Standard Chartered
Private Bank

Signature Perspectives – Asia Pacific Ex-Japan Equities

Signature Securities Portfolios

Standard Chartered Private Bank

Asia Pacific Ex-Japan Equities – As of 31 March 2012

Performance Review

Investment Objective

Seeks to achieve growth from capital appreciation over a mid to long term investment horizon, whilst mitigating risk at times of increased market volatility or extreme valuation. Invests in a diversified selection of listed Asian equity and index related securities.

Investment Process

Predominantly bottom-up fundamental investment approach which focuses on identifying high quality growth and underpriced companies through financial & competitive position analysis and valuation. A top-down overlay provides opportunity for the manager to reduce risk at times of increased market volatility or extreme valuation through use of cash or certain derivatives limited to listed index put options, currency forward contracts and certain ETFs.

Features & Benefits

- Diversified portfolio of Asian equities. High-quality companies with attractive long-term value and growth characteristics
- Experienced Investment Sub-Advisor management team
- Disciplined approach is backed by active management and proprietary, stock-specific research of the Investment Sub-Advisor
- Flexibility to reduce risk at times of increased market volatility or extreme fluctuation.
- Portfolio delivered as a segregated managed account

Risks

- Portfolio invests in Equity, a high risk asset class. Thus a high volatility of returns can be expected. Asia is also considered a higher risk region potentially increasing this risk
- Portfolio invests in unleveraged Equity P-notes for market access where a foreign investor account is not held. These notes carry additional counterparty risk with the issuing party (minimum AA rated).
- Currency forward contracts are permitted and when held in the portfolio exposes the investor to additional counterparty risk
- The portfolio owns a broad selection of foreign currency denominated assets. This exposes investors to moves, up and down, in applicable foreign exchange markets relative to their selected portfolio base currency
- Returns are not guaranteed and the value of investments can fall as well as rise. You may get back significantly less than you invested, and all your capital is at risk

General Information

Inception Date	31/10/2010
Investment Sub-Advisor	Tiburon Partners LLP
Investment Time Horizon	Medium to Long Term
Base Currency	US Dollar
Benchmark	MSCI Daily TR Net AC Asia Pacific ex-Japan USD Index
Minimum Investment	US$ 250,000
Number of Securities	42

Portfolio Statistics

Portfolio P/E	13.1
Dividend Yield	2.8%
Portfolio Turnover	1.9%

Top 10 Portfolio Holdings	
MESOBLAST LTD	6.1%
NEWCREST MING LTD	3.6%
LG CORP PNS SCB/AM	3.2%
UNITED OVS BK LTD	3.0%
ECHO ENTMT GRP LTD	2.9%
SILEX SYST LTD	2.7%
CHINA MOBILE LTD	2.7%
PARKSON RETAIL GRP LTD	2.7%
IJM CORP BHD	2.6%
SUN HUNG KAI PRPTYS LTD	2.5%

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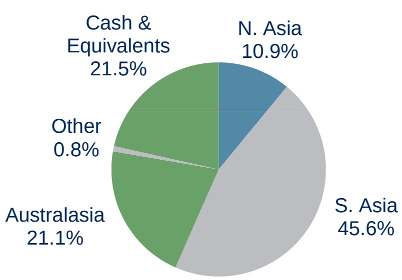
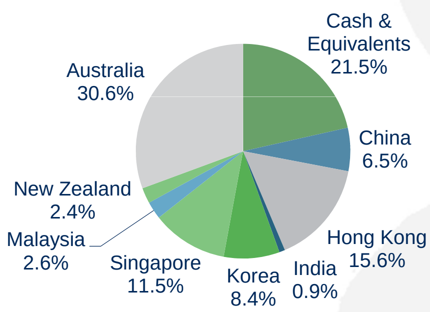
Asset Allocation Overview

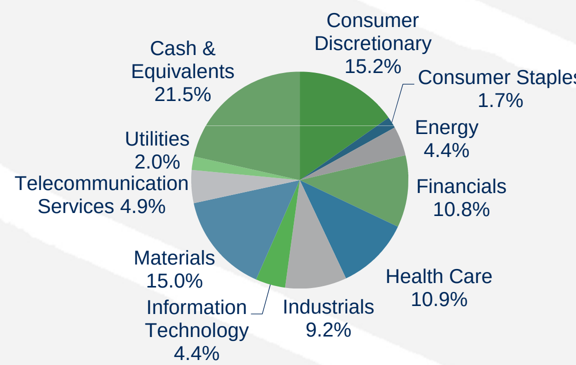
Regional Breakdown



Country Breakdown



Sector Breakdown



Performance[1]

Cumulative	1 month	3 months	6 months	YTD	1 Year
Portfolio	-1.5%	19.1%	17.6%	19.1%	-11.0%
Benchmark	-3.0%	12.5%	17.4%	12.5%	-7.0%

Annualised	3yr	5yr	10yr	Inception
Portfolio	-	-	-	-1.8%
Benchmark	-	-	-	-0.4%

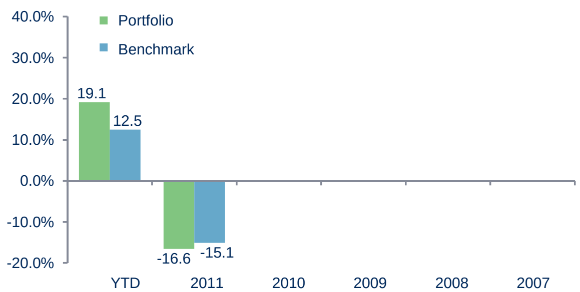
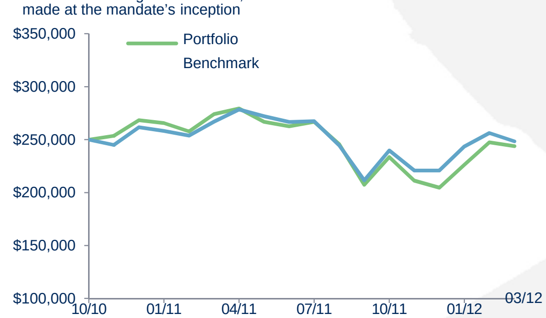


Chart shows the growth of a 250,000 USD investment made at the mandate's inception



[1] Performance is rounded to one decimal point. The portfolio performance is shown against the relevant benchmark performance. For further details on the relevant benchmarks and the composite return calculation methodology, please refer to the Important Information section. Past performance is not an indication of future performance.

Signature Securities Portfolios

Asia Pacific Ex-Japan Equities – As of 31 March 2012

Performance Review

- March has been a reasonable month for the account, with a small fall of -1.5% in absolute terms but a continuation of the year's outperformance of the index.
- Cash of over 20% has helped, as have good performances from much of our Australian portfolio, particularly biotech and medical names such as Mesoblast, StarPharma and GI Dynamics. Elsewhere Alkane, China Mobile and MTR were notable positive contributors, while Comba, AU Optronics and SHK Properties were on the loss making side of the ledger.

Outlook & Positioning

- The recent sharp sell-off in the US Treasury market has been greeted by most commentators as a validation of a few decent months of economic statistics, primarily employment growing at 200,000 a month. While these numbers are to be welcomed, they still represent the weakest employment recovery in the last 70 years, and have occurred as fiscal and monetary policy are as loose as they have ever been. We have a less rosy interpretation of the rise in bond yields. The ONLY two net buyers of treasuries over the last few years have been China and the Fed. The Chinese Balance of Payments has gone into reverse, curtailing their ability to buy more bonds (and this is assuming that they want to, which given the recent preference for harder resource assets is an heroic assumption), while the Fed may well start to think that zero interest rates and unlimited printing of dollars sit uncomfortably with economic growth of 2% plus. We do not subscribe to the view that a lot of money will flood from (spectacularly overvalued) bonds to (near fair value) equities. China and the Fed clearly will not do this, while pension funds and insurance portfolios are unlikely to change direction after the experiences of 2008 and 2011 and the regulatory imposts from actuaries and Solvency 2 in Europe. With the US market within 10% of an all-time high (and above it ex the financial sector), and with hedge funds at their most bullish equity weighting since 2007, now is not the time to get gung-ho over risk assets.
- Is gold a risk asset or a hedge? The experience of the last few years is it can be both, but sequentially and at random intervals. Recent weakness has been ascribed to the absence of QE3, while the rapid mobilisation of the ECB's printing presses has been ignored. BIS data show that Central Banks remain buyers, while Indian retail investors may have been discouraged by an increase in import duty in the recent budget. We view the sell-off in both the metal and mining shares as an opportunity to add a less correlated asset which (in the case of the gold mining shares) is now actively cheap relative to spot gold.

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Outlook & Positioning

- 'The Chinese have an insatiable appetite for luxury goods' is a mantra that the CEOs of Western branded bauble vendors have become very familiar with – and to date has proven correct. The stock market is clearly well up with events, with valuations at high or even stratospheric levels for the likes of Hermes. Thus we note with interest the cooling in the high-end auto market in China, and the unprecedented discounts now available to a typical Mercedes S class or BMW 7 series buyer. The model cycle has an impact, but is not likely to be the whole story. Could the feeding frenzy over Louis Vuitton or Prada bags be next? We wouldn't want to take a strong view either way on this high-end conspicuous consumption, but would merely opine that expectations in this segment are high, and the risk/reward unattractive. We prefer the next tier down where valuations have been crushed over the last two years and where a sharper slowdown in sales is consensual. After all, it is hardly a distinguishing factor these days in Chinese cities to be carrying a branded handbag or overpriced watch….
- The purge of Bo Xilai has attracted a lot of newspaper comment, but little stockmarket effect bar a few A shares with Chongqing in the name taking a one day hit. We have absolutely no insight into the ramifications (if any) of this event, though we are inclined to think that there may be some. Given that there was little concern over the direction of the political aspects of economic and social governance prior to this rather public fall from grace, we feel that it is yet another thing that could unsettle markets where there is a high level of complacency.
- In stark contrast to China, India exemplifies a market where politics matter on a day to day basis. Investors' uncertainty over the cellular spectrum and (now) the coal block allocation fiascos has been exacerbated by a mooted re-drawing of the tax legislation that could potentially apply to deals done forty years ago. While the tax authorities may have a point over their inability to tax the Hutch/Vodafone transaction, the proposed legislation, if enacted, will represent a spectacular own goal. This is not what is required for investors to rediscover their appetite for a market that is still expensive and where recent profit announcements have left something to be desired. We remain unenthused and uninvested.

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Outlook & Positioning	• While many of the bigger picture sentiment indicators for equity markets are now at neutral to mildly bearish levels (Vix, average cash levels, bull/bear and risk appetite indicators), the level of insider selling to buying is at more worrying levels, especially in the US. In Asia the ratio also moved to favour supply of equity from those in the know, with a significant number of quite large placings and several sizeable rights issues accompanying executive disposals (always, of course, to fund tax bills or divorces). While this is not necessarily a definitive sign of a market top, it is a significant red flag. Allied with our bigger picture concerns outlined above, we remain cautious with a significant cash position and low beta, at least relative to economic developments.
Portfolio Changes	

Benchmark Disclaimer

Signature Balanced Portfolios

- The benchmark for the Balanced Defensive Portfolio is 80% Citigroup World Government Bond Index^ and 20% MSCI Daily TR Net World USD Index*.
- The benchmark for the Balanced Conservative Portfolio is 60% Citigroup World Government Bond Index^ and 40% MSCI Daily TR Net World USD Index*.
- The benchmark for the Balanced Moderate Portfolio is 40% Citigroup World Government Bond Index^ and 60% MSCI Daily TR Net World USD Index*.
- The benchmark for the Balanced Aggressive Portfolio is 20% Citigroup World Government Bond Index^ and 80% MSCI Daily TR Net World USD Index*.

Signature Securities Portfolios

- The benchmark for the US Conservative Fixed Income Portfolio (Inception Date: 03/31/94) is the Citigroup Treasury Bond Index (1-5 yrs.)^, which tracks U.S. government debt obligations maturing in less than 5 years.
- The benchmark for the US Moderate Fixed Income Portfolio (Inception Date: 03/31/94) is the Citigroup Treasury Bond Index (1-10 yrs.)^, which tracks U.S. government debt obligations maturing in less than 10 years.
- The benchmark for the US Multi-Sector Fixed Income Portfolio (Inception Date: 10/31/06) is 65% Barclays US Intermediate Credit Bond Index, 25% Barclays MBS Fixed Rate Index and 10% Barclays Ba/B Index (From 1 September 2009 to date). Prior to this the benchmark was Barclays Intermediate Government/Credit Index from inception through 31 August 2009.
- The benchmark for the Global Fixed Income Portfolio (Inception Date: 03/31/94) is the Citigroup World Government Bond Index^ (From 1st January 2011 to date). Prior to this the benchmark was the Citigroup World Government Bond Index (1-10 yrs) from inception through to 31 December 2010.
- The benchmark for the Global Equities Portfolio (Inception Date: 04/30/94) is the MSCI Daily TR Net World USD Index*.
- The benchmark for the US Equities Portfolio (Inception Date: 11/30/01) is the Standard and Poor's 500 Net Total Return Index^^.
- The benchmark for the Asia Pacific ex-Japan Equities Portfolio (Inception Date: 10/29/2010) is the MSCI Daily TR Net AC Asia Pacific ex-Japan USD Index*.

Signature Funds Portfolios

- The benchmark for the Global Defensive Portfolio (Inception Date: 03/31/03) is 80% Citigroup World Government Bond Index^ and 20% MSCI Daily TR Net World USD Index*.
- The benchmark for the Global Conservative Portfolio (Inception Date: 03/31/03) is 60% Citigroup World Government Bond Index^ and 40% MSCI Daily TR Net World USD Index*.
- The benchmark for the Global Moderate Portfolio (Inception Date: 03/31/03) is 40% Citigroup World Government Bond Index^ and 60% MSCI Daily TR Net World USD Index*.
- The benchmark for the Global Moderate (Asia focused) Portfolio (Inception Date: 09/30/08) is a blend of the following indices: Citigroup World Government Bond Index^ (25%), HSBC Asian Local Bond Overall (15%), MSCI Daily TR Net World USD Index * (30%), MSCI Daily TR Net AC Asia Pacific ex-Japan Equities Index (15%), MSCI Daily TR Net Emerging Markets Index* (15%) (From 1st April 2011 to date). Prior to this, the benchmark was a blend of: Citigroup World Government Bond Index^ (25%), HSBC Asian Local Bond Overall (15%), MSCI Daily AC TR Net Pacific ex Japan USD* (25%), MSCI Daily TR Net Japan USD* (12%), S&P 500®^^ (11%), MSCI Daily TR Net Europe USD* (6%), MSCI Daily TR Net Emerging Europe USD* (3%) and MSCI Daily TR Net Emerging Latin America USD* (3%) indices.
- The benchmark for the Global Aggressive Portfolio (Inception Date: 03/31/03) is 20% Citigroup World Government Bond Index^ and 80% MSCI Daily TR Net World USD Index*.
- The benchmark for the Asia Pacific Ex-Japan Equities Portfolio (Inception Date: 05/31/05) is the MSCI Daily TR Net AC Asia Pacific ex-Japan Equities Index* (From 1st April 2011 to date). Prior to this the benchmark was the MSCI AC Daily TR Net Pacific Ex Japan Index*.
- The benchmark for the Emerging Markets Equities (Inception Date: 11/30/05) is the MSCI Daily TR Net Emerging Markets Index*.
- The benchmark for the Dynamic Global Asset Allocation USD Portfolio (Inception Date: 03/30/07) is the MSCI Daily TR Net World USD Index*.

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   Performance for the Signature Portfolios is shown on a composite return basis; however, only the USD denominated accounts in each Signature Portfolio strategy are included. Results of the composite are shown compared to the benchmark of the relevant Signature Portfolio. For additional information on the benchmark, please refer to the page titled Important Information – Benchmarks.

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   Net composite performance for each month is the weighted-average return of USD denominated accounts that have a continuous performance history for the month. That is, all accounts that have cash-flow activity during the month (in the form of inflow or outflow of cash) are stripped out from the composite return calculation shown in this document. To derive the composite return for a given period, the relevant historical monthly composite returns are chain-linked.

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