



GREATER CHINA FUND

SEPTEMBER 2011

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.)

MANAGER'S COMMENTS

Performance Summary

Stock selection detracted from performance, notably in Consumer Discretionary and Energy stocks. The loss was partly offset by positive sector selection, with the decision to favour the Information Technology sector, with a cautious stance on the Financials sector added the most value.

Strategy / Portfolio Positioning

We took profit in some positions which outperformed year to date, including Macau gaming and internet names. We switched from small and mid cap China property names to large cap names. 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.

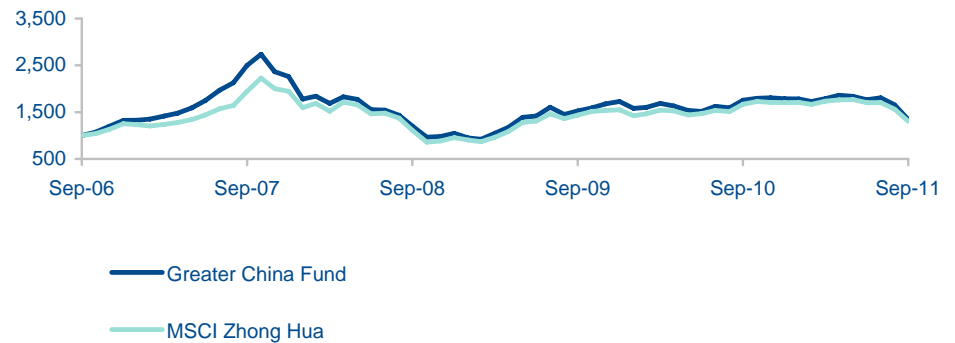
FUND INFORMATION ¹

| | |
|-------------------------------|--|
| Fund Manager | Agnes Deng |
| Fund Type | Closed-Ended Investment Company (non UCITS) |
| Total Fund size (Mn) | US\$324.99 |
| Launch Date | July 1992 |
| NAV price ³ | US\$10.71 |
| Mid-Price | US\$9.76 |
| Discount to NAV | 8.87% |
| Listing | New York SE |
| Min Investment | N/A |
| Min Subsequent Inv | N/A |
| Management Charges | 1.15% on the first US\$250mn, 0.75% thereafter |
| Performance Fee | None |
| Year end | 31st December |
| ISIN | US39167B1026 |
| Bloomberg Code | GCH:UN |
| Lipper ID | 3396 |
| Benchmark Index | MSCI Zhong Hua (since June 2000) |
| Morningstar Rating | ★★★ |

Market Outlook

The market fell in September due to overseas macro uncertainties. Markets remain concerned on China Small and Mid Enterprise (SME) business risk, the China property market and informal lending issues. Our strategy will focus on the high conviction companies which we believe can deliver sustainable earnings growth in the coming years, especially the companies with strong balance sheets and robust cash flows. We will selectively add to positions in these companies which are over sold in the recent sell offs.

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



Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of shares. 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 |
|----------|-------|-------|
| 2010 | +3.4 | +10.0 |
| 2009 | +65.8 | +62.0 |
| 2008 | -53.7 | -50.9 |
| 2007 | +70.9 | +55.3 |
| 2006 | +81.9 | +54.0 |

ROLLING 12 MONTH PERFORMANCE (US\$) ²

| % Change | Fund |
|---------------------------------------|--------|
| 30 September 2010 - 30 September 2011 | -23.5 |
| 30 September 2009 - 30 September 2010 | +15.0 |
| 30 September 2008 - 30 September 2009 | +28.4 |
| 30 September 2007 - 30 September 2008 | -52.1 |
| 30 September 2006 - 30 September 2007 | +149.9 |

PERFORMANCE (US\$) ²

| % Change | Fund | Index |
|----------|-------|-------|
| 1 month | -18.9 | -16.7 |
| 3 months | -24.0 | -23.5 |
| YTD | -24.8 | -23.3 |
| 1 year | -23.5 | -21.8 |

ANNUALISED PERFORMANCE (US\$) ²

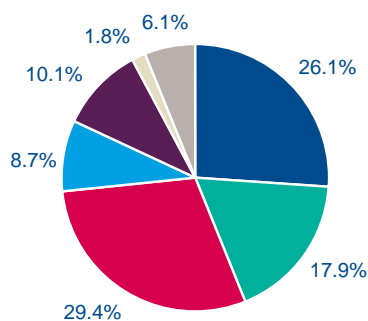
| % Change | Fund | Index |
|---------------------|-------|-------|
| 3 years annualised | +4.1 | +5.7 |
| 5 years annualised | +6.2 | +5.5 |
| 10 years annualised | +14.6 | +12.4 |
| SI annualised | +7.9 | -1.8 |

Ratings are subject to change.

Index return source: MSCI

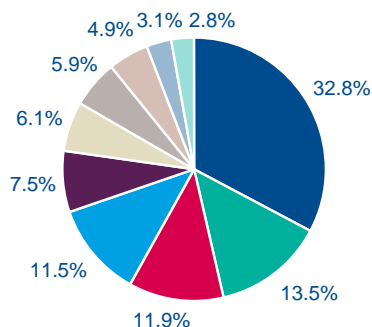
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COUNTRY BREAKDOWN ¹



- H Share = 26.1%
- Red-Chips = 17.9%
- Hong Kong = 29.4%
- Taiwan = 8.7%
- Others - Listed in HK = 10.1%
- Others - Listed outside HK = 1.8%
- Cash = 6.1%

FUND BREAKDOWN ¹



- Financials = 32.8%
- Information Technology = 13.5%
- Consumer Discretionary = 11.9%
- Energy = 11.5%
- Telecommunication Services = 7.5%
- Cash = 6.1%
- Utilities = 5.9%
- Industrials = 4.9%
- Materials = 3.1%
- Others = 2.8%

TOP 10 HOLDINGS ¹

| | (%) |
|------------------------------|-----|
| CNOOC | 4.4 |
| China Mobile | 3.5 |
| Industrial & Commercial Bank | 3.4 |
| Tencent Holdings | 3.1 |
| Hong Kong Electric Holdings | 3.0 |
| China Life Insurance | 3.0 |
| PetroChina | 2.9 |
| China Construction Bank | 2.5 |
| Sun Hung Kai Properties | 2.5 |
| AIA Group | 2.5 |

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.barings.com/uk/individualinvestors or free on request by calling +44 (0) 845 082 2479.

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/Prudential.

² Performance figures are shown in US Dollars on a NAV per share basis. Performance returns have been adjusted to exclude the dilutive effects of rights issues. Source: Morningstar. For data sourced from Morningstar: © Morningstar, Inc. all rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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.

IMPORTANT INFORMATION

This document is approved and issued by Baring Asset Management Limited, authorised and regulated by the Financial Services Authority and in jurisdictions other than the UK it is provided by the appropriate Baring Asset Management company/affiliate whose name(s) and contact details are specified herein.

Before investing in the Fund, we recommend that recipients who are not professional investors contact their financial adviser. Please read the Fund's prospectus carefully before investing. The information in this document is for informational purposes and should not be construed as investment, tax, legal or other advice or recommendation or, an offer to sell or an invitation to apply for any product or service of Baring Asset Management.

An investment in the Fund involves risk. The value of any investment and any income generated may go down as well as up and is not guaranteed. Past performance is not a guide to future performance. There are additional risks associated with investments (made directly or through investment vehicles which invest) in emerging or developing markets.

We reasonably believe that the information contained herein from 3rd party sources, as quoted, is accurate as at the date of publication. This document may include forward looking statements, which are based on our current opinions, expectations and projections. We undertake no obligation to update or revise any forward looking statements. Actual results could differ materially from those anticipated in the forward looking statements.

Shares in the Fund are not available in any jurisdiction in which the offer or sale would be prohibited. The Fund is a closed-end management investment company. Closed-end fund shares, unlike open-end fund shares, are not continuously offered. After the initial public offering, shares of closed-end funds are sold on the open market through a stock exchange. Shares of closed-end funds may trade at a discount from net asset value. This characteristic is a risk separate and distinct from the risk that a closed-end fund's net asset value will decrease. The Fund cannot predict whether its shares will trade at, below or above net asset value. Accordingly, the Fund is designed primarily for long-term investors and should not be considered a vehicle for trading purposes.

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