

Magna Asia Fund

Monthly Update

31 August 2010

Investment objective

The investment objective of the Magna Asia Fund is to achieve capital appreciation through investment in a portfolio consisting primarily of Asian Securities.

Calendar year returns

	Fund	Index
2005	N/A	26.5%
2006	N/A	33.0%
2007	36.1%	41.1%
2008	-62.2%	-53.0%
2009	52.1%	73.6%

D class shares, calculated in USD net of fees
Index is the MSCI EM Asia Index
Source: Charlemagne Capital

Top 5 stock holdings

Bank of China
China Construction Bank
Hon Hai Precision Industry
Samsung Electronics
TSMC

In alphabetical order
Source: Charlemagne Capital

Fund NAV

A Shares	EUR	9.524
C Shares	EUR	7.780
D Shares	USD	10.169

Total Fund Assets USD 41.7m

Source: Charlemagne Capital

USD performance

	Launch	3 Years	1 Year	6 Months	3 Months	1 Month	YTD
From:	13 Jun 2006	31 Aug 2007	31 Aug 2009	28 Feb 2010	31 May 2010	31 Jul 2010	31 Dec 2009
To:	31 Aug 2010	31 Aug 2010	31 Aug 2010	31 Aug 2010	31 Aug 2010	31 Aug 2010	31 Aug 2010
Magna Asia Fund	1.7%	-39.5%	9.9%	3.3%	2.1%	-3.7%	-2.0%
In comparison:							
MSCI EM Asia Index	56.6%	-8.6%	16.5%	6.3%	5.5%	-1.5%	0.0%
MSCI China Index	110.5%	-12.1%	9.2%	2.0%	2.8%	-2.8%	-4.7%
MSCI India Index	103.5%	5.1%	21.7%	6.0%	3.5%	-1.4%	1.8%
MSCI Korea Index	23.0%	-21.1%	15.2%	5.8%	5.7%	-2.6%	0.4%
MSCI Malaysia Index	109.1%	33.7%	36.4%	22.9%	16.0%	6.5%	22.9%
MSCI Taiwan Index	22.2%	-12.0%	14.2%	4.0%	5.4%	-1.4%	-6.3%
Developed markets:							
MSCI EMU (Eurozone) Index	-11.1%	-38.3%	-11.2%	-6.8%	4.7%	-6.1%	-17.0%
MSCI Japan Index	-18.6%	-28.8%	-5.9%	-4.5%	-0.8%	-2.3%	-1.5%
MSCI USA Index	-7.9%	-24.9%	4.4%	-4.4%	-3.3%	-4.5%	-5.0%

Fund figures relate to D class shares and are calculated in USD net of fees; index figures are calculated in USD on a net total return basis

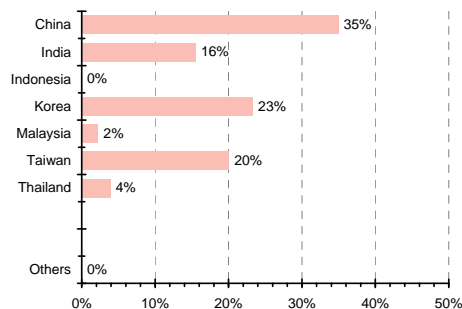
Source: Charlemagne Capital; MSCI

Return chart

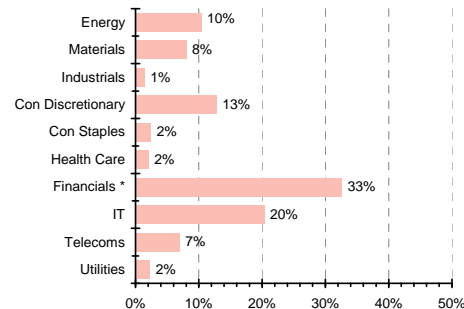


Magna Asia Fund D Class Shares
Source: Charlemagne Capital

Country exposure



Sector exposure



* Includes Real Estate Source: Charlemagne Capital

Fund information

	A Class	C Class	D Class
Annual Management Fee	1.75%	1.25%	1.75%
Front-end Load	Up to 5%	Up to 5%	Up to 5%
Minimum Subscription	EUR 5,000	EUR 1,000,000	USD 100,000
Additional Subscriptions	EUR 0	EUR 1,000	USD 10,000
Daily Dealing	12 noon	12 noon	12 noon
WPKN Code	A0J285	A0J287	A0J288
ISIN Code	IE00B15CF910	IE00B15CFC41	IE00B15CFD57
Bloomberg Code	MAGASIA ID	MAGASIC ID	MAGASID ID

Performance Fee 20% over a 10% hurdle with a highwater mark

Benchmark MSCI Emerging Markets Asia Index

Portfolio Advisors Sangita Uberoi and Kaio Motawara

Magna Asia Fund

Monthly Commentary

31 August 2010

Asian stockmarkets outperformed most other emerging markets in August, but still suffered a slight overall fall in US dollar terms. Some of the more peripheral markets, such as Malaysia and Thailand, did however perform strongly though gains here were countered by falls in the more significant markets of China and Korea. The Magna Asia Fund fell 3.7% in August.

The economic newsflow over the month was generally positive, suggesting that activity continues to grow strongly across the region. Nevertheless, doubts over the strength of the Chinese economy, or more properly perhaps, its ability to maintain growth around the world remain, with the authorities indicating that GDP growth will slow to an annual rate of around 8.5% by the fourth quarter of this year. Significantly, this is the same rate of growth that India now expects to see over the current year as a whole, with economic activity continuing to strengthen as wholesale price inflation falls once again below 10%.

The best performing stockmarket over the month was however Thailand, where investors shrugged off higher interest rates, seeing this development as a vote of confidence for the economy. Within the Fund's portfolio, KBank was the main beneficiary, with its share price up 12% on the month. Malaysia also performed strongly with the financial services group AMMB Holdings 12% higher, supported by a 43% increase in net income over the year to the latest quarter. Elsewhere, several of the Fund's holdings that focus on the strength of domestic economic activity across the region fared well with, for the example, the Korean retailer Shinsegae up 2% and the Indian medical equipment company Opto Circuits 1% higher.

On the downside, Chinese television manufacturer Skyworth Digital saw its share price fall 28% after the company announced weaker than expected July unit sales. Delays in the rebate program and general seasonal weakness were key reasons for this. We believe the market has overreacted and we should start to see TV unit sales pick up momentum in the fourth quarter.

We added to the Fund's holding in Hon Hai Precision Industry, the Taiwanese electronics component manufacturer, during the month, taking advantage of some weakness in its share price following worse than expected results, partly the result of the higher wages effectively forced upon the company after a spate of suicides served to highlight the poor working conditions enjoyed by much of its workforce. We are confident that the company has handled this development appropriately, with the share price fall seen over the year to date more than compensating for any impact on longer term earnings.

Few further changes were made to the composition of the Fund's portfolio over the month. There were no new additions, though holdings in the Taiwanese electrical components manufacturer Delta Electronics and the semiconductor group Siliconware Precision Industries were divested following a decent run in the stock price and less than impressive quarterly results respectively. Monies raised were reinvested into existing holdings less exposed to the export trade and more keyed into the growth of domestic economic activity, including the Taiwanese financial group Chinatrust Financial and the Chinese cement producer, West China Cement, which moved its listing from London to Hong Kong during the month.

Although the recent performance of the Fund may have been disappointing, and the immediate outlook for the markets remains uncertain at best, there can be no doubting the potential of the region to reward investors over the longer term. We are not short of investment opportunities and remain confident that the value that we perceive to exist in the companies we own will become more widely recognized over time, thus helping to generate an attractive return for our clients.

NB. Except where noted, Bloomberg is the source for all stock performance figures. All figures are based on USD prices.

Marketing & Sales Department

Tel: + 44 (0)20 7518 2100 Fax: + 44 (0)20 7518 2199

Email: marketing@charlemagnecapital.com Website: www.charlemagnecapital.com

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