

Aberdeen Actively Hedged International Equities Fund



Investment objective

To provide investors with high capital growth over the medium to long term by seeking exposure to companies listed on securities exchanges around the world.

Investment strategy

The investment strategy of the Fund is to utilise Aberdeen's proven investment philosophy and approach to invest primarily in a concentrated portfolio of global listed securities that have the potential for capital growth and increased earning potential.

Our Global Equity Team draws on the research capabilities of our regional investment teams located worldwide. Through their own proprietary research each regional team creates a concentrated regional model portfolio of best ideas. This is based on a rigorous appraisal of each company's fundamentals and relative valuation. The aggregate of the regional models forms the global buy list.

Performance summary

	1 Month* %	3 Months* %	1 Year %	3 Years % pa	5 Years % pa	Since Inception^ %pa
Actively Hedged International Equities Fund Net returns*	5.49	3.50	4.44	-8.32	-0.35	7.19
Actively Hedged International Equities Fund Gross returns**	5.58	3.76	5.47	-7.44	0.60	8.25
MSCI All Countries World Accumulation Index (ex Aus)	3.93	2.76	0.82	-9.66	-0.80	4.89
Net returns* vs Index	1.56	0.74	3.62	1.34	0.45	2.30
Gross returns** vs Index	1.65	1.00	4.65	2.22	1.40	3.36

*Please Note: 1 month & 3 month returns reflect performance results obtained under the Aberdeen investment process. Prior to 1 June 2009 performance was obtained under a different process and different manager.

* Net performance figures are calculated using end-of-month exit prices, post standard fees, reflect the annual reinvestment of distributions and make no allowance for tax. If investing through an IDPS Provider, the total after fees performance returns of your investment in the Fund may be different from the information we publish due to cash flows specific to your portfolio and any fees charged by the IDPS Provider.

** Gross Performance figures are calculated using end-of-month exit prices, pre-fees, reflect the annual reinvestment of distributions and make no allowance for tax. These returns are provided for the purpose of wholesale investors only. Retail investors should refer to net returns.

^This figure represents the annualised performance of the Fund from the first full month of operation in February 1993.

Please note: Prior to 1 May 2009 the Fund was known as the Credit Suisse International Shares Fund. Past performance is not a reliable indicator of future results.

Performance review

Over the month, the portfolio rose 5.58%, outperforming the benchmark by 1.65% (both before fees). From a regional perspective, both asset allocation and stock selection contributed to relative performance. In contrast, currency detracted from relative performance as the US dollar broke its recent trend and strengthened as equity markets continued to rise. At the sector level, good stock selection within financials was the largest positive. Robust housing data in Singapore helped real estate company City Developments climb 14%. Japanese exporters received a boost from the weakening Yen. Within the portfolio this was reflected in strong performances from industrial holding Fanuc and technology stock Canon. Consumer discretionary was the detractor from relative performance. This was largely due to Adidas which declined 5%, following a rise of 23% the previous month.

During December, we sold out of a small position in Belgian telecom operator Belgacom, due to its diminishing business prospects, and trimmed City Developments following the stock's recent strong performance. We reinvested some of the proceeds by adding to the position in British American Tobacco.

Top ten holdings

	Fund %
E.ON AG	3.66
Vodafone	3.57
Petroleo Brasileiro	3.54
ENI - Ente Nazionale Idrocarburi	3.35
Samsung Electronics	3.27
Zurich Financial Services	3.27
Tenaris	3.26
Roche Holding	3.22
Johnson & Johnson	3.22
Standard Chartered	3.11

Sector breakdown

	Fund %	Index %
Energy	14.97	11.58
Materials	4.17	7.81
Industrials	12.12	10.17
Consumer Discretionary	2.70	9.14
Consumer Staples	10.57	9.57
Health Care	11.85	9.29
Financials	20.62	20.12
Information Technology	13.78	12.63
Telecommunication Services	3.57	5.06
Utilities	4.70	4.63
Cash	0.95	0.00

Regional breakdown

	Fund %	Index %
United States	25.05	43.77
Canada	1.66	4.35
Europe (Ex UK)	34.53	19.08
United Kingdom	15.18	9.04
Emerging Europe	0.00	1.70
Middle East	0.00	0.00
Japan	10.41	8.78
Asia Pacific (ex Japan)	12.22	9.06
Latin America	0.00	3.21
Africa	0.00	1.01
Cash	0.95	0.00

Further information

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Aberdeen Actively Hedged International Equities Fund

Global equity markets finished higher in December, on growing confidence that the economic recovery is gathering pace. In the US, better than expected employment data, rising consumer confidence and improving industrial production helped promote this view. Concerns over Dubai's near term debt problems also abated as oil rich neighbour Abu Dhabi came to the rescue with a \$10 billion handout. However, signs remain of the global economy's lingering imbalances. Greek sovereign debt was downgraded as concerns grow over the government's ability to repair their battered finances, while in the UK, the nearing election left the pre budget report somewhat short of detail on the actions required to address the fiscal deficit.

In terms of the markets, the MSCI World index finished the month 1.83% higher in US dollar terms, with the US market continuing to outperform the global peer group. Asian markets recorded another strong period, while European and Japanese indices struggled to make much headway with weakness in the Euro and Yen offsetting local market returns. From a sector perspective, only financials failed to break into positive territory, falling 1.1%, as weakness across banking stocks nullified positive returns from insurance and real estate companies. Of the remaining sectors, technology and consumer discretionary generated the highest returns, rising 5.7% and 3.9% respectively.

While low interest rates, abundant liquidity and rising earnings expectations continued to provide the back drop to December's rise in equity markets, the sustainability of these conditions and the strength of the nascent recovery is unclear and we retain our cautious stance going into 2010. Our long term investment time horizon and focus on the individual prospects for each corporate we analyse positions us well to take advantage of any wobbles in economic recovery or indeed "aftershocks" from the global financial crisis in 2010 and beyond.

Key information

APIR Code	CRS0005AU
Benchmark	MSCI All Countries World Accumulation Index (ex Australia)
Date of Launch	February 1993
Income Payable	30 June
MER	0.98% pa
Buy/sell Spread	0.25%/0.25%
Fund Size	A\$1,146.9m
Redemption Unit Price	\$1.9528m

Important information

This document has been prepared by Aberdeen Asset Management Limited ABN 59 002 123 364 AFSL No. 240263.

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Neither Aberdeen Asset Management PLC, Aberdeen Asset Management Limited nor any other entity guarantees the performance of the Fund or the repayment of capital invested in the Fund. Investments are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Past performance is not a reliable indicator of future results. Although non-Fund specific information has been prepared from sources believed to be reliable, we offer no guarantees as to its accuracy or completeness.

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