

Client Update

Irish VCC

Investment Objective & Policy

This Fund aims to achieve long-term capital appreciation. The Fund will comprise a diversified portfolio of companies of the Indian subcontinent. Countries of the Indian subcontinent include, India, Pakistan, Sri Lanka and Bangladesh. The Fund concentrates on securities that are listed, traded or dealt in on Regulated Markets in the Indian subcontinent and offshore instruments issued by companies established or operating or have significant interests in the Indian subcontinent and listed on other Regulated Markets.

Cumulative performance (% in USD) to 31 Dec 2011

Period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since Launch
Fund return	-11.4	-23.3	-22.3	100.8	39.5	521.0	263.3
Benchmark return	-14.2	-31.3	-37.2	54.1	-5.6	351.3	232.8

Annual performance (% in USD) 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	-22.3	30.7	97.7	-57.0	61.4
Benchmark return	-37.2	20.9	102.8	-64.6	73.1

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

Launch date	23/08/1999
Fund size (US\$m)	236
Benchmark	MSCI India Index
Number of holdings	42
Fund managers	David Gait / Sashi Reddy
ISAable fund	No
Minimum investment	US\$1,500 lump sum / US\$1,000 subsequent
Charges	Initial 5.0%; Annual 1.5%
Share type	Accumulation & Income

Ten largest holdings

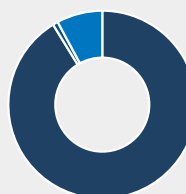
Stock name	%	Stock name	%
Hindustan Unilever	6.9	Dabur India	4.0
Marico	6.0	Satyam Computer Services	4.0
Tata Power Company	5.2	Bharti Airtel	4.0
Glaxosmithkline Consumer	4.4	Container Corp Of India	3.7
Idea Cellular	4.3	Wipro	3.3

Sector breakdown



- Consumer Staples: 20.1% (*8.5%)
- Materials: 13.6% (*9.1%)
- Information Technology: 11.4% (*18.7%)
- Industrials: 11.4% (*5.6%)
- Telecom Services: 8.4% (*2.6%)
- Health Care: 8.4% (*5.2%)
- Financials: 6.0% (*24.9%)
- Utilities: 5.2% (*5.0%)
- Consumer Discretionary: 5.0% (*7.9%)
- Energy: 2.7% (*12.4%)
- Cash: 7.9% (*0.0%)

Country breakdown



- India: 91.2%
- Sri Lanka: 0.9%
- Cash: 7.9%

*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 as at 31 December 2011 : Source for fund - First State (using Barra Enterprise Performance), net of fees with income reinvested gross of tax; source for benchmark - RIMES, income reinvested gross 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 23 August 1999.

Further details: First State Indian Subcontinent Fund - Class I is a sub-fund of First State Global Umbrella Fund plc, an open-ended investment company with variable capital and with segregated liabilities between sub-funds, incorporated with limited liability under the laws of Ireland with registered number 288284 authorised in the Republic of Ireland. Copies of the Prospectus and Simplified Prospectus for the First State Global Umbrella Fund plc 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.