

# First State Regional China Fund

## Monthly factsheet (in SGD)

December 2009

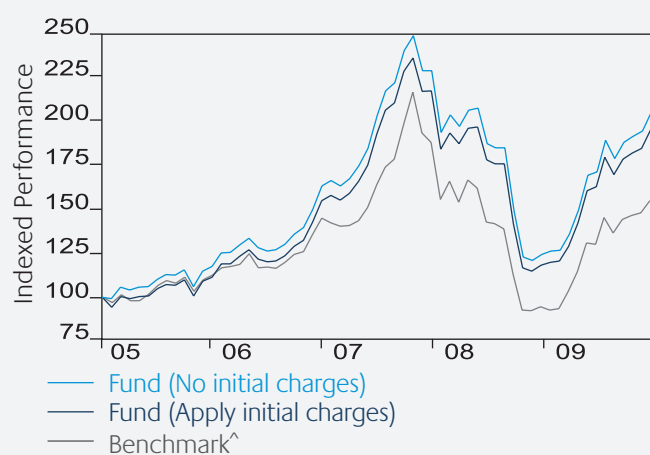
### Investment objective

To achieve long term capital appreciation by investing all or substantially all of its assets in the First State Greater China Growth Fund (a Dublin-domiciled fund) which invests primarily in securities issued by companies with either assets in, or revenues derived from, the People's Republic of China, Hong Kong and Taiwan.

### Fund information

Launch Date	27 Sep 93	Minimum Investment	S\$1,000 (Initial) S\$100 (Subsequent)
NAV Price	S\$1.9272	Management Fee	1.5% p.a.
Fund Size	S\$526.4mn	Initial Charge	5.0% (Cash) 3.0% (CPF - Ordinary Account)
Stock Split History	1 for 1 stock split (2 Sep 97)	CPF Classification	Higher Risk-Narrowly Focused (Country-Greater China)
Dealing	Monday to Friday (except public holidays)		

### Total return for past 5 years ended Dec 09



Annualised* (%)	1yr	3yrs	5yrs	10yrs	Inception**
Fund (No initial charges)	64.8	7.9	15.4	10.4	8.9
Fund (Apply initial charges)	56.6	6.1	14.2	9.9	8.6
Benchmark <sup>^</sup>	62.9	2.2	9.1	2.6	N/A

Source: Lipper. Single pricing basis with net income reinvested.

\* The performance prior to 18 Oct 02 is in relation to the Fund before its conversion to a feeder fund.

\*\* Inception date: 1 Nov 93

<sup>^</sup> MSCI Golden Dragon Index

Asset allocation	%	Sector allocation	%	Top 10 holdings	%
Red Chips	30.0	Financials	25.6	Cheung Kong (Hldgs) Ltd	4.0
Hong Kong	29.7	Information Technology	19.0	Yantai Changyu Pioneer Wine	4.0
Taiwan	21.7	Consumer Staples	15.4	Hengan Intl Group Co Ltd	3.9
H Shares	8.1	Consumer Discretionary	14.4	Taiwan Semiconductor Mfg Co	3.8
B Shares	7.0	Utilities	5.8	Delta Electronics Inc	3.5
A Shares	1.7	Telecommunication Services	5.6	Li Ning Co Ltd	3.3
Others	2.0	Industrials	4.5	China Resources Enterprise	3.2
Liquidity	-0.2	Energy	4.4	Jardine Matheson Hldgs Ltd	3.2
		Health Care	2.0	CNOOC Ltd	2.9
		Materials	1.8	China Resources Power Hldgs	2.6
		Others	1.7		
		Liquidity	-0.2		

## Manager's comment

- Chinese stocks paused for breath after a run of strong performance.
- Sentiment was negatively impacted by government moves to curb speculation in the property market, and concerns among investors that Chinese banks might seek to raise capital.
- Data continued to suggest that the Chinese economy was recovering, with car sales and electricity consumption growth picking up strongly.
- Hong Kong rose as low interest rates continued to support property prices, while Taiwan remained strong on an upturn in export orders.
- Our performance benefited from holding Tripod Technology which rose as investors anticipated a strong recovery in earnings in 2010.
- Powertech Technology outperformed on positive sentiment towards the technology sector and the outlook for DRAM in particular.
- China Taiping underperformed on concerns about a change to accounting policy in China.
- Wing Hang Bank lagged on profit taking after a strong run.
- We disposed of Hopewell Highway, switching into Hopewell Holdings which offers better prospects.
- There are growing signs of improvement in the global economy, but we do not expect strong growth over the next three to five years.
- As money supply growth has exceeded 30% in China, we believe inflation will pick up in 2010.
- We have therefore turned our focus from stocks in the Consumer Staples sector to Consumer Discretionary companies.

## For further information

Distributor Hotline: +65 6580 1360 Investor Service Hotline: +65 6580 1390 Fund Price Hotline: +65 6580 1388  
Facsimile: +65 6538 0800 Website: [www.firststateasia.com](http://www.firststateasia.com)  
Address: 1 Temasek Avenue #17-01 Millenia Tower Singapore 039192

## DISCLAIMER

Except for the benchmark index, performance stated for relevant indices are quoted in the respective local currency unless otherwise specified.

Note: The above asset allocation pertains to the underlying fund. This report is prepared by First State Investments (Singapore) and is provided for information purposes only. Investors should read the Prospectus before deciding whether to subscribe for or purchase units in the Fund. The prospectus is available and copies may be obtained from the Manager and Distributors. The value of the units in the Fund and the income from them may rise as well as fall. Past performance figures are not necessarily a guide to future performance. Neither is any forecast made necessarily indicative of the future or likely performance of the Fund. Where information is provided on top holdings, such information does not constitute a recommendation to buy these securities. Units are not available to U.S. persons.

The CPF interest rate for the Ordinary Account (OA) is based on the 12-month fixed deposit and month-end savings rates of the major local banks. Under the CPF Act, the Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate. From 1 January 2008, the new interest rate for the Special, Medisave and Retirement Accounts (SMRA) will be pegged to the yield of 10-year Singapore government bond plus 1%. For 2008 to 2010, the minimum interest rate for the SMRA will be 4.0% per annum. After 2010, the 2.5% per annum minimum interest rate, as prescribed by the CPF Act, will apply to the SMRA. In addition, from 1 January 2008, the CPF Board will pay an extra interest rate of 1% per annum on the first \$60,000 of a CPF member's combined balances, including up to \$20,000 in the OA. From 1 April 2008, the first \$20,000 in the Ordinary Account will not be allowed to be invested under the CPF Investment Scheme; and from 1 May 2009, the first \$30,000 in the Special Account will not be allowed for investments.