

DNB Far East

Investment Objective

The fund objective is to achieve long-term capital growth by investing in a concentrated portfolio of stocks from the Far East and Pacific Basin including Australia and India, but excluding Japan. The fund is not constrained by any index weightings or market capitalization.



Index: MSCI AC Asia Pacific ex Japan Index Net

Market Comment

Asia markets were stable except China and Korea. China launched new regulations to limit the scope of wealth management products to only 4% of the banks total assets, and to strengthen implementation of property price curbing measures. Chinas central bank also continued to withdraw liquidity from the market, demonstrating the new administrations concerns on inflation spike. South Korea cut 2013 growth forecast to 2.3% from 3%. India cut policy rate by 25bps.

Performance

We have taken profits from Indonesia, Thailand and Taiwan, adding on yield stocks including Hutchison Port and Ascott Residence. ENN Energy announced satisfactory 2012 results with 18% increase in net profit. The company remains a prime beneficiary of increase in natural gas usage in China amidst rising awareness of environmental protection. Our holding in Sino Ocean Land contributed negatively because of Chinas tough stance on property price increase.

Investment Horizon

Asia traded at 11.8x 2013 PE. Though valuation is not expensive, the neutral monetary policy in China may cap the potential GDP growth of the region. We prefer financials and stocks with good discount to asset value. We are neutral to cyclical sectors like materials and industrials.

Portfolio

Top 10 Holdings	Sector	% Port.	Sector Weightings	% Equity	World Regions	% Equity
AIA Group Ltd	🏠	6.35	Cyclical	70.75	Americas	0.00
Samsung Electronics Co Ltd	🏠	5.94	Basic Materials	6.72	United States	0.00
BHP Billiton Ltd	🏠	3.71	Consumer Cyclical	8.02	Canada	0.00
National Australia Bank Ltd	🏠	3.53	Financial Services	37.96	Latin America	0.00
Westpac Banking Corporation Ltd	🏠	3.42	Real Estate	18.04	Greater Europe	0.00
Taiwan Semiconductor...	🏠	2.58	Sensitive	23.73	United Kingdom	0.00
Hysan Development	🏠	2.46	Communication Services	0.84	Eurozone	0.00
Malayan Banking BHD	🏠	2.38	Energy	5.73	Europe - ex Euro	0.00
Westfield Retail Trust	🏠	2.24	Industrials	3.07	Europe - Emerging	0.00
Ping An Insurance	🏠	2.09	Technology	14.10	Middle East / Africa	0.00
Total Stock Holdings		88	Defensive	5.52	Greater Asia	100.00
Total Bond Holdings		0	Consumer Defensive	1.02	Japan	0.00
Assets in Top 10 Holdings %		34.69	Healthcare	0.52	Australasia	22.25
			Utilities	3.98	Asia - Developed	45.43
					Asia - Emerging	32.32

Key data

Category	UCITS	Management	DNB Asset Management S.A.
UCITS	Yes	Company	
ISIN	LU0029400511	WKN	986065
Inception Date	31 Aug 1990	Contact	13, rue Goethe, L-1637 Luxem.
Total Net Assets (mil)	24.46 EUR		telephone +352 45 49 45 1.
NAV (31 Mar 2013)	3.9587	Custodian	CACEIS Bank Luxembourg S.A.
Morningstar Rating™	★★★	Auditor	Ernst & Young
Trading	Daily	Financial Authority	CSSF
Settlement Period	2-5 Business days	Appeals Board	DNB Asset Management S.A.
Management Fee	1.25 %	Fund Information	www.dnb.no/lu/en/funds

Disclaimer

This fact sheet only contains key information and does not constitute investment advice. Investment decisions should always be based on the prospectus and the annual or semiannual report.

Potential investors should carefully study the various risks associated with investing in the fund as detailed in the prospectus before investing. The most recent prospectus and the periodical reports may be obtained free of charge from the management company. Past performance is no guarantee for future performance.