

**Index Investment Strategy**

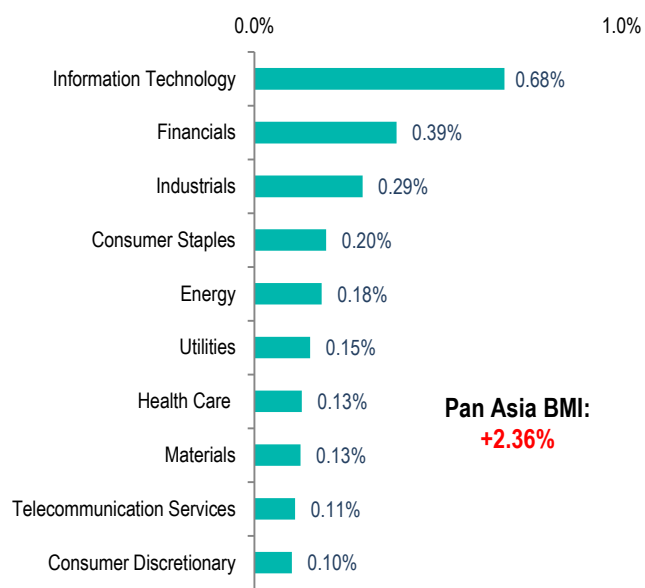
| INDEX                                  | 1-M    | YTD    | 12-M    | INDEX                               | 1-M     | YTD    | 12-M    |        |
|--|--------|--------|---------|-------------------------------------|---------|--------|---------|--------|
| <b>Pan-Asia Equity*</b>                |        |        |         | <b>Single Country - Developed</b>   |         |        |         |        |
| S&P Asia 50                            | 2.91%  | -3.51% | -0.72%  | S&P TOPIX 150                       | -0.63%  | -7.34% | 25.82%  |        |
| S&P Pan Asia BMI*                      | 2.36%  | -1.80% | 5.82%   | S&P / ASX 50                        | 4.69%   | 1.58%  | 11.22%  |        |
| S&P Asia-Pacific BMI*                  | 1.93%  | -2.15% | 7.33%   | Dow Jones Singapore*                | 2.61%   | -1.62% | -0.74%  |        |
| S&P Asia-Pacific Emerging BMI*         | 3.53%  | -0.85% | 1.92%   | KOSPI 200 (Price Index)             | 1.90%   | -1.66% | -2.39%  |        |
| <b>S&amp;P Pan-Asia BMI Sectors</b>    |        |        |         | <b>Single Country - Emerging</b>    |         |        |         |        |
| Consumer Discretionary*                | 0.68%  | -2.47% | 14.82%  | S&P / CITIC 50 A-Shares             | -2.11%  | -7.91% | -21.06% |        |
| Consumer Staples*                      | 2.95%  | -0.46% | 2.40%   | S&P BSE SENSEX                      | 2.98%   | -0.15% | 13.81%  |        |
| Energy*                                | 5.13%  | -2.97% | -12.92% | S&P BSE SENSEX                      | 2.98%   | -0.15% | 13.81%  |        |
| Financials*                            | 1.43%  | -4.87% | -1.33%  | Dow Jones Indonesia*                | 3.97%   | 8.12%  | -6.64%  |        |
| Health Care*                           | 3.49%  | 4.50%  | 9.65%   | Dow Jones Malaysia*                 | 1.70%   | -1.18% | 15.82%  |        |
| Industrials*                           | 2.06%  | -1.18% | 7.78%   | Dow Jones Philippines*              | 5.35%   | 7.73%  | -6.59%  |        |
| Information Technology*                | 4.89%  | 3.43%  | 22.20%  | Dow Jones Taiwan*                   | 2.41%   | 0.88%  | 12.32%  |        |
| Materials*                             | 1.51%  | -2.98% | -5.05%  | Dow Jones Thailand*                 | 3.10%   | 1.40%  | -11.70% |        |
| Telecommunication Services*            | 2.58%  | -4.57% | 16.20%  | <b>Fixed Income &amp; Credit</b>    |         |        |         |        |
| Utilities*                             | 4.86%  | 0.73%  | 7.32%   | <b>Yield</b>                        |         |        |         |        |
| <b>Equity Strategy</b>                 |        |        |         | S&P/BGCantor 7-10 Yr US Treasuries* | 2.44%   | 0.92%  | 3.55%   | -2.46% |
| S&P Pan Asia Low Volatility*           | 2.43%  | -1.14% | -3.08%  | S&P China Convertible Bond          | -       | 0.57%  | -0.51%  | -7.94% |
| S&P Korea Low Volatility               | -0.38% | -4.07% | 0.34%   | India USD Corporate Bond*           | 3.49%   | 0.96%  | 2.08%   | 2.31%  |
| S&P Pan Asia Dividend Aristocrats*     | 3.10%  | -2.11% | -3.25%  | S&P / ASX Australia Fixed Interest  | 3.56%   | 0.34%  | 1.49%   | 3.05%  |
| Pan Asia Select Dividend Opportunities | 3.33%  | -2.52% | -5.70%  | Dow Jones Investment Grade Sukuk*   | 2.49%   | 1.27%  | 2.10%   | 2.34%  |
| <b>Commodity</b>                       |        |        |         | <b>Economic Indicators</b>          |         |        |         |        |
| Dow Jones-UBS Commodity*               | 5.72%  | 6.04%  | -2.32%  | S&P / ASX 200 VIX (11.56)           | -15.85% | 13.41% | -14.93% |        |
| S&P GSCI®*                             | 4.09%  | 2.39%  | 1.36%   | Hang Seng VIX (18.30)               | -8.42%  | 23.78% | 10.34%  |        |
|  |        |        |         | Vix® Index (17.29)*                 | -18.80% | 2.33%  | -9.48%  |        |

**Summary**

- After a sobering start to the year, February saw global markets in recovery mode. The S&P Asia 50 was up 3% while the Asia-Pacific Emerging BMI Index rose 3.5%. Volatility measures are down.
- The TOPIX rallied significantly mid-month as the Bank of Japan announced a doubling to \$68 billion of low-interest loans available to banks; good news continued today as the trade ministry announced a 4% rise in output during January. However, gains were given back as concerns over an impending sales-tax hike saw the TOPIX end February with its second monthly loss this year.
- China was the other poor performer; the currency reversed trend in the past few days, falling 1% and registering one of the largest moves in recent times. The intention may have been to boost exports - a chorus of institutions are warning of a downturn in growth for China this year (albeit down to 7.5% from 7.7%) – further currency movements will be watched carefully from Washington.
- Elsewhere, Australia had topped the charts among developed nations (up 5%) while the Philippines took the overall top spot. Fixed income markets also performed well in February, with USD bonds performing well in particular.
- Commodities have emerged from the doldrums this year. Gold recorded its second monthly advance, coffee is up close to 50% on the month; both broad indices are up.

**S&P Pan Asia Sector Contribution\***

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