

UNITED

ASSET MANAGEMENT SÀRL

DIVERSIFIED EMERGING MARKETS FUND



Objective of the Diversified Emerging Markets Fund

The objective of the fund is to achieve steady long-term capital growth. The potential for capital growth is combined with the need to provide a slightly higher level of stability.

The fund intends to achieve its investment objective by investing in a selection of Emerging Market Funds throughout the world (including but not limited to Central and South America, the Caribbean, Asia, Eastern Europe and the territory of the former USSR). The fund mandate also allows for an exposure to alternative strategy funds.

Mr Kellermann has been in the investment industry since January 1998. He graduated with a major in Mathematical Statistics from the University of Stellenbosch and holds the Chartered Financial Analyst designation of the Association of Investment Management Research. Mr Kellermann spent three years at Investec Asset Management as an analyst and portfolio manager of the Investec Value Fund. Mr Kellermann joined Ankh Analytic in 2001 and was responsible for economic and fund research as well as the implementation of investment strategies within the Ankh Global Fund. He joined Optimal Fund Management as Head of Technical Research in July 2004. Currently, Mr Kellermann acts as an independent consultant to a number of investment managers world-wide.



FUND ADVISOR
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B Comm. (Maths), CFA

Market Comment

Declining risk appetite undermined global equity markets since the start of 2010, while supporting the dollar and yen on currency markets. Investors reacted to signs that China is taking earlier-than-expected steps to tighten monetary policy amid government concerns that some sectors of the economy, including parts of the housing market, are overheating. New data showed China's rapid growth continued into the fourth quarter of 2009, with GDP 10.7% higher than a year before, while industrial production in December rose by 18.5% from a year earlier.

Amid tentative signs that China's economy is gradually rebalancing away from its heavy reliance on export-led growth to domestic demand-led growth, figures released in January showed retail sales rose 17.5% in 2009, boosted by government subsidies and tax cuts on auto and appliance purchases, the largest inflation-adjusted increase in retail sales for over 20 years. China reported a surge in the annual rate of consumer-price inflation, to 1.9% in December, up from last July when prices fell 1.8% year on year. The People's Bank of China raised the ratio of deposits it requires banks to hold with it, by half a percentage point, effective January 18.

Elsewhere in the region, Korea announced worse-than-expected GDP data showing the economy grew by just 0.2% in last year's final quarter from the third quarter, after a 3.2% increase in the previous quarter, though the economy was 6% larger from a year earlier and grew by 0.2% for the full year. Concerns about Chinese policy tightening combined with disappointing company forecasts to push emerging Asian stock prices lower, registering their longest uninterrupted losing streak in more than two years.

New data revealed the US economy surged in last year's final quarter, with GDP growing 5.7% at a seasonally-adjusted annual rate, after growth of 2.2% in the third quarter, driven by a slower fourth quarter inventory drawdown that contributed 3.4 percentage points to GDP, while consumer spending added 1.4 percentage points. Meanwhile, the S&P/Case-Shiller index of home prices in 10 big US cities rose by a seasonally adjusted 0.2% in November, the sixth straight monthly gain, to leave prices 4.5% down from a year before. Amid concerns that economic recovery has failed to generate new employment growth, the Federal Reserve left its benchmark interest rate on hold in January, maintaining the target for the federal funds rate at between 0% and 0.25%.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	-1.85%	-1.20%											-3.0%
2009	-6.61%	-5.71%	14.16%	-6.40%	-2.02%	-1.00%	0.56%	-0.10%	0.24%	1.83%	0.92%	2.07%	-3.6%
2008	-12.59%	7.25%	-5.40%	7.87%	1.55%	-10.16%	-4.16%	-8.22%	-17.71%	-27.50%	-7.63%	7.60%	-54.5%
2007	-1.23%	-0.66%	3.74%	4.40%	4.62%	4.42%	5.01%	-2.32%	10.85%	11.02%	-7.14%	0.28%	36.5%
2006	10.94%	-0.22%	0.73%	6.83%	-10.76%	-0.46%	1.11%	2.29%	0.65%	4.66%	7.32%	4.41%	29.2%

* The fund was only launched on the 20/2/2009. All performance figures prior to the date of launch is a synthetic composite of the underlying funds based on a static model (not rebalanced) and the results were created with the benefit of hindsight. Until launch, the illustrations did not include the annual management charge or any performance fee which would reduce returns by approximately 1.5% per annum. Past performance is not indicative of future results, which may vary.

KEY FUND FACTS

Currency: USD
SEDOL No B3BFMQ4
ISIN No GG00B3BFMQ42
BLOOMBERG No DIEMMAU GU
Minimum Amt: \$15,000
Min Top-up: \$2,000

Currency: EUR
SEDOL No B3KRJQ0
ISIN No GG00B3KRJQ00
BLOOMBERG No DIVEMEB GU
Minimum Amt: €15,000
Min Top-up: \$2,000

Currency: GBP
SEDOL No B3BFMZ3
ISIN No GG00B3BFMZ33
BLOOMBERG No DIEMMAG GU
Minimum Amt: £15,000
Min Top-up: \$2,000

Trustee: MeesPierson (C.I.) Limited
Annual Management Charge: 1% pa
Performance Fee: 10%*
Administration Costs: 0.3% pa
Custody Costs: 0.1%
Entry Fee: 4%
Subject to out performance of high water mark

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