

## Client Update

UK OEIC

### Investment Objective & Policy

The Fund aims to achieve long-term capital growth. The Fund will comprise investments in a diversified portfolio of companies of the Indian subcontinent. The Fund concentrates on securities that are listed, traded or dealt in on Regulated Markets in the Indian subcontinent and instruments issued by companies established, operating or having a predominant part of their economic activities in the Indian subcontinent and listed on other Regulated Markets.

### Cumulative performance (% in EUR) to 31 Dec 2011

Period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since <sup>^</sup> Launch
<b>Fund return</b>	<b>-8.1</b>	<b>-14.5</b>	<b>-20.4</b>	<b>124.5</b>	-	-	<b>38.3</b>
Benchmark return	-11.4	-23.3	-35.1	65.0	-	-	-10.5

### Annual performance (% in EUR) 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
<b>Fund return</b>	<b>-20.4</b>	<b>41.3</b>	<b>99.6</b>	-	-
Benchmark return	-35.1	29.4	96.5	-	-

### Manager's comments

- The Indian market fell in December as the continued political impasse impacted investor sentiment.
- The Indian parliament failed to pass either the new Anti-Corruption Bill or the Foreign Direct Investment in Retail legislation.
- Inflation has stabilised but the twin fiscal and current account deficits remain stubbornly high.
- Corruption scandals continue to have a negative impact.
- During the month we sold Commercial Bank of Ceylon on concerns about the deteriorating political landscape.
- We do not expect any further rises in interest rates as the Indian economy has begun to slow down.
- India will have to deal with serious water shortages in the future if the economy continues to grow rapidly.
- Political risk in the Indian subcontinent remains an important consideration with some of the most dangerous border disputes in the world.
- Due to the lack of transparency, we continue to tread cautiously on companies which depend or thrive on relations with the government.

### Fund information

Fund launch date	15/11/2006
Share class launch date	01/05/2008
Fund size (€m)	274
IMA sector	Specialist
Benchmark	MSCI India Index
Number of holdings	48
Fund managers	David Gait / Sashi Reddy
Minimum investment	€1,500 lump sum
Charges	Mandatory from 01/01/2012 Initial 4.0%; Annual 1.75%
Share type available	Accumulation
Research Rating	Feri Trust: A OBSR: A

<sup>^</sup> Performance calculations use the Share class launch date

### Ten largest holdings

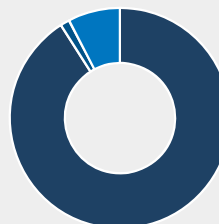
Stock name	%	Stock name	%
Hindustan Unilever	5.7	Idea Cellular	4.3
Marico	5.7	Container Corp Of India	3.6
Tata Power Company	4.9	Bharti Airtel	3.5
Dabur India	4.9	Glaxosmithkline Consumer	3.4
Satyam Computer Services	4.5	Wipro	3.2

### Sector breakdown



- Consumer Staples: 19.6% (\*8.5%)
- Materials: 13.9% (\*9.1%)
- Information Technology: 13.8% (\*18.7%)
- Industrials: 11.5% (\*5.6%)
- Telecom Services: 8.3% (\*2.6%)
- Health Care: 7.1% (\*5.2%)
- Financials: 6.1% (\*24.9%)
- Utilities: 4.9% (\*5.0%)
- Consumer Discretionary: 4.8% (\*7.9%)
- Energy: 2.2% (\*12.4%)
- Cash: 7.7% (\*0.0%)

### Country breakdown



- India: 91.0%
- Sri Lanka: 1.3%
- Cash: 7.7%

\* Index Allocation

### How to contact us

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### 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 Indian Subcontinent 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 May 2008.

Further details: First State Indian Subcontinent 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](http://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 Services, Paris, succursale de Zürich, Selnastrasse 16, 8002, Zürich, has been designated as the Swiss Representative and Swiss PayingAgent. 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.