Performance as at 30 September 2011 in USD

	1 Month %	3 Months %	6 Months %	1 Year %	3 Years %	Inception p.a. %
TG TAAM Asia ex Japan Fund	-15.70	-22.82	-24.32	-	-	-24.32
MSCI AC Asia ex Japan	-13.16	-20.75	-20.68	-	-	-20.68
Difference +/-	-2.54	-2.07	-3.64	-	-	-3.64

All performance data is calculated on a NAV to NAV basis, net income reinvested. Past performance is not a reliable indicator of future performance.
Date of inception is 01 Apr 2011.

Commentary

The September quarter was a difficult period for global equity investors, with heavy falls across all markets. Asian stocks were perfectly correlated to the declines, a frustrating result given the more robust economic conditions enjoyed across Asia than what currently prevails in the US or Europe. The MSCI AC Asia ex-Japan index in US dollar terms was lower by 20.75% for the quarter. Rising US recession risk, escalating Euro-area stress and China hard landing concerns (over stated in our view – see below), led to aggressive sell-off in all risk assets. Commodities declined across the board due to increasing concerns of slowing global growth. Highlighting the "risk-off" trade, total emerging market stock outflows of USD6.3b were recorded in the month of September alone, with the bulk of this being Asia ex-Japan equity funds.

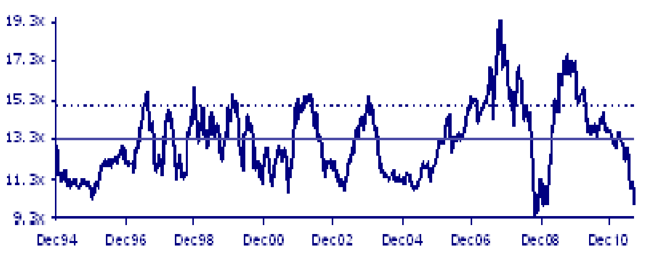
All Asian stock markets were lower with China, Hong Kong, Korea and India the hardest hit. China and Hong Kong in particular suffered from almost panic selling late in September, as investors price in a "hard landing" scenario for the Chinese economy (economic growth under 5%). While we acknowledge some financing issues for Chinese small and medium sized enterprises, the rise of the shadow banking industry and the potential for lower quality property developers to go bust (not a bad thing in the long-term in our view), we still believe a hard landing in China is unlikely. The slow-down in Chinese growth in the second and third quarters was not predominantly due to weakened demand in the underlying economy, but rather a government engineered slow down to tame inflation. We need to remember the Chinese authorities are in a very strong position to support their economy if they believe it is required. Having tightened policy for the past two years, the Chinese government has firepower to loosen monetary policy in the event of a slowing economy. This could also include lowering the reserve requirement ratio of the banks (which are the highest in the world at 21.5%). With by far the largest FX reserves in the world and a low debt to GDP ratio of only 30-35%, they are in a strong position to pump prime the economy. Chinese valuations are at distressed levels not seen since late 2008 and a compelling buying opportunity has emerged in our view (see below).

The portfolio returned –22.82% versus –20.75% for the index. To put it bluntly the portfolio was not positioned for the large declines seen in the quarter, particularly holding underweight positions in the defensive sectors of utilities and telecoms (not surprisingly both sectors delivered strong outperformance). Positive stock selection in Korea, Taiwan and Thailand was however be able to offset much of this. Korea in particular was a strong market for the portfolio highlighted by software company NCsoft Corp's 10% rally for the quarter. In Thailand, three of the portfolio's four stocks delivered positive absolute gains. China remains a frustrating market for us as it by far offers the most attractive stock opportunities, but continues to be buffeted by global macro concerns as well as domestic hard landing concerns mentioned above. Our conviction remains strong that Chinese stocks will lead all Asian stocks higher over the next few years and we retain our overweight position.

Given the large down moves in many stock prices, numerous buying opportunities have emerged and it is no surprise we were more active late in the quarter. This was primarily in China. Beijing Water, Lianhua Supermarket and Tingyi were all sold, replaced by highly regarded Chinese child food company Biostime International, HK retailer Sa Sa International and apparel company Trinity Ltd. Upstream oil and gas company CNOOC was sold and replaced by integrated oil company Sinopec. Also in early October we removed Gome Electrical and replaced it with Chinese insurance company Ping An Insurance, which had fallen 60% from its recent high. At this level a compelling buying opportunity in Ping An has emerged.

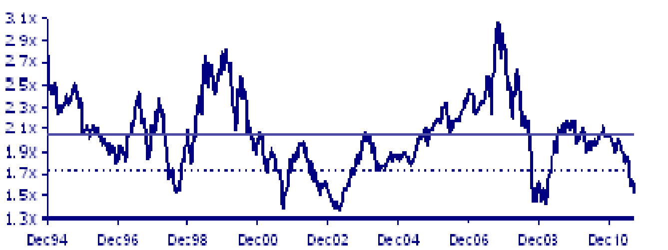
Valuations in Asia are now at distressed levels, only previously seen at the depths of the GFC in late 2008 (see charts below - the Price Earnings Ratio and Price to Book for the region going back nearly twenty years).

Fig 1.1
Asia ex Japan - Price / Earnings (x)



Source: CLSA evalu@tor

Fig 1.2
Asia ex Japan - Price / Book Value (x)



Source: CLSA evalu@tor

We strongly suggest now would be the wrong time to sell Asian stocks and that a compelling buying opportunity has emerged. Crucial to this bullish call is China and we expect Chinese authorities later this year to cease with their tightening policies (and potentially begin to loosen monetary policy). This will give a much needed boost to Asian stocks. Our recent bullish view has been incorrect, but we still firmly believe that a rally will eventuate into year end, and this will be led by Chinese stocks.

Top 10 Holdings	%
iShares MSCI India Index Fund1	9.6
Samsung Electronics Co. Ltd.	5.0
BOC Hong Kong (Holdings) Ltd.	3.0
Kunlun Energy Co. Ltd.	3.0
Industrial & Commercial Bank of China Ltd.	2.9
China Mengniu Dairy Co. Ltd.	2.9
China Telecom Corp. Ltd.	2.8
NCsoft Corp.	2.7
Taiwan Semiconductor Manufacturing Co. Ltd.	2.7
Korea Investment Holdings Co. Ltd.	2.7
Total	**37.3**

Country Exposure	Fund %	Index %
China	25.4	23.1
Hong Kong	9.1	11.2
India	9.6	10.4
Indonesia	-	4.1
Korea	21.8	20.2
Malaysia	2.7	4.7
Philippines	0.9	0.9
Singapore	4.5	7.1
Taiwan	14.4	15.8
Thailand	5.6	2.5
Cash	6.0	-
Total	**100**	**100**

Sector Exposure	Fund %	Index %
Consumer Discretionary	10.9	9.9
Consumer Staples	8.9	5.5
Energy	5.5	8.0
Financials	35.8	29.5
Health Care	1.9	1.0
Industrials	11.5	9.9
Information Technology	14.9	17.7
Materials	1.8	7.7
Telecommunication Services	2.8	6.9
Utilities	-	3.9
Cash	6.0	-
Total	**100**	**100**

Fund Facts	30 SEP 2011
Investment Objective	The investment objective of the Fund is to achieve capital growth and dividends, from a portfolio of Asia ex Japan securities.
Discretionary Asset Manager	Treasury Asia Asset Management Limited
Net Asset Value per share	USD7.57 (Class I)
Benchmark	MSCI AC Asia ex Japan Index
Management Fee	1.00% p.a. (Class I)
Performance Fee	10.00% of returns made in excess of the benchmark provided the return of the Fund is positive within a performance fee period.
Min. Investment	3,000,000 USD (Class I)
Distribution Policy	The Fund is an accumulating Fund and, therefore, it is not currently intended to distribute dividends to the shareholders.
ISIN	IE00B4MNK262 (Class I)
Publication of NAV	www.tginvestmentfunds.com