

# First State Regional China Fund

## Monthly factsheet (in SGD)

February 2010

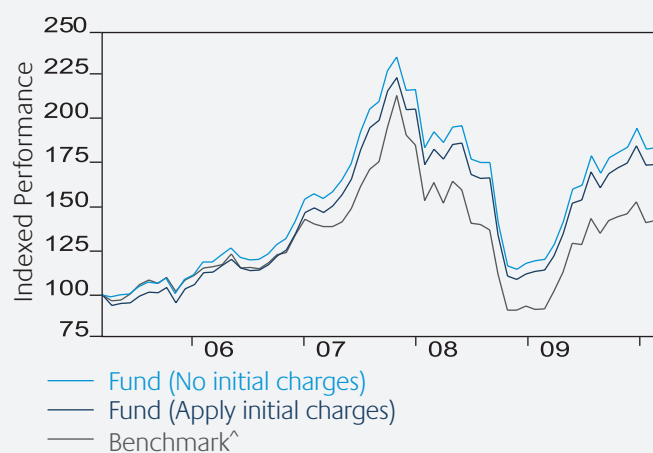
### Investment objective

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\$1.8186	Management Fee	1.5% p.a.
Fund Size	S\$493.1mn	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 Feb 10



Annualised* (%)	1yr	3yrs	5yrs	10yrs	Inception**
Fund (No initial charges)	52.8	5.9	12.8	8.8	8.5
Fund (Apply initial charges)	45.2	4.1	11.7	8.3	8.1
Benchmark <sup>^</sup>	54.4	0.9	7.3	1.3	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	%
Hong Kong	29.9	Financials	26.6	Cheung Kong (Hldgs) Ltd	5.0
Red Chips	29.2	Information Technology	19.3	Taiwan Semiconductor Mfg Co	3.8
Taiwan	22.8	Consumer Staples	14.1	Delta Electronics Inc	3.7
H Shares	8.4	Consumer Discretionary	14.0	Yantai Changyu Pioneer Wine	3.6
B Shares	5.9	Utilities	6.1	Hengan Intl Group Co Ltd	3.5
A Shares	1.7	Telecommunication Services	6.0	Jardine Matheson Hldgs Ltd	3.2
Others	2.3	Energy	4.5	Li Ning Co Ltd	3.0
Liquidity	-0.2	Industrials	3.8	CNOOC Ltd	2.9
		Health Care	2.5	China Resources Enterprise	2.9
		Materials	1.6	China Resources Power Hldgs	2.9
		Others	1.7		
		Liquidity	-0.2		

### Manager's comment

- After suffering a sharp drop in January, the Greater China markets stabilised and reported a modest gain in February.
- The Chinese government increased the reserve ratio requirement by another 50 basis points in an effort to contain lending.
- Hong Kong performed well on the back of a buoyant property market as transactions rebounded to a five-month high.
- Taiwan declined as companies in the Information Technology sector were under pressure.
- Performance was positively impacted by China Oilfield which rose as CNOOC revised its capital expenditure plans for 2010 upwards.
- China Resources Land rose strongly as property stocks rebounded and Minth Group outperformed on positive Chinese auto sales.
- Yantai Changyu underperformed on profit taking following its recent strong performance.
- Lung Kee and Sinyi Realty both lagged on no news.
- Over the month, we bought Compal Electronics which offers strong profit margins and an attractive valuation; and Synnex Technology which should benefit from robust demand in the Chinese market.
- There were no significant sales over the month.
- The market is now focusing on the fiscal situation in Europe and the potential for monetary tightening in China.
- We have increased exposure to domestic-focused companies as we believe domestic demand in Asia will be stronger than in the West over the longer term.
- We reduced further our Consumer Staples exposure on concerns about raw material price inflation and the limited potential for margin expansion.

### For further information

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### 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.