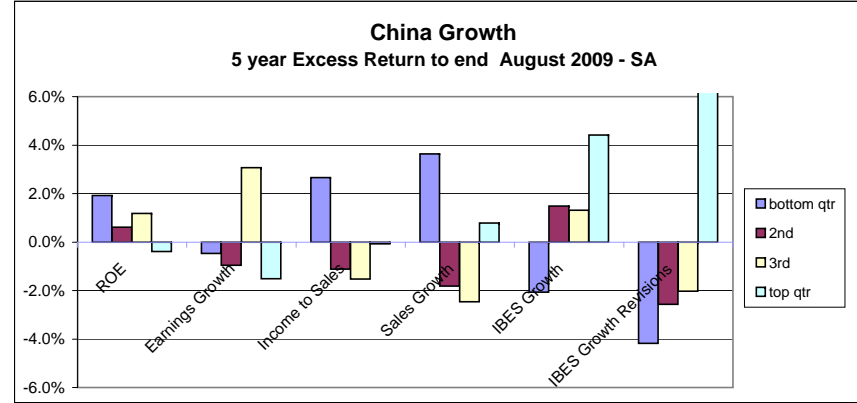
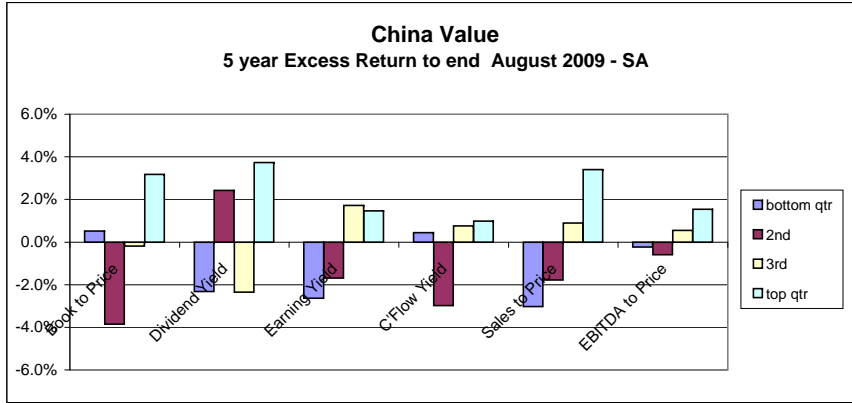
Size	bottom 20% (small cap)
Low Accruals	bottom 50% (high quality)
Low Gearing	bottom 50% (high quality)



Value has again outperformed Growth in the 3 months end August although again the picture around the region is less clear than in earlier months. With concerns about the strength of the recovery are rising, stocks with exposure to the expected improvement in economic conditions did not fared so well - those with high forecast earning, betas or gearing. Unlike the global analysis, small cap stocks generally performed badly in the majority of countries, although notable exceptions were China and India where small cap's did particularly well

Our longer term look at China shows being overweight any of the top quartile Value stocks gave good excess returns, with Book to Price, Dividends and Sales to price being particularly good. Tilting portfolios to companies reporting upward revisions to forecast earnings gave the best excess returns - over 9% pa in the last 5 years. Interestingly, both momentum measures suggest staying away from the markets darlings. And for once high beta stocks outperformed the market - unlike most other markets.

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



Source: Style Research's Markets Analyzer

■ bottom quartile
■ 2nd quartile
■ 3rd 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 100 million



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