

# First State Regional China Fund

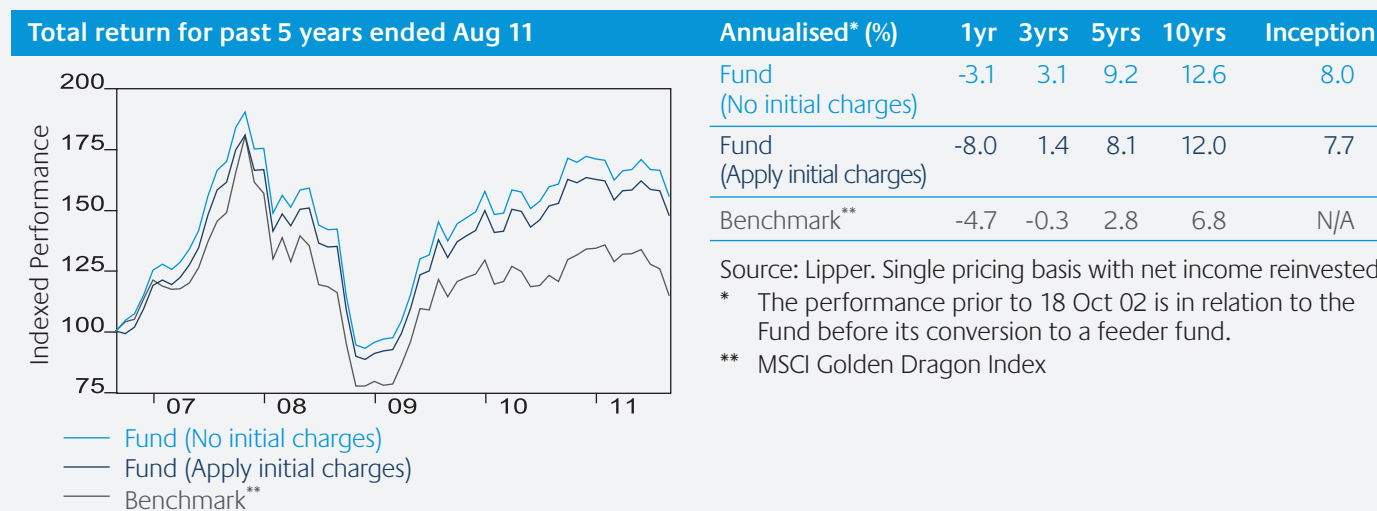
## Monthly factsheet (in SGD)

August 2011

### 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			
Inception Date	1 Nov 93	Minimum Investment	S\$1,000 (Initial) S\$100 (Subsequent)
NAV Price	S\$1.9038	Management Fee	1.5% p.a.
Fund Size	S\$483.2mn	Initial Charge	5.0% (Cash / SRS) 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)		



Asset allocation <sup>^</sup>	%	Sector allocation <sup>^</sup>	%	Top 10 holdings	%
Taiwan	28.9	Financials	31.9	Cheung Kong Holdings	5.8
Hong Kong	26.6	Information Technology	16.3	CNOOC	4.0
Red Chips	21.5	Consumer Staples	14.5	Chunghwa Telecom	3.9
China H Shares	11.6	Utilities	7.8	Jardine Matheson	3.7
China B Shares	4.3	Telecom Services	7.6	Taiwan Semiconductor	3.5
Singapore Listed	1.6	Energy	6.7	Yantai Changyu	3.0
United States Listed	1.4	Consumer Discretionary	5.8	Uni President Enterprises	3.0
China A Shares	1.2	Materials	2.4	ENN Energy Holdings	2.9
Liquidity	2.9	Industrials	1.4	Link REIT	2.9
		Health Care	1.4	Delta Electronics	2.8
		Others	1.2		
		Liquidity	2.9		

<sup>^</sup> Allocation percentage is rounded to the nearest one decimal place and the total allocation percentage may not add up to 100%.

### Manager's comment

- Global markets fell heavily over the month on rising concerns about the outlook for the world economy.
- Economic numbers continued to suggest that the US and European economies will remain weak.
- US Treasury yields fell and the gold price surged on rising risk aversion.
- Inflation reached 6.5% in China with the People's Bank of China continuing to adopt a tight stance, especially on new loan growth.
- In Hong Kong, inflation moved above 7%, pushing real interest rates even further into negative territory.
- During the month we bought China Merchants, a strong port franchise with steady cash flow trading on an attractive valuation.
- We sold Sun Art Retail, taking profit on strong performance after the initial public offering (IPO).
- We are focusing on cyclical companies with strong balance sheets trading at low valuation levels as well as stocks with strong cash flow and good yields.
- We believe that China's growth will slow from current high levels and will be driven by domestic consumption in the future.

### 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 CPF Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate. The interest rate for the Special and Medisave Accounts (SMA) is pegged to the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus 1%. The interest rate to be credited to the Retirement Account (RA) will be the weighted average interest of the entire portfolio of Special Government Securities (SSGS) which the RA savings are invested in, which earn a fixed coupon equal to the 12-month average yield of the 10YSGS plus 1% at the point of issuance. For 2011, the minimum interest rate for the SMA and RA is 4% per annum. After 31 December 2011, the minimum interest rate of 2.5% per annum, as prescribed by the CPF Act, will apply to the SMA and RA. In addition, the CPF Board will pay an extra interest rate of 1% per annum on the first S\$60,000 of a CPF member's combined balances, including up to S\$20,000 in the OA. The first S\$20,000 in the OA and the first S\$40,000 in the Special Account will not be allowed to be invested under the CPFIS.