

**Performance Summary as at 31 March 2011**

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Inception p.a.*
<b>TAAM New Asia Fund</b>	2.49%	-2.54%	-7.15%	-1.56%	-4.77%	1.53%	4.54%
<b>MSCI AC Asia ex Japan</b>	4.65%	0.27%	1.07%	6.05%	0.76%	3.17%	6.64%
<b>Difference +/-</b>	-2.17%	-2.81%	-8.22%	-7.61%	-5.53%	-1.64%	-2.11%

\*Inception date for performance 25/11/05. Returns are calculated based on redemption prices, after deducting all fees but not before tax and assuming reinvestment of distributions.

Past performance is not a reliable indicator of future performance.

**Commentary**

In the face of the devastating and tragic Japan earthquake and tsunami, Asia ex-Japan stocks produced solids gains in March. The MSCI AC Asia ex-Japan index in Australian dollar terms was higher by 4.6%. The index in local currency terms returned 4.9% which was close to the Australian dollar return. The Australian dollar soared nearly 2% against the US dollar however the Asian currencies also appreciated strongly against the US dollar. Not surprisingly, the Japanese market did not fair as well, losing 16% in two days following the earthquake. It did however manage to recoup approx half of these losses by month end. Asian stocks also had to contend with the well documented ongoing crisis in the Middle East with the violence escalating in Libya.

The Asia ex-Japan markets did in fact sell-off by 4% when the extent of the earthquake and tsunami damage emerged. Investors, now seemingly ingrained to buy on any bad news, used this as a buying opportunity. From the low on March 17 to the March month-end, Asian stocks rallied in a straight line nearly 9%. Korea, India and the Philippines were the best performing markets, followed by Thailand, Indonesia, Malaysia and Singapore. China performed in line with the region while Taiwan lagged. Taiwan was held back by a sell-off in the index heavy technology sector (most other sectors in Taiwan performed well). The most relevant domestic macro news was the People's Bank of China continuing with its tightening policies by raising the reserve requirement ratio by a further 50bp. With this hike, the RRR for large banks in China is a not insignificant 20% while for small and medium banks it is 18%. Inflation in China remained unchanged at 4.9%.

The portfolio returned 2.5% versus 4.6% for the index. Stock selection in China drove the underperformance. We cannot hide our disappointment in the long held Chinese fertilizer distributor Sinofert which reported a very disappointing result in what should have been a reasonably buoyant period for the company. The market was as disappointed as we were and promptly sold off the shares by 20%. Our assessment of the results leads us to believe the company is losing market share as well as having its margins under pressure. It has not been able to pass on raw material cost increases to its customers as it should, leading us to believe some "national service" is being done by the company. This is not good for shareholders and not what is expected by a leading Chinese fertilizer company. The stock was promptly removed from the portfolio following the results. Two other Chinese stocks - supermarket operator Lianhua and healthcare manufacturer China Shineway - also suffered investor selling. However after a thorough review we believe this is nothing more than some investor rotation and not a change in fundamentals. Both stocks should bounce back in April. Elsewhere in the portfolio stock selection was reasonable.

Following the sale of Sinofert, two new China stocks were added to the portfolio. ZTE Corp is a leading Chinese telecom equipment maker and Greatview Aseptic is a emerging Chinese packaging company. Also in China we added exposure to both our Chinese bank stocks - ICBC and Bank of China. The banks in China produced a stellar reporting season, with strong growth and minimal asset quality issues. Valuations, at under 2x book from a historical high of 4x book, are attractive and the Chinese banks are stand-out buys amongst the large caps in Asia in our view. In Korea, we switched from utility KEPCO into Samsung Electronics (although we remain underweight Samsung versus the index). KEPCO has expertise in nuclear power station construction and was expected to win contracts regionally and in the Middle East. Following the nuclear situation in Japan, this will be seriously delayed at the very least.

Asian stocks continue to look attractive. Valuations remain supportive and the recent reporting season has, in most cases, confirmed good quality mid-teens earnings growth for the region. The switch from emerging markets to developed markets, witnessed early in the year, looks to have now run its course. There remain enough bears on Asia (and China) out there to give us some comfort that the consensus is definitely not bullish and therefore offers some upside surprise potential. The major risk remains inflation getting out of control. This is a real risk and needs to be monitored closely (particularly if oil spikes higher from its already elevated level) but it is not our base case. We expect the surging food inflation pressures to ease in coming quarters. Core inflation will move up in a manageable fashion and monetary policy will continue to be tightened across the region. Under this scenario Asian stocks can rally.

**Important Information**

While the information contained in this report has been prepared with all reasonable care, TAAM accepts no responsibility or liability for any errors, omissions or misstatements however caused. This information is not personal advice. This advice has been prepared without taking account of your objectives, financial situation or needs. Investors should be aware that past performance is not indicative of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments. Potential investors should seek independent advice as to the suitability of the fund or investment strategy to their investment needs. TAAM AFSL No. 304592.

**TAAM New Asia Fund Profile**

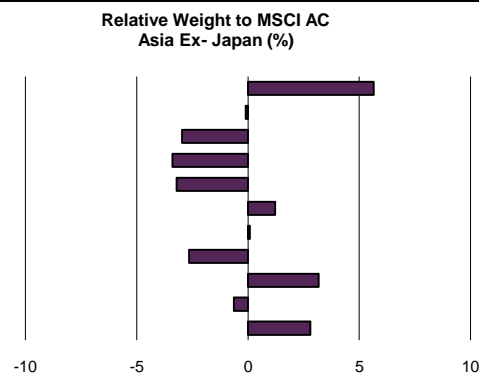
31-March-2011

Benchmark: MSCI AC Asia Ex-Japan

**TAAM New Asia Fund  
Monthly Update  
March 2011**

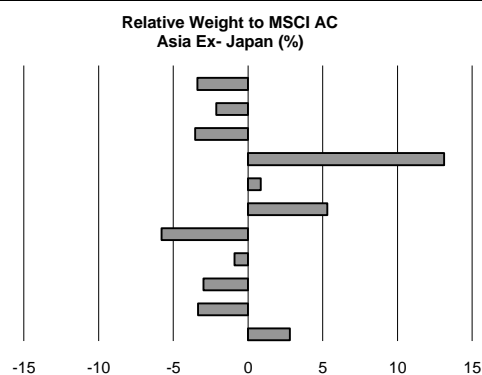
**Country Exposure**

Country	Portfolio (%)	BM (%)	Diff. (%)
China	30.4	24.7	5.7
Hong Kong	11.2	11.3	-0.1
India	7.6	10.6	-3.0
Indonesia	--	3.4	-3.4
Korea	17.2	20.4	-3.2
Malaysia	5.3	4.1	1.2
Philippines	0.9	0.8	0.1
Singapore	4.1	6.8	-2.7
Taiwan	18.7	15.5	3.2
Thailand	1.8	2.4	-0.6
Cash	2.8	--	2.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	



**Sector Exposure**

Sector	Portfolio (%)	BM (%)	Diff. (%)
Consumer Discretionary	5.1	8.5	-3.4
Consumer Staples	2.3	4.4	-2.1
Energy	5.1	8.6	-3.5
Financials	44.4	31.3	13.1
Health Care	1.6	0.8	0.9
Industrials	16.5	11.2	5.3
Information Technology	12.1	17.9	-5.8
Materials	7.6	8.5	-0.9
Telecommunication Services	2.5	5.5	-3.0
Utilities	--	3.4	-3.4
Cash	2.8	--	2.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	



**Top 10 Holdings**

Company	Portfolio (%)	BM (%)	Diff. (%)
Industrial & Commercial Bank of China Ltd	4.0	1.8	2.2
BOC Hong Kong (Holdings) Ltd.	3.7	0.4	3.3
Yuanta Financial Holding Co. Ltd.	3.3	0.2	3.2
Korea Investment Holdings Co. Ltd.	3.2	0.1	3.1
ICICI Bank Ltd.	2.8	0.7	2.1
Kunlun Energy Co. Ltd.	2.8	0.1	2.6
Oversea-Chinese Banking Corp. Ltd.	2.7	0.7	2.0
BBMG Corp.	2.7	0.1	2.6
Beijing Enterprises Water Group Ltd.	2.6	--	2.6
Qisda Corp.	2.6	0.0	2.6
<b>Total</b>	<b>30.4</b>	<b>4.0</b>	<b>26.4</b>

Total No. Of Stocks 48  
Cash Position 2.8%

**TAAM New Asia Fund Characteristics**

31-March-2011

Benchmark: MSCI AC Asia Ex-Japan

**TAAM New Asia Fund  
Monthly Update**

	NEW ASIA FUND		MSCI All Country Asia Ex-Japan	
	Data	Available	Data	Available
<b>Market Capitalization</b>		69.1%		100.0%
	Weighted Average	12,850.7	16,689.1	
	Median	3,327.1	2,211.6	
	Weighted Median	3,818.4	8,815.9	
<b>Dividend Yield</b>		67.27%	2.14	98.68%
<b>Price/Earnings</b>		69.09%		96.21%
	Weighted Average	18.68	22.24	
	Weighted Harmonic Average	15.22	14.92	
<b>P/E using FY1 Est</b>		87.27%		98.02%
	Weighted Average	16.39	14.66	
	Weighted Harmonic Average	13.67	12.63	
<b>Price/Cash Flow</b>		47.27%		84.18%
	Weighted Average	14.64	14.14	
	Weighted Harmonic Average	10.96	9.53	
<b>Price/Book</b>		69.09%		100.00%
	Weighted Average	2.67	3.45	
	Weighted Harmonic Average	2.02	2.08	
<b>Price/Sales</b>		50.91%		88.14%
	Weighted Average	4.38	3.81	
	Weighted Harmonic Average	1.32	1.39	
<b>Hist 3Yr Sales Growth</b>		5.45%	12.30	10.38%
<b>Hist 3Yr EPS Growth</b>		61.82%	11.35	82.87%
<b>ROA</b>		9.09%	4.74	11.70%
<b>ROE</b>		69.09%	17.99	99.67%
<b>Net Margin</b>		3.64%	28.69	9.88%
<b>LT Debt/Capital</b>		9%	23	12%
<b>Est 3-5 Yr EPS Growth</b>		60.0%	22.3	70.5%
<b>Est 1 Yr EPS Gr</b>		85%		98%
Holdings Data As Of				
NEW ASIA FUND 31/03/2011				
MSCI All Country Asia Ex-Japan 31/03/2011				

## **Explanatory Notes**

- (1) RBC Dexia uses a calculation methodology that is compliant with AIPS and GIPS, as agreed by Treasury Asia Asset Management.
- (2) Performance returns in this report are time-weighted, unless stated otherwise, by chain linking daily money-weighted returns, using mid point cashflows. Performance returns for periods greater than one year are annualised.
- (3) Top 10 Contributors & Top 10 Detractors use average weights. Calculation of averages over any period is based on daily weights. All other sections use end of month weights.
- (4) The performance returns are calculated gross of management fees and expenses.
- (5) the inception date was 4/11/2005, the Fund was dormant until 25/11/2005 when trading of assets commenced. Performance measurement commenced on 25/11/2005. YTD information is measured using 31 December.
- (6) The Benchmark used is the MSCI AC Asia ex Japan Index (Net) measured in AUD.
- (7) Treasury Asia Asset Management Risk Management Statement is still current.  
The portfolio has been managed in accordance with the Risk Management Statement.  
There has been no non-compliance with the investment instructions detailed in the IMA of the portfolio.