

Inception Date	May 17th, 2004
Investment Universe	China & China related Equity
Investment Style	Top-Down/Bottom-Up
Benchmark	H-Shares
ISIN Code C1 class (\$)	LU0192479375
ISIN Code C2 class (€ Hedged)	LU0192479615
Fund Size	\$2.8M (€2.1M)
Net Asset Value C1	\$171.85
Net Asset Value C2	€145.95
Number of Holdings	35
Investment Manager	DIAM International
Legal Classification	Luxembourg Mutual Fund
Legal Status	UCITS IV
NAV Calculation	Daily
Morningstar Rating	★★★★★

## INVESTMENT OBJECTIVE

The objective of the Callander Fund – China Universe is to invest at least 70% of its total assets in shares of companies established in or carrying out the bulk of their economic activity in China and quoted on the Hong Kong, Shanghai and Shenzhen stock exchanges. Up to 30% of the portfolio may be invested in companies which are not based in China, but whose great majority of commercial activities are linked to that country.

## RISK PROFILE

Equities / Emerging countries. An investment in shares is equivalent to participation in the activities of the companies underlying the sub-fund. Investors will therefore benefit from the earnings prospects of these enterprises. However, the equity markets are subject to unforeseeable short-term fluctuations which may cause a fall in share prices lasting several years.

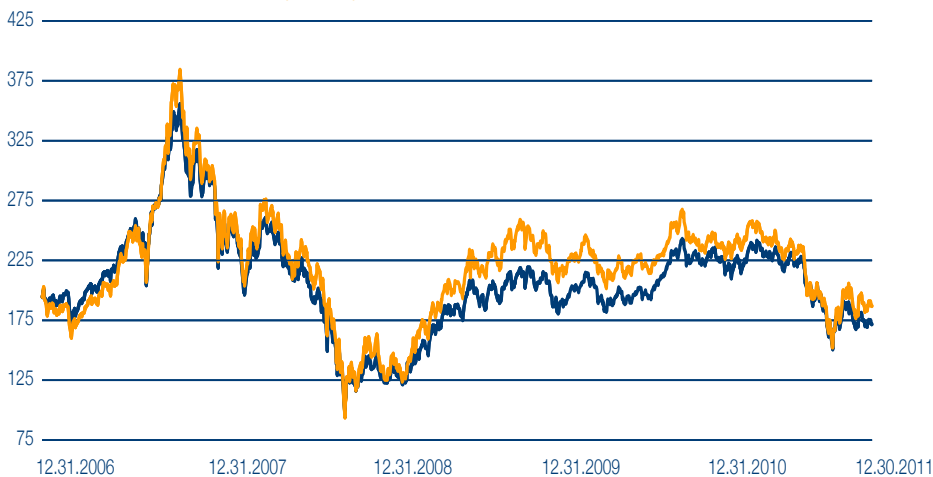
## FINANCIAL & RISK RATIOS (over 3 years\*)

Standard Deviation (%)*	28.17	PER	12.20
Tracking Error (%)*	8.64	PBR	2.55
Information Ratio*	-0.50	PEG	1.11
Sharpe Ratio*	0.18		
Alpha*	-2.49		
Beta*	0.83		

## PERFORMANCE (%)

	2011	1 month	3 months	6 months	1 year	3 years	5 years	10 years	Since Inception
Fund	-23.94	1.15	3.69	-24.16	-23.94	24.84	-11.64	N/A	71.88
Benchmark	-21.71	4.50	11.43	-20.99	-21.71	25.91	-3.91	N/A	131.89

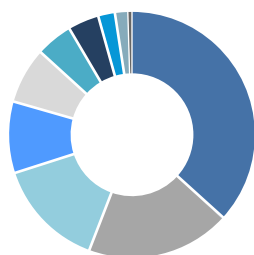
China Universe C1 H-Shares (relative) Chart from December 31st 2006 until December 30th, 2011



## MANAGER'S COMMENTS

- We continued to see weaker property markets and some of developers reportedly started to cut selling prices for some of their projects selectively, although most of big the players maintained a stable pricing policy.
- The government announced a new policy to help small-medium sized enterprises and then new bank lending figures for recent months came in stronger than expected, which was taken as another signal of the government's willingness to loosen the policy.
- All in all, we think Chinese government always possesses sufficient financial resources and monetary flexibility to help their own economy out and this time is no different from the past.
- Also in China we continued to hear poor news for property markets, giving people a sense that it is finally entering a serious correction phase.
- It is always important to recall that China has the luxury of flexibility in terms of both its monetary and fiscal policies. In fact, given the lessened inflationary pressure, the government will probably continue to relax monetary policy, which tended to coincide with real turn of the stock markets in the past.

## SECTOR BREAKDOWN (%)



Financials (36.92)	Information Technology (4.81)
Energy (18.65)	Materials (4.22)
Telecommunications (14.40)	Consumer Discretionary (2.15)
Consumer Staples (9.42)	Utilities (1.61)
Cash (7.27)	Industrials (0.55)

## TOP 10 HOLDINGS (%)

China Mobile Ltd	10.32
Industr & Cial Bk of China Ltd	9.75
PetroChina Co Ltd H	7.71
China Construction Bank Corp H	7.17
Tencent Holdings Ltd	4.81
CNOOC Ltd	4.80
Agricultural Bank of China	4.62
China Shenhua Energy Co Ltd	4.58
China Telecom Corp Ltd H	4.09
AIA Group Ltd	2.83
<b>TOTAL</b>	<b>60.68</b>

## FEES (%)

Annual Management Fee	2
Performance Fee - High Water Mark	10

## FOR MORE INFORMATION

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