



GWA

*Building Portfolios Without Prices*

## **GWA Emerging Markets**

**Extract of Portfolio Attribution**

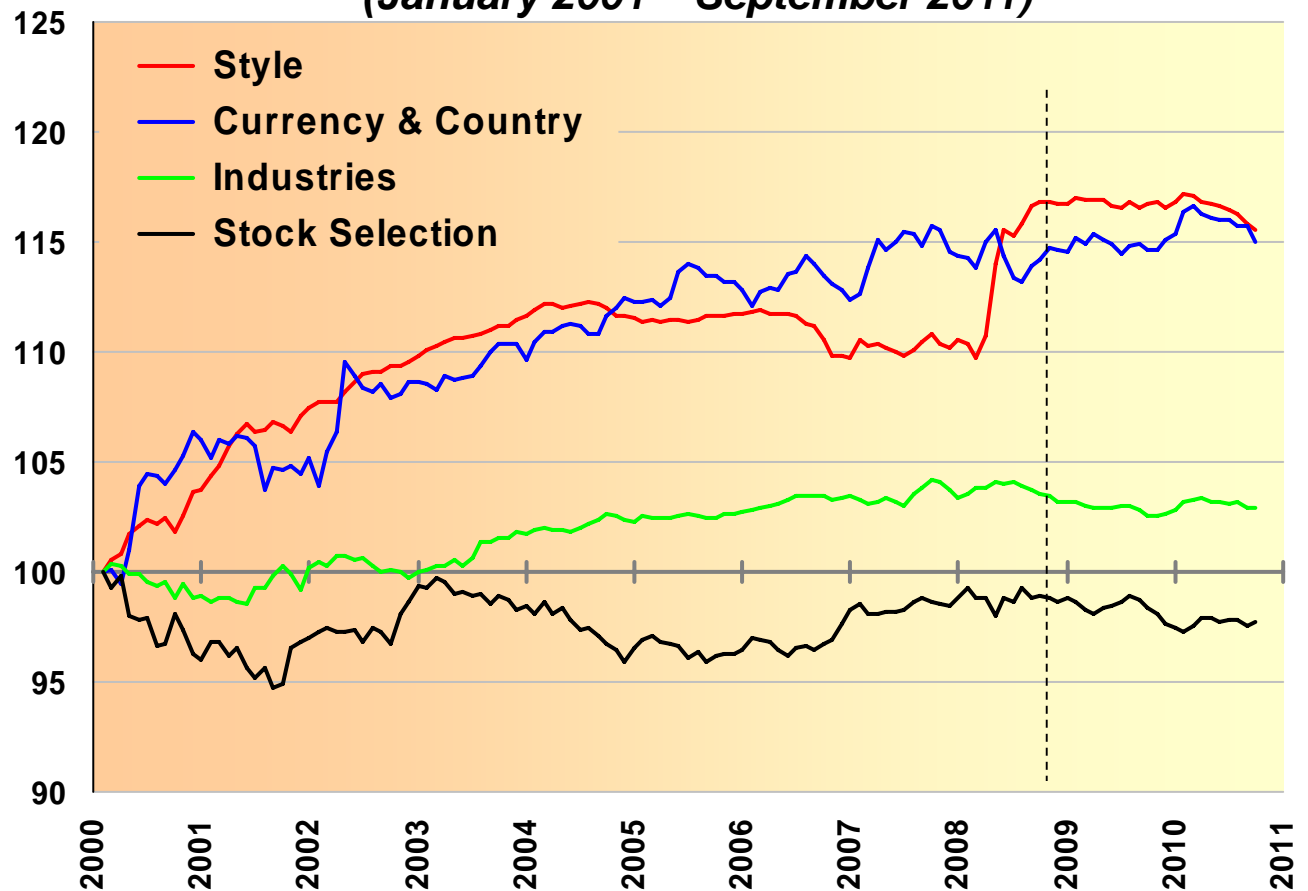
**September 2011**

# FTSE GWA Emerging Markets Portfolio

There is no single factor that dominates GWA's underperformance over the past two years.

A combination of Stock Selection, Industry and Style contributed collectively. Country & Currency were neutral over the two years but has made the most negative contribution in the past 12 months.

**MSCI Barra Performance Attribution  
GWA versus FTSE  
All Factors - Cumulative Relative Returns  
(January 2001 – September 2011)**



# FTSE GWA Emerging Markets Portfolio

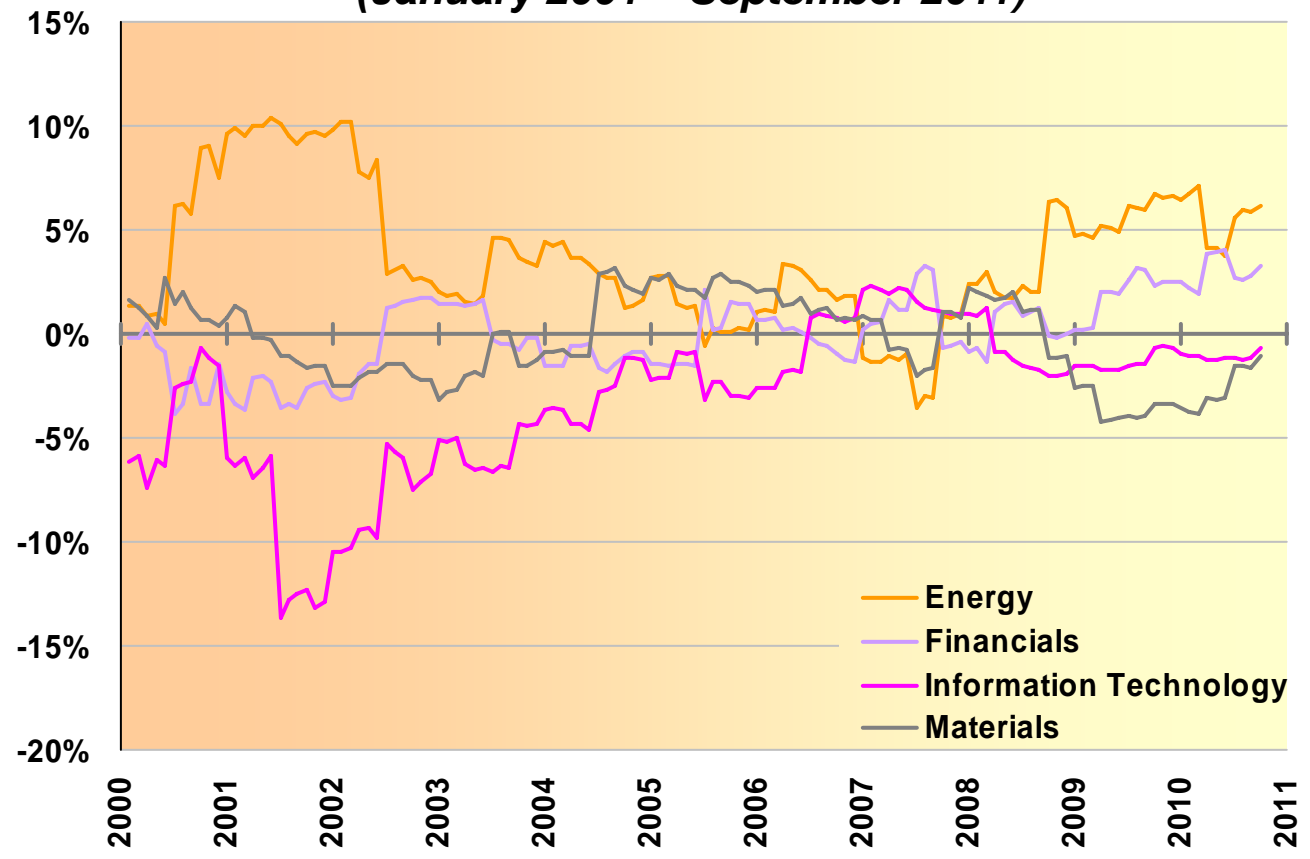
Industry's recent negative contribution was due to overweight exposures in Energy and Financials.

Currently our exposure to Energy, at +6.2%, remains the most significant active Sector bet.

Financials have increased to +3.3% which is about one-third that for our Developed World portfolio.

There is a developing trend in Materials to a less underweight position.

**Active Sector Weights  
GWA versus FTSE  
(January 2001 – September 2011)**



# FTSE GWA Emerging Markets Portfolio

In the last two quarters the main contribution to underperformance came from Style.

It is here that we see a sliver lining in the dark cloud: momentum exposure has shrunk to -8.5%age pts. far off historic lows of -10%age pts. - while Value increased to 9.2%age pts. the highest level in four years.

Consequently, our Value Premium (Value minus Momentum) has expanded to 17.7%age pts. Two years after the Tech Bubble in March 2002 it was 24.0%age pts.

So we view the recent underperformance as a constructive repositioning of the portfolio in line with long term wealth creation.

**MSCI Barra Style Footprint  
GWA versus FTSE  
(January 2001 – September 2011)**

