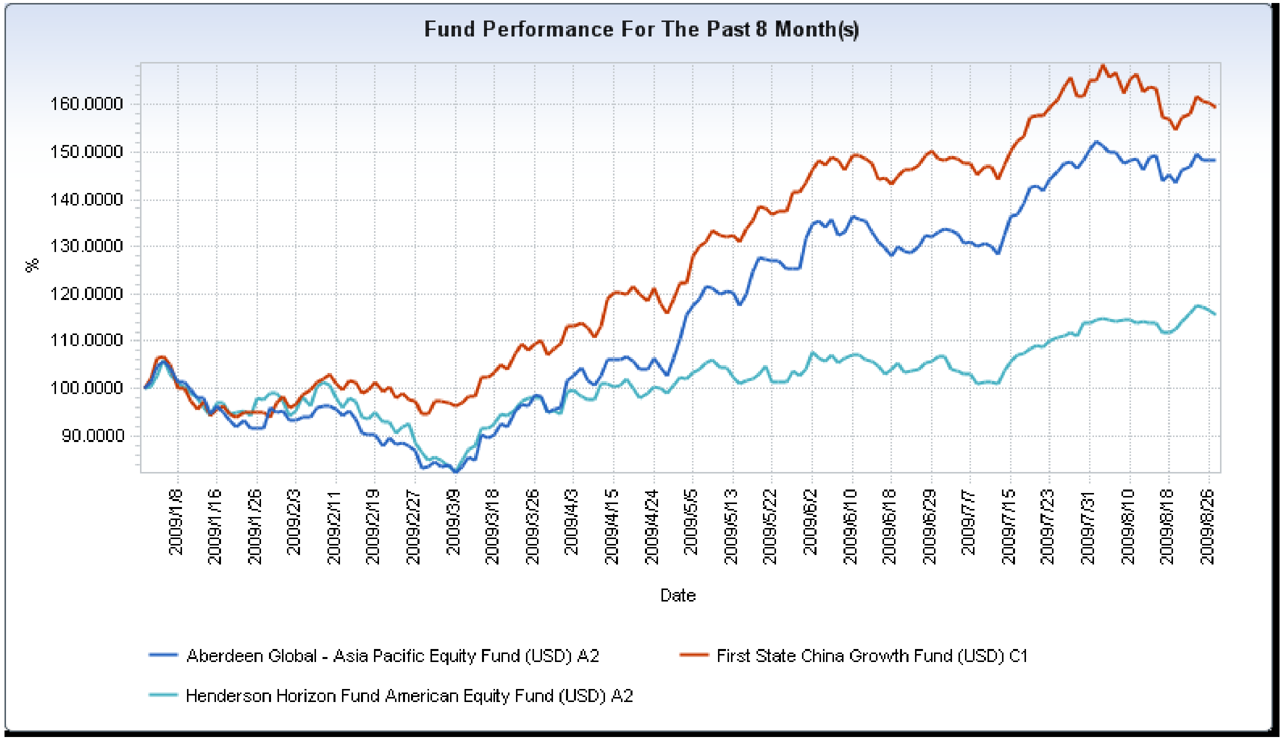
ADVISER MATRIX

Funds Analysis

Prepared by

IFAST FINANCIAL (HK) LTD
IFAST Financial (HK) Ltd
bonitalam@ifastfinancial.com
61144233
Monday, August 31, 2009

Fund Performance (Lump Sum)



Fund Name	Annualized Return (%)	Absolute Return (%)	3yr Risk Return Ratio	Sharpe Ratio	Expense Ratio	3 Year Annualized Volatility	Max Gain (%)	Max Loss (%)	Specialist Sector	Geographical Sector
Aberdeen Global - Asia Pacific Equity Fund	80.38	48.18	0.2045	0.3	NA	30.27	85.53	-22.22	General	Asia (ex Japan)
First State China Growth Fund (USD) C1	101.4	59.48	0.6063	0.69	NA	35.28	79.4	-11.95	General	China
Henderson Horizon Fund American Equity	24.3	15.61	-0.1869	-0.15	NA	23.01	42.45	-22.21	General	US

Last Update On 2009/8/31
Source: iFast Financial Pte Ltc

Sharpe Ratio and Risk Return Ratio

Many a time, investors always focus on performance when deciding on what fund to buy. However, we believe it is important for investors to not only look at the potential returns of a particular investment to decide on which fund to purchase. Looking at the Sharpe Ratio or Risk Return Ratio of the funds is important as well.

What is a Sharpe Ratio?

The Sharpe Ratio is the measurement of the excess return per unit of risk. The excess return defined as the portfolio or fund return in excess of a risk free asset return (for example a bank deposit). We also define volatility (standard deviation) as the measurement of ris

$$\text{Sharpe Ratio} = \frac{\text{Portfolio Return - Risk Free Rate}}{\text{Volatility}}$$

The Use of Sharpe Ratio

Sharpe Ratio can be used as a parameter to rank the performance of a portfolio or fund manager. The fundamental implication of Sharpe Ratio is the excess return received per unit of risk. When it applies to rank the performance of a fund manager, Sharpe Ratio means that how much excess return that he can deliver to investor per unit of risk he took

Hence, it should be the higher the Sharpe ratio, the better the performance of the fund manager. You would have to of course compare funds with similar investment objectives and investing into the same geographical areas. For example, from the many China equity funds available, you can compare the Sharpe ratios of these funds to choose a fund manager that's able to provide better risk adjusted returns

What is a Risk Return Ratio?

It is a simpler version of the Sharpe ratio that we discussed above. It is the measurement of the return per unit of risk. It is not looking at excess returns, or the returns above the risk-free instrument, it is simply taking into account the returns per unit of risk that the fund is getting. The return defined as the portfolio (fund) return and the volatility (standard deviation) act as a proxy to measure the level of risl

Sharpe Ratio and Risk Return Ratio

$$\text{Risk Return Ratio} = \frac{\text{Portfolio Return}}{\text{Volatility}}$$

Generally speaking, Risk Return ratio is similar to Sharpe ratio. Both of them are used to measure the return of a fund for every unit of risk that investor is bearing. Within the same asset class and geographical allocation, the investor can compare the two ratios with its peers. When these two ratios are higher in comparison to peers, the fund gives a better return for a given unit of risk

Conclusion

Sharpe Ratio and Risk Return Ratio are ratios that commonly used in the portfolio management industry. They are the proxy for comparing the performance of the portfolio and the way that the fund manager manages risks and performance, after adjusting for the risk borne by the fund during the process of obtaining the return. We believe that a good fund manager should be able to deliver good returns but not without managing the volatility of the fund at the same time. In other words, a good fund should have a better than average Sharpe ratio or risk return ratio

Expense Ratio

What is an Expense Ratio?

Expense ratio is the various expenses that the fund incurs all the time expressed on an annual basis and as a percentage of the fund's net asset value. For example, if a fund incurs 1.5 million dollars in expenses over one year, and the fund had a net asset value of 100 million dollars, then the fund has an expense ratio of 1.5% (1.5 million over 100 million)

Typically, a large part of a fund's expense ratio will consist of its annual management fee. But other fees and expenses are also included. So, do not make the mistake of separately adding annual management fees to a fund's expense ratio. The fund's expense ratio is a broad gauge of the overall costs that a fund incurs. The expense ratio of a fund includes the following expenses

1) **Management Fee**
2) **Trustee and Administration fee**
3) **Accounting and valuation fee**
4) **Custodian fee**
5) **Registrar fees**
6) **Legal and professional fees**
7) **Printing and distribution costs**
8) **Audit fee**
9) **Amortised expenses**
10) **GST on expenses (where applicable)**

While it may look like a long list, the main portion of the expense ratio comes from the annual management fees. These annual management fees range from 0.5% for bond funds to 1.5% for equity funds. All the rest of the expenses are usually quite small. Combined together, the rest of the expenses (excluding annual management fees) usually make up less than 1% of the fund's net asset value. As you can see, all of the most important expenses that a fund incurs are factored in already including that of annual management fees. So, when you look at the expense ratio of a fund, you will get a good idea of how much the fund incurs to keep it running on a yearly basis

Important Notes

Your IFAST Financial (HK) Ltd adviser is licensed by the Securities and Futures Commission (SFC) to act as a Financial Adviser's Representative (FAR) , and is employed by IFAST Financial (HK) Ltd, a company licensed by the SFC of Hong Kong to act as a Financial Adviser (FA

Your adviser must have sufficient information before making a suitable recommendation. The information that you provide in the Fact Finding relating to your investment objectives, financial situation and your particular needs will be the basis on which advice will be giver

Your adviser is required to disclose to you the fees and charges payable to IFAST Financial (HK) Ltd on any product recommended to yo

An insurance and/or investment product purchased without the full completion of the Fact Finding process, or following from a partial or inaccurate completion, may not be appropriate to your needs

It is important that you carry out financial review and risk profiling at least once a year. This is to ensure that any financial products recommended based on your updated information will be more suitable for your needs

Disclaimer

This financial plan herein is hypothetical in nature and is intended to help you in making decisions on your financial future based on information that you have provided and reviewed.

IMPORTANT: The projections or other information generated by this financial plan regarding the likelihood of various investment outcomes and goals attainment are hypothetical in nature, and are not guarantees of future results

The assumptions used in this financial plan are based on information provided and reviewed by you. Those assumptions must be reconsidered on a regular basis to ensure that the results are adjusted accordingly. The smallest of changes in assumptions can have a dramatic impact on the outcome of this financial plan. Any inaccurate representation by you of any facts or assumptions will render the results null and void

This plan does not constitute advice in areas of legal, estate or tax. It is your responsibility to consult the relevant professionals in those areas either independently or in conjunction with this planning process

The recommendations herein are made by the FAR based on their professional knowledge in the industry and their understanding of your financial status, investment objective and risk tolerance

The assumptions used in this financial plan are based on information provided and reviewed by you. Any inaccurate representation by you of any facts or assumptions will render the results null and void. The information and materials contained in this page, including text, graphics, links or other items are provided for reference only and do not constitute a professional advice, recommendation, an offer or solicitation to buy or sell investments. Persons accessing these pages are advised to obtain appropriate professional advice where necessary. Past performance figures shown are not indicative of future performance. Investment involves risk, therefore the offering documents of the funds should be read for further details

The results presented in this plan are not predictions of actual results. Actual results may vary to a material degree due to external factors beyond scope and control of this financial plan. Historical data used to produce future assumptions used in the financial plan, such as hospitalization charges, inflation rates, fund historical performance, is not a guarantee of future performance or results

The investment returns of a fund are denominated in a foreign currency other than the USD/HKD, thus US/HK dollar-based investors are exposed to exchange rate fluctuations.

This plan does not consider the selection of investment instruments. The results in this plan do not constitute an actual offer to buy, sell or recommend a particular investment or insurance product. All investments are inherently risky. Past performance and any forecast is not necessarily indicative of the future or like performance of any investment instrument