MATRIX

PRESS RELEASE

Technology and Media/Internet sectors set to outperform

1st February 2011:

As Asian assets managed by Matrix's Rupert Foster increase almost fourfold, the Manager of the Matrix Asia Fund and the Matrix Asia UCITS Fund comments on the key themes driving Asia:

"Over the last few months we, like many investors, have become more relaxed with the outlook for global growth. This has encouraged us to have a net long in the key beneficiaries of global growth namely Japan, Korea and Taiwan. **We are focusing these overweights in the Technology and Media/Internet sectors which we believe will be the main beneficiaries of a long awaited return to corporate IT spend and retail consumption. This year the movement is set to be amplified by the additional trend of the smartphone and tablet PCs.** The smartphone and tablet PCs booms will lead to exceptional demand for key components, in particular NAND flash, mobile DRAM, smartphone-specific mobile phone components, such as optical track pads, as well as all the equipment needed to make these components. In addition, **the boom in sales of these two devices will lead to a rapid acceleration in profitability for their most profitable service providers - computer gaming companies**. To date these have been the new companies such as Dena in Japan or Zynga in the US, but going forward **traditional game companies will get in on the act, such as Sega Sammy, Tecmo Koei and Nintendo (**which will announce its new console this year as well as the imminent launch of the 3DS). As competition in the gaming market intensifies, we will see an acceleration in advertising spend and traditional media, such as the Japanese TV companies, and new media companies, such as SINA and NHN, will also benefit.

"Outside of this key portfolio decision of moving overweight Technology and Media/Internet we are constantly assessing where are we in the Chinese economic cycle. The dramatic rise in vegetable prices in the last four months of 2010 led to a rising CPI unnerving the market. There was some tempering in vegetable prices in December but they were back on the rise in January and we anticipate a January Chinese CPI of c.6%. Not withstanding any very adverse weather conditions in China over the next 2-3 months, we anticipate the Chinese CPI falling back to a 3 - 4% level due to base effect and falling vegetable prices for the rest of the 1H. Thus, we currently view the announcement of January's CPI as a buying opportunity and think this will also mark the peak of fears over excess loan growth.

"We continue to believe that China is in a late cyclical phase and despite the current nervousness there will be plenty to go for which will allow one last hurrah in Chinese equities, and in particular in areas that have seen a pull back due to fears of the end of the cycle. We are currently positioned marginally net short in China, due mainly to our large short position in China pharmaceutical companies."

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Notes for Editors

Matrix Group is one of the most successful privately owned financial services businesses in the UK with £4 billion of assets under management and around 250 professionals employed across three divisions: Asset Management, Investment Banking and Property. Since inception in 1987, Matrix has raised £16 billion of assets for investments across these business areas.