



GREATER CHINA FUND

DECEMBER 2010

SUMMARY FUND OBJECTIVE

The investment objective of the Fund is to achieve long-term capital appreciation through investment principally in listed equity securities of companies operating in China (including Hong Kong). The Fund may also invest in companies in Korea, Singapore and Taiwan. Structure: US-registered closed-ended investment company. The Fund is managed by Baring Asset Management (Asia) Limited. (Please refer to the Prospectus for the full investment objective and policy.)

FUND INFORMATION ¹

Fund Manager	Agnes Deng
Fund Type	Closed-Ended Investment Company (non UCITS)
Fund Size (Mn)	US\$434.15
Launch Date	July 1992
NAV price ³	US\$14.30
Mid-Price	US\$13.15
Discount to NAV	8.04%
Listing	New York SE
Min Investment	N/A
Min Subsequent Inv	N/A
Management Charges	1.25% on the first US\$250mn, 1.00% thereafter
Performance Fee	None
Year end	31st December
ISIN	US39167B1026
Bloomberg Code	GCH
Lipper ID	3396
Benchmark Index	MSCI Zhong Hua (since June 2000)
Morningstar Rating	★★

MANAGER'S COMMENTS

Performance Summary

Sector selection detracted from performance relative to the Fund's benchmark index during December. Specifically, our overweight position in the consumer discretionary sector and underweight position in energy were negative. Stock selection was mixed, with companies in consumer discretionary and energy being beneficial, while stocks in information technology and materials detracted.

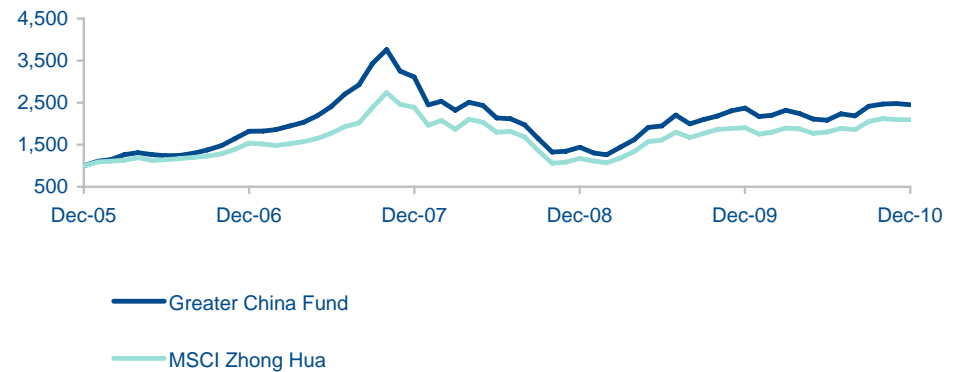
Strategy / Portfolio Positioning

We sold out of some recent IPO stocks on stretch valuation. We added some HK investment property names on the back of rising rental expectation. We also added some China banks. We remain positive on companies in the consumer sector, which should benefit from the government's pro-consumption policies, stable demand and strong economic growth.

Market Outlook

The market remained range bound in December on the back of low transaction volumes due to the holiday season. Peoples Bank of China (PBoC) hiked rates by 25bp in an attempt to manage inflation expectations and prevent overheating risks. PBoC also raised Reserve Requirement Ratio (RRR) by 50pbs on December 10, to withdraw excess liquidity and suppress loan growth. The fund will focus on the high conviction companies which can deliver the sustainable growth in the coming years. We will selectively add the positions when the valuations of our targets are dragged down by the market.

HISTORIC PERFORMANCE ² (CASH VALUE OF US\$1000)



Past performance is not a guide to future performance. The chart shown above should be viewed in conjunction with the rolling 12 month performance table below.

CALENDAR YEAR PERFORMANCE (US\$) ²

% Change	Fund	Index
2009	+65.8	+62.0
2008	-53.7	-50.9
2007	+70.9	+55.3
2006	+81.9	+54.0
2005	+9.2	+12.8

ROLLING 12 MONTH PERFORMANCE (US\$) ²

% Change	Fund
31 December 2009 - 31 December 2010	+3.4
31 December 2008 - 31 December 2009	+65.9
31 December 2007 - 31 December 2008	-53.7
31 December 2006 - 31 December 2007	+70.9
31 December 2005 - 31 December 2006	+82.0

PERFORMANCE (US\$) ²

% Change	Fund	Index
1 month	-1.1	-0.3
3 months	+1.7	+2.0
YTD	+3.4	+10.0
1 year	+3.4	+10.0

ANNUALISED PERFORMANCE (US\$) ²

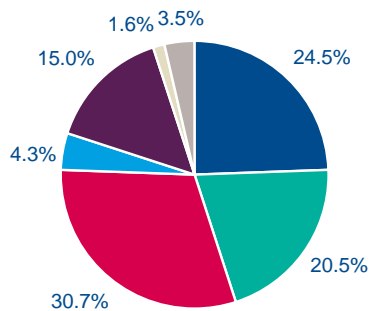
% Change	Fund	Index
3 years annualised	-7.4	-4.3
5 years annualised	+19.8	+15.9
10 years annualised	+16.3	+10.7
SI annualised	+9.4	-0.5

Ratings are subject to change.

Index return source: MSCI

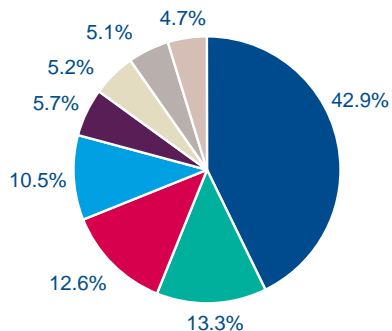
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COUNTRY BREAKDOWN ¹



- H Share = 24.5%
- Red-Chips = 20.5%
- Hong Kong = 30.7%
- Taiwan = 4.3%
- Others - Listed in HK = 15.0%
- Cash = 1.6%
- Others - Listed outside HK = 3.5%

FUND BREAKDOWN ¹



- Financials = 42.9%
- Industrials = 13.3%
- Consumer Discretionary = 12.6%
- Information Technology = 10.5%
- Materials = 5.7%
- Energy = 5.2%
- Others* = 5.1%
- Telecommunication Services = 4.7%

*Including a cash weight of 1.6%

TOP 10 HOLDINGS ¹

	(%)
China Construction Bank	6.2
Industrial & Commercial Bank	3.6
China Mobile	3.6
CNOOC	3.0
Sun Hung Kai Properties	2.7
Tencent Holdings	2.4
Hutchison Whampoa	2.3
Cheung Kong (Holdings)	2.3
BOC Hong Kong	2.2
CNPC (Hong Kong)	2.2

NOTES

¹ Unless otherwise stated, all fund portfolio figures within this factsheet are as at the end of the month shown at the top of page one. Source: Barings.

² Performance figures are shown in US Dollars on a NAV per share basis. Source: Morningstar.

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³ The NAV price is a single price for dealing which is a mid-price. For purchases, an initial charge is added to the NAV price.

GLOSSARY OF INVESTMENT TERMS

We produce a glossary to assist you in case you find any of the investment terms we've used in this factsheet unfamiliar. This is available from our website www.baring.com/uk/individualinvestors or free on request by calling +44 (0) 845 082 2479.

IMPORTANT INFORMATION

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Compensation arrangements under the Financial Services and Markets Act 2000 of the United Kingdom will not be available in respect of any offshore fund. Shares in the Funds are not available in any jurisdiction in which the offer or sale would be prohibited; in particular the Fund may not be sold directly or indirectly in the US or to a US person. Subscriptions will only be received and shares issued on the basis of the current Prospectus.

This Fund is registered in the USA.

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