



PREMIUM SAM ASIA PROPERTY FUND (ARSN 129 428 682)

JANUARY 2010
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Investment objective

The Premium SAM Asia Property Fund is a managed investment scheme which invests primarily in securities of property or property-related companies with exposure to any, some, or all, of the following countries: Hong Kong, Mainland China, Taiwan, Macau, Malaysia, Philippines, Singapore, Republic of Korea, Thailand and Indonesia. The Fund aims to provide investors with positive returns over 10% p.a. over a three to five year period.

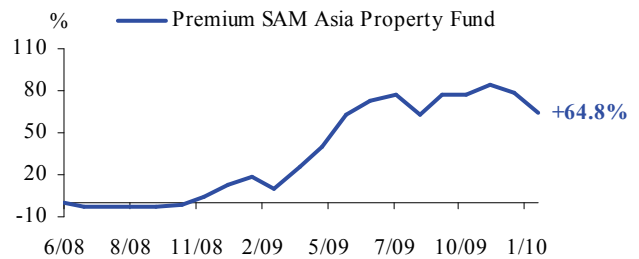
Fund facts

Investment type:	Registered managed investment scheme
Jurisdiction:	Australia
Investment manager:	Sensible Asset Management Limited
Sub-investment manager:	Value Partners Hong Kong Limited
Responsible entity:	Macquarie Investment Management Limited
Custodian:	JP Morgan
Auditor:	PricewaterhouseCoopers
Launch date:	5 June 2008
Fund size:	AUD 30.31 million

Unit price: AUD1.4248

Distribution: AUD 0.233256 (for the year ended 30 June 2009)

Performance since launch



Performance update#

	Premium SAM Asia Property Fund
One month	-7.3%
Three months	-7.1%
Six months	-7.1%
Year-to-date	-7.3%
One year	+39.1%
Since launch	+64.8%
Annualized return	+35.0%
Annualized volatility	23.0%

Volatility is a measure of theoretical risk. In general, the lower the number, the less risky the investment.

Manager's commentary

Market concerns on China's withdrawal of liquidity and financial regulatory initiatives by US put pressure on the stock markets across the region over the month. Hong Kong and China stock markets were in corrections with stocks in banking, insurance and property hit hard.

Since the beginning of the year, the property market in China has taken on a different tone from that of 2009, when prices and transaction volumes both reached record levels in 2009. Although stability in the property market is crucial to sustaining the Chinese economy's recovery, policymakers are clearly concerned about the risk of asset bubbles and the threat that excessive speculation could drive prices beyond affordability for average homebuyers. As a result, the China government has reined in some measures in property market on the main objective to curb speculative demand by increasing the costs of speculation and scaling back some of the incentives that spurred record sales in 2009.

As expected, we saw lower new home sales in January due to the seasonality as well as uncertainties over government and monetary policies. Homebuyers have become more rational and we see increasing number of homebuyers starting to wait on sidelines for further clarity on policy. Meanwhile, housing prices in China continue heading north in January. While February sales may remain depressed due to the Chinese New Year, we notice that listed developers are expanding their market shares despite the slower sales.

In the near term, we are cautious on the outlook of the property sector in China and believe some market fluctuations could not be ruled out. Nevertheless, the fundamentals of physical property market remain solid given the strong economic growth, sustainable household income growth, rapid urbanization and high saving rate, etc. We therefore hold the view that the property sector in China would continue to deserve its appeal for investment in the long term.

Given the unclear stance of the China government's policy might put forward to the property market, our portfolios shift towards defensive by raising cash, bonds and REITs. For stock picking, we favor first-tier developers with quality land bank, recognizable brand names, healthy balance sheet and low gearing level. We believe the depth and breadth of our bottom-up fundamental research approach prepares us well to ride through the short-term turbulence and benefit from the long-term secular growth of the property sector in the region.

^A Please refer to the next page.

[#]Source: Macquarie Investment Management Limited, in AUD, NAV to NAV, with dividends reinvested. Performance data is net of all fees. Unless specified, all information contained on this page is quoted as at 29 January 2010.

Investment involves risks. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the Product Disclosure Statement for details and risk factors in particular those associated with investment in emerging markets.

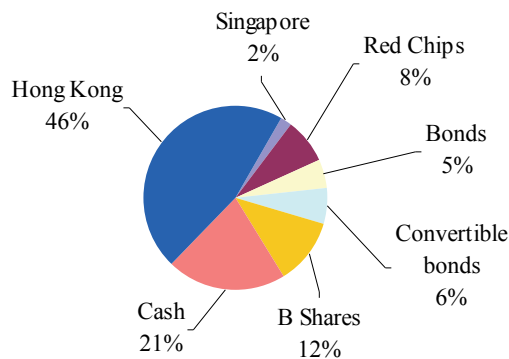
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Top 10 security holdings

Name	Industry [^]	%
Link REIT	REITs	9.2
Hopefluent Group	Real estate	8.9
China Vanke	Real estate	8.2
China Resources Land	Real estate	7.7
GZI Real Estate Investment Trust	REITs	6.6
Sinolink Worldwide	Real estate	5.9
Champion REIT	REITs	5.2
China Merchants Property Development	Real estate	2.9
Cheung Kong Holdings	Real estate	2.9
Sung Hung Kai Properties	Real estate	2.5

These holdings made up 60% of the Fund.

Geographical exposure by listing**Portfolio characteristics**

As at 29 January 2010	2010 ⁺
Price/earnings ratio	11.8 times
Price/book ratio	1.1 times
Dividend yield	4.2 %
Number of securities	22

⁴van Eyk Research Limited (ABN: 99 010 664 632, AFSL: 237917) (van Eyk) has conducted a review of the processes undertaken by Barik Pty Limited, trading as Adviser Edge Investment Research (ABN 94 094 329 110, AFSL 236 783) (Adviser Edge) in preparing their research reports on the property sector. van Eyk, in marking this report 'endorsed', generally speaking confirms the investment recommendation outlined in the report on this product having regard to the contents of the report only. Adviser Edge's rating and van Eyk's endorsement could change or cease at anytime and should not be relied upon without referring to the meaning of the rating as well as the full report available to subscribers at www.iRate.vaneyk.com.au. van Eyk has not reviewed the accuracy of this research or information nor whether the report may have material omissions or misstatements. This review and van Eyk's recommendation does not take in to account an individual's financial situation, needs or objectives. The recommendation is intended for professional advisers only and should not, and is not intended to be relied upon by investors in making an investment decision. van Eyk may from time to time receive fees from Adviser Edge for distributing its reports; however, no fee has been paid by Adviser Edge to van Eyk for it to endorse this report.

⁺The above profile is based on market consensus forecast as derived from I/B/E/S and Bloomberg. Note that the manager's internal estimates may differ significantly from I/B/E/S and Bloomberg estimates.

[^]Classification is based on Global Industry Classification Standard (GICS).

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Fee Structure

Management fee	1.80% p.a. of Net Asset Value (inclusive of the net impact of GST)
Performance fee	20% of outperformance (after fees and expenses) in excess of a hurdle of 10% p.a. (Hurdle), subject to a high watermark.
Transaction costs	Buy: +0.25% of unit price for applications Sell: -0.25% of unit price for redemptions
Minimum subscription	Dependant on IDPS provider / AUD \$25k direct
Dealing frequency	Daily

Sub-Investment Manager**Value Partners Investment Team**

Chairman & Chief Investment Officer: Cheah Cheng Hye

Deputy Chief Investment Officers:

Renee Hung Yeuk Yan, BSc; Louis So Chun Ki, MCom.

Senior Fund Managers:

Chau Yee Man, CFA & CPA; Fawaz Habel; Norman Ho Man Kei, CFA

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