

First State Regional China Fund

Monthly factsheet (in SGD)

June 2010

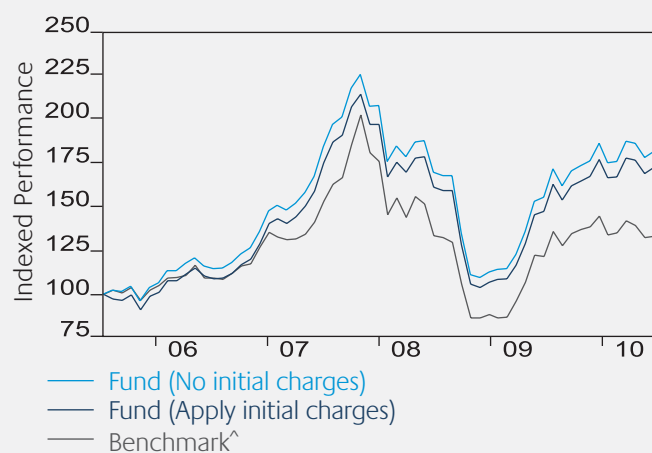
Investment objective

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\$1.8782 | Management Fee | 1.5% p.a. |
| Fund Size | S\$492.8mn | 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 Jun 10



| Annualised* (%) | 1yr | 3yrs | 5yrs | 10yrs | Inception** |
|------------------------------|------|------|------|-------|-------------|
| Fund (No initial charges) | 16.8 | -0.5 | 12.6 | 9.2 | 8.5 |
| Fund (Apply initial charges) | 11.0 | -2.1 | 11.4 | 8.6 | 8.2 |
| Benchmark [^] | 9.3 | -4.6 | 5.8 | 2.3 | 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

[^] MSCI Golden Dragon Index

| Asset allocation | % | Sector allocation | % | Top 10 holdings | % |
|------------------|------|----------------------------|------|-----------------------------|-----|
| Hong Kong | 29.1 | Financials | 28.7 | Cheung Kong (Hldgs) Ltd | 5.3 |
| Red Chips | 27.8 | Information Technology | 17.3 | Jardine Matheson Hldgs Ltd | 4.0 |
| Taiwan | 22.1 | Consumer Staples | 13.4 | Delta Electronics Inc | 3.9 |
| H Shares | 8.8 | Consumer Discretionary | 13.1 | Taiwan Semiconductor Mfg Co | 3.7 |
| B Shares | 5.7 | Telecommunication Services | 6.3 | Yantai Changyu Pioneer Wine | 3.5 |
| A Shares | 1.4 | Utilities | 5.9 | Hengan Intl Group Co Ltd | 3.2 |
| Others | 2.3 | Energy | 4.3 | China Resources Power Hldgs | 3.1 |
| Liquidity | 2.8 | Industrials | 3.1 | Li Ning Co Ltd | 3.1 |
| | | Health Care | 2.5 | CNOOC Ltd | 3.1 |
| | | Materials | 1.2 | China Resources Enterprise | 2.9 |
| | | Others | 1.4 | | |
| | | Liquidity | 2.8 | | |

Manager's comment

- The Greater China markets stabilised in June following weakness in May.
- Risk aversion was still obvious as markets continued to worry about the sovereign debt crisis in the eurozone and tightening in China.
- China's manufacturing PMI slowed for the second month, suggesting that the economy is cooling.
- As a result, defensive and high-yielding stocks outperformed.
- The Economic Cooperation Framework Agreement was finally signed by China and Taiwan, resulting in the outperformance of Taiwanese banks, airlines and other domestic stocks.
- Asustek Computer and China Mengniu both outperformed as they rebounded following last month's weakness.
- Xinao Gas underperformed on corruption allegations which it subsequently denied.
- There were no major purchases or sales in June.
- The indebtedness of Western economies remains an issue and could result in a period of sustained slower growth.
- We are less enthusiastic about sectors geared into global growth, such as Energy, Materials and Industrials.
- An exception to this is Information Technology which is generating good cash flows.
- We remain positive on companies exposed to domestic consumption in China.
- With continued global uncertainty, we prefer stocks with good dividend yields, such as Chunghwa Telecom and Link REIT.

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 July 2010, the first \$40,000 in the Special Account will not be allowed for investments.