



# GREATER CHINA FUND

JANUARY 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 <sup>1</sup>

<b>Fund Manager</b>	Henry Chan
<b>Fund Type</b>	Closed-Ended Investment Company (non UCITS)
<b>Fund Size (Mn)</b>	US\$305.57
<b>Launch Date</b>	July 1992
<b>NAV price <sup>3</sup></b>	US\$13.42
<b>Mid-Price</b>	US\$12.3
<b>Discount to NAV</b>	8.35%
<b>Listing</b>	New York SE
<b>Min Investment</b>	N/A
<b>Min Subsequent Inv</b>	N/A
<b>Management Charges</b>	1.25% on the first US\$250mn, 1.00% thereafter
<b>Performance Fee</b>	None
<b>Year end</b>	31st December
<b>ISIN</b>	US39167B1026
<b>Bloomberg Code</b>	GCH
<b>Lipper ID</b>	3396
<b>Index <sup>2</sup></b>	MSCI Zhong Hua (since June 2000)
<b>Morningstar Rating</b>	★★★★

## MANAGER'S COMMENTS

### Performance Summary

Stock selection detracted from relative performance during the month, with negative attribution from Consumer Discretionary stocks. The loss was partially offset by sector selection, with the decision to favour the Industrials and Consumer Discretionary sectors contributing positively to returns.

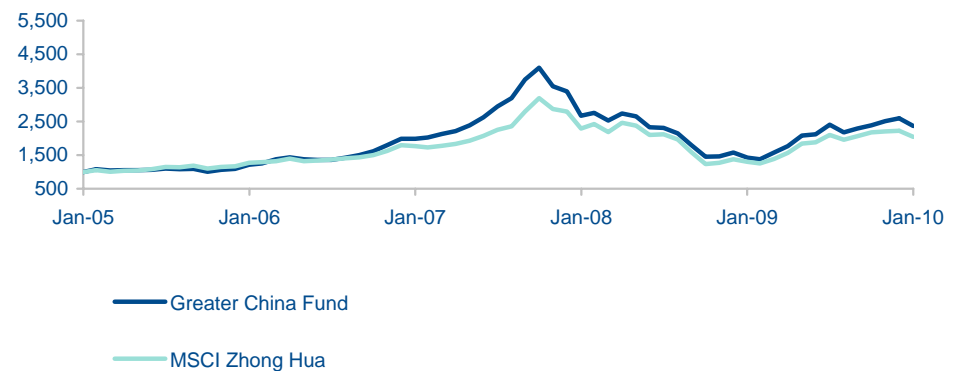
### Strategy / Portfolio Positioning

We reduced the Fund's risk and also momentum by cutting down exposure in the Commodity sector and adding to the Banking and Telecoms sectors. We also reduced some energy stocks to lock in profit. We continued to raise exposure in Consumer Discretionary sector on market correction. We remain positive on companies in the Consumer sector, which should benefit from positive policy actions, stable demand and overall economic recovery.

### Market Outlook

We believe investor's concern on potential tightening has largely reflected in asset valuations. With sequential improvement in the macroeconomic backdrop and corporate earnings picking up, the equity market remains attractive. In the medium term, the market should find additional support from moderate credit conditions in China and strong export recovery. The Fund remains biased towards stronger companies with good cash flow and balance sheet strength, which we believe should also benefit from rising consumer and infrastructure spending in China.

## HISTORIC PERFORMANCE <sup>2</sup> (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\$) <sup>2</sup>

% 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\$) <sup>2</sup>

% Change	Fund
31 January 2009 - 31 January 2010	+68.0
31 January 2008 - 31 January 2009	-46.8
31 January 2007 - 31 January 2008	+34.2
31 January 2006 - 31 January 2007	+64.5
31 January 2005 - 31 January 2006	+21.0

### PERFORMANCE (US\$) <sup>2</sup>

% Change	Fund	Index
1 month	-8.5	-8.0
3 months	-0.5	-5.9
YTD	-8.5	-8.0
1 year	+68.0	+57.6

### ANNUALISED PERFORMANCE (US\$) <sup>2</sup>

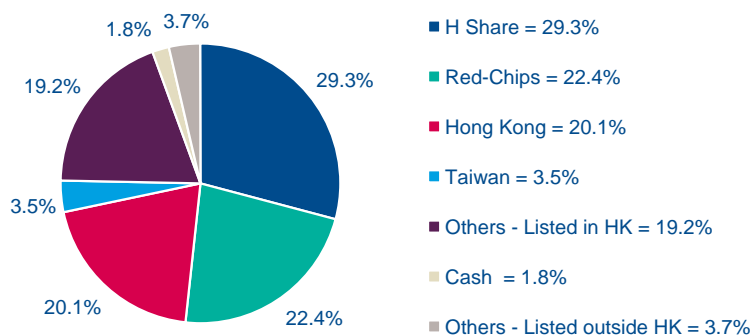
% Change	Fund	Index
3 years annualised	+6.2	+5.0
5 years annualised	+19.0	+15.4
10 years annualised	+14.5	+7.7
SI annualised	+9.2	-1.5

Ratings are subject to change.

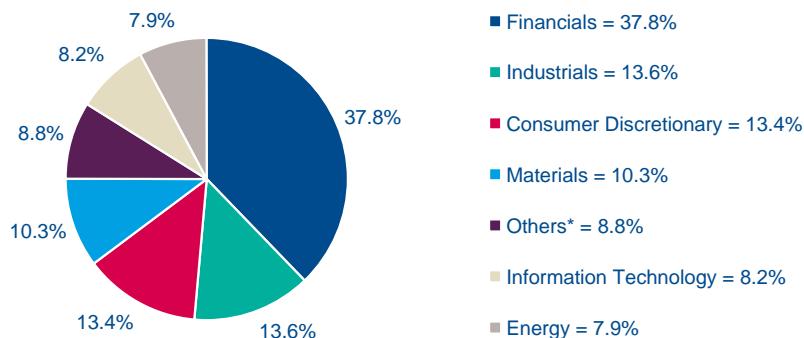
Index return source: MSCI

[www.greaterchinafund.com](http://www.greaterchinafund.com)

## COUNTRY BREAKDOWN <sup>1</sup>



## FUND BREAKDOWN <sup>1</sup>



\*Including a cash weight of 1.8%

## TOP 10 HOLDINGS <sup>1</sup>

	(%)
China Construction	4.7
Industrial & Commercial Bank	3.4
China Life Insurance	3.1
CNPC (Hong Kong)	2.8
Sun Hung Kai Properties	2.8
Foxconn Technology	2.5
Tencent Holdings	2.3
Orient Overseas (International)	2.2
China Shenhua Energy	2.1
CNOOC	2.1

## NOTES

<sup>1</sup> 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.

<sup>2</sup> Performance figures are shown in US Dollars on a NAV per share basis. Please note that the use of an index is for comparative purposes only. Source: 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.

<sup>3</sup> 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](http://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.

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