

Client Update

UK OEIC

Investment Objective & Policy

The Fund aims to achieve long-term capital growth. The Fund invests in equity and equity type securities issued by companies established or having a predominant part of their economic activities in the People's Republic of China, Hong Kong and Taiwan.

Cumulative performance (% in GBP) to 31 Dec 2011

Period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since Launch
Fund return	5.6	-11.2	-12.3	70.2	82.3	-	265.6
Benchmark return	5.3	-15.4	-18.1	42.0	34.2	-	113.8
Sector return	4.9	-19.2	-22.5	36.0	34.2	-	148.2
Quartile rank	2	1	1	1	1	-	1

Annual performance (% in GBP) to 31 Dec 2011

Period	12 mths to 31/12/11	12 mths to 31/12/10	12 mths to 31/12/09	12 mths to 31/12/08	12 mths to 31/12/07
Fund return	-12.3	25.2	55.1	-26.0	44.7
Benchmark return	-18.1	16.8	48.4	-30.1	35.3
Sector return	-22.5	14.0	54.0	-36.0	54.5
Quartile rank	1	1	2	1	4

Manager's comments

- The sovereign debt crisis in the eurozone continued to dominate investor sentiment, although economic data from the US improved slightly.
- The strength of the US dollar and the weak global outlook resulted in poor performance by commodity-related companies.
- Sentiment in China remained negative with the A-share market continuing to slide.
- There are increasing signs that the Chinese economy is slowing with inflation dropping in November to 4.2% from 5.5% in October.
- This could give the government more room to fine tune economic policies.
- There was no significant transaction activity over the month.
- We remain concerned about a number of global issues, notably sovereign indebtedness in Europe, high leverage in the banking system, the fiscal situation in the US and the slowdown in China.
- On the positive side, many of these issues are now widely recognised.
- We believe that Chinese economic growth will slow in 2012.
- We continue to be cautiously positioned, preferring stocks exposed to consumption rather than investment.

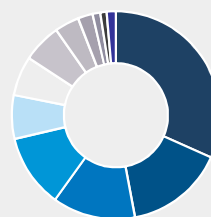
Fund information

Launch date	01/12/2003
Fund size (£m)	556
IMA sector	China/Greater China
Benchmark	MSCI Golden Dragon Index
Number of holdings	66
Fund managers	Martin Lau / Seck Yee Hou & Xian Quanqiang
ISAable fund	Yes
Minimum investment	£1,000 lump sum / £50 per month
Charges	Mandatory from 01/01/2012 Initial 4.0%; Annual 1.75%
Share type available	Accumulation
Research rating	OBSR: AAA S&P Fund Management: AAA

Ten largest holdings

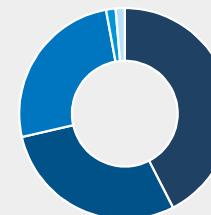
Stock name	%	Stock name	%
Cheung Kong Holdings	6.0	Jardine Matheson	3.0
Link REIT	3.6	Uni President Enterprises	3.0
CNOOC	3.5	ENN Energy Holdings	2.8
Hong Kong & China Gas	3.5	China Resources Power	2.8
Taiwan Semiconductor	3.4	President Chain Store	2.8

Sector breakdown



- Financials: 31.6% (*34.6%)
- Consumer Staples: 15.4% (*3.7%)
- Information Technology: 12.9% (*18.9%)
- Utilities: 11.4% (*4.5%)
- Consumer Discretionary: 6.8% (*6.8%)
- Energy: 6.1% (*9.3%)
- Telecom Services: 6.0% (*8.5%)
- Industrials: 3.8% (*6.5%)
- Health Care: 2.3% (*0.4%)
- Multiple sectors: 1.2% (*0.0%)
- Materials: 1.0% (*6.8%)
- Cash: 1.4% (*0.0%)

Country breakdown



- China: 42.4% (*48.2%)
- Taiwan: 29.0% (*29.6%)
- Hong Kong: 25.7% (*22.1%)
- Singapore: 1.4% (*0.0%)
- Cash: 1.4% (*0.0%)

* Index Allocation

How to contact us

Client Services team: **0800 587 4141**

Dealing line: **0800 587 3388**

E-mail: **enquiries@firststate.co.uk**

Important Information / Risk Factors:

Past performance is not a guide to future performance, and investment markets and conditions can change rapidly. If your fund invests in equity markets, it will be more volatile than an investment in cash or fixed deposits. The value of your investment may go down as well as up. There is no guarantee you will get back the amount invested. If your fund invests in overseas markets, currency movements may affect both the income received and the capital value of your investment. If it invests in the shares of small companies, in emerging markets, or in a single country or sector, it may be less liquid and more volatile than a broadly diversified fund investing in developed equity markets. This fund should be considered a long-term investment. You should read the fund's Prospectus before investing, including in particular the sections on the risk factors applicable to any investment. The views expressed herein should not be relied upon when making investment decisions.

Statistical sources: All performance data for the First State Greater China Growth Fund A Accumulation Shares as at 31 December 2011 : Source for fund - Lipper Ltd, net of fees, income reinvested net of tax; source for benchmark - RIMES, income reinvested net of tax. All other portfolio details and non performance information (top 10 holdings, fund size, sector and country breakdown): First State's own records. Any research or analysis used in the preparation of this document has been procured by First State for its own use and should not be relied upon by others. Since launch performance figures have been calculated from 31 December 2003.

Further details: First State Greater China Growth Fund is a sub-fund of First State Investments ICVC, an open-ended investment company. Copies of the Prospectus and Simplified Prospectus for the First State Investments ICVC are available free of charge by writing to: Client Services, First State Investments (UK) Limited, 23 St Andrew Square, Edinburgh, EH2 1BB, by telephoning 0800 587 4141 between 8am and 5pm Monday to Friday or by printing the documents out from the website www.firststate.co.uk. Issued by First State Investments (UK) Limited, authorised and regulated by the Financial Services Authority. A member of IMA. Registered number: 2294743. Registered address: 3rd Floor, 30 Cannon Street, London EC4M 6YQ.

BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002, Zürich has been designated as the Swiss Representative and Swiss Paying Agent. The Prospectus, the Articles of Incorporation, as well as the last annual and interim reports of the Company and the changes in the investment portfolio can be obtained free of charge at BNP Paribas Securities Services.