

Charlemagne Capital

Charlemagne Capital is an independent specialist emerging markets equity asset management group. Established in 2000 and AIM-quoted in London, Charlemagne personnel own approximately 40% of the parent company. Charlemagne operates from the Isle of Man and London and has a staff of 66. It covers the emerging markets world through a series of global, regional and country-specific products, both long only and long/short, in both public and private equity. Charlemagne's sole focus is on emerging markets; it does not invest outside this asset class. Total assets under management stood at USD 3.3 billion at the end of June 2011.

Investment Strategy

Charlemagne Capital exploits inefficiencies in emerging markets to generate returns using a disciplined bottom-up stockpicking process combined with intelligent risk management and portfolio construction.

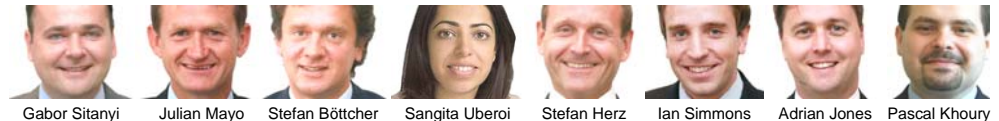
Differentiators

- Undiluted commitment to emerging markets
- Experienced team with a proven track record in emerging market investment
- Lean decision-making
- Disciplined investment process; rigorous, price-driven modelling, integrated risk management
- Interests directly aligned with clients

Global Emerging Markets

- **Global portfolio of best ideas**
- **Actively managed:** Tracking error between 4% and 8%
- **Stock driven:** 50 to 80 holdings
- **Pooled or segregated:** Pooled vehicle has weekly dealing

Investment Team



Charlemagne Capital manages its portfolios on a team basis, with everyone participating in the generation of ideas. At the same time, there is a clear principle of stock ownership, matched to the particular skills and experience of each portfolio advisor. Charlemagne's global emerging markets portfolios are led by Gabor Sitanyi and Julian Mayo, who are shown above alongside other key investment professionals. The team, which includes a dedicated dealing desk, has a total of 23 members, with an average 16 years industry experience.

Investment Process

Global emerging markets portfolios are an amalgam of the very best investment ideas from across the regional and sector specialists that comprise Charlemagne's investment team.

These professionals are always looking for new investment ideas, using their experience and local knowledge to identify the inefficiencies that still abound in emerging markets. This is a largely subjective process involving extensive on-the-ground research.

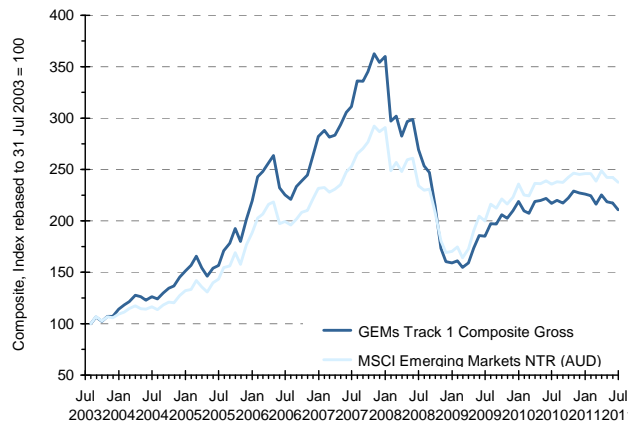
All potential investments undergo a thorough due diligence process, including substantive discussions with management, and a rigorous quantitative analysis to arrive at a price target. The details of this research are loaded into an internal database. Consensus forecasts also feed into this database to allow consistent comparisons across sectors.

Individual team members must then argue the merits of their own companies to have them included in the various portfolios that Charlemagne runs. This ensures that only those ideas held with the highest conviction are selected.

Portfolio construction is subject to a disciplined risk management process to ensure that risk remains concentrated on stock selection and is not unintentionally focussed on some other factor such as country or sector exposure. Risk analysis is also used to ensure that tracking errors remain within their permitted range; for the institutional global emerging markets product this is between 4% and 8%. Liquidity is another important consideration.

Trading is undertaken in-house, by specialist emerging markets dealers with many years experience.

Portfolios are under constant review and as price targets are reached or alternative investments become more attractive, appropriate changes will be made.



Performance to 30 Jun 2011	Composite	Benchmark
3 months	-6.4%	-4.5%
6 months	-6.7%	-3.4%
1 year	-2.8%	0.8%
3 years (annualised)	-7.8%	0.5%
5 years (annualised)	-1.3%	3.6%

Calendar Year Returns	Composite	Benchmark
2007	27.6%	25.6%
2008	-55.8%	-41.4%
2009	37.5%	38.4%
2010	3.3%	4.3%

The GEMs Track 1 Composite is based on all portfolios with a remit to invest solely in global emerging markets, benchmarked to the MSCI Emerging Markets Index. Composite performance figures are shown in AUD before fees, ie gross. Past performance is not indicative of future results. Charlemagne Capital claims compliance with the Global Investment Performance Standards (GIPS®), as verified for the period 1 June 2000 through 31 March 2011 by Ashland Partners. A copy of the verification report, a presentation that adheres to GIPS standards and a list of Charlemagne Capital's composite descriptions are available from the contacts below.

Characteristics

As at 30 Jun 2011	Portfolio	Benchmark
Number of securities	59	824
Tracking error	5.9%	N/A
Price/earnings	12.3	10.4
Earnings growth (next year)	46%	15%
Price/book	2.5	1.9
Dividend yield	3.2%	2.4%
Return on equity	23%	15%
Non-benchmark holdings	19%	N/A
Market capitalization		
< USD 2.5 billion	21%	6%
USD 2.5 - 25 billion	34%	55%
> USD 25 billion	45%	39%

Top 5 stock overweights
Aveng
Bank of China
Kia Motors
LUKOIL
TSMC

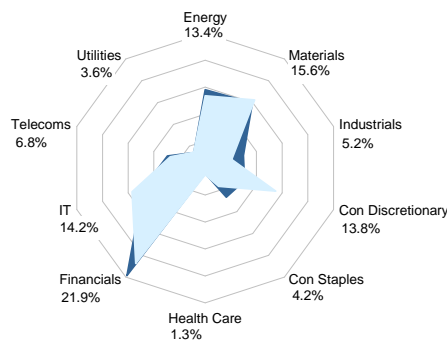
In alphabetical order

Portfolio characteristics refer to a representative global emerging markets model and not to a composite and are shown as supplemental information. Tracking error is ex-post, based on the Composite since inception. Non-benchmark holdings and market capitalization figures are given as a percentage of the value of the model. Benchmark estimates courtesy of UBS.

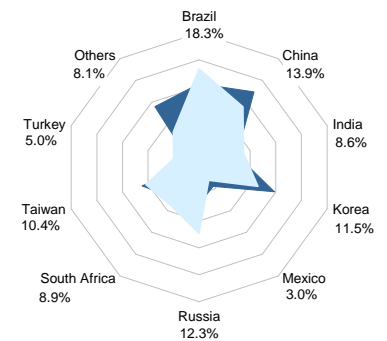
Source: Charlemagne Capital

Exposure

Sector



Country



NB. Portfolio exposure is shown in light shading, on top of benchmark exposure. Labels show portfolio exposure

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