

Aberdeen China Opportunities Fund



Investment objective

To provide investors with long-term (minimum over 5 years) capital growth by seeking exposure to companies that invest in, trade with, or are domiciled in China.

Investment strategy

The Aberdeen China Opportunities Fund is a high conviction, diversified portfolio of around 30 stocks that is not index constrained. Utilising Aberdeen's experience and proven investment philosophy and approach, that is replicated and consistent across all of our trading desks, we take advantage of any benefits and opportunities we see from a flexible universe.

Performance summary

	1 Month %	3 Months %	1 Year %	3 Years %pa	5 Years %pa	Since Inception [^] %pa
China Opportunities Fund Net returns*	-0.40	6.59	6.30	1.77	9.43	10.81
China Opportunities Fund Gross returns**	-0.24	7.10	8.41	3.81	11.62	13.02
MSCI Zhong Hua Index (AUD unhedged)***	-2.24	3.47	-3.49	-1.25	17.33	15.37
Net returns* vs Index	1.83	3.12	9.80	3.01	-7.91	-4.57
Gross returns** vs Index	2.00	3.63	11.91	5.06	-5.72	-2.35

* 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.

*** Prior to 1 October 2007 the index used was MSCI China and prior to 1 June 2005, the index used was the CLSA China World.

Past performance is not a reliable indicator of future results.

Fund manager's report

The Fund returned -0.24% in July outperforming its index by 2.00% (both before fees).

China and Hong Kong equities were buoyed by optimism that Beijing would ease tightening measures in light of slowing second-quarter economic growth. Solid corporate earnings and relief in the wake of European bank stress test results also lifted sentiment. The Shanghai Composite Index rallied 10% (in local currency terms), its biggest monthly gain in a year.

China's central bank reiterated that it would maintain relatively loose monetary policy for the rest of 2010. Separately, concerns about local government debt persisted, with an estimated 20% of such loans at risk of default.

In portfolio-related news, our holdings, including ASM Pacific Technology, Hang Lung Group, Hung Hing Printing and Public Financial, reported good results with robust profit growth.

China Mobile added another 5.6 million subscribers in June, bringing its total number of subscribers to 554 million. Elsewhere, Swire Pacific walked away from buying HAECO after failing to garner sufficient shareholder support.

During the month, we introduced Li & Fung, a professionally managed trading company with sound financials and good corporate governance.

Top ten holdings

	Fund %
Swire Pacific 'B'	7.79
Jardine Strategic Holdings	7.72
Standard Chartered	5.58
ASM Pacific Technology	4.84
China Mobile	4.78
Petrochina	4.28
Hang Lung Group	4.15
Sun Hung Kai Properties	4.05
Wing Hang Bank	3.66
CNOOC Limited	3.62

Sector breakdown

	Fund %	Index %
Energy	7.89	11.72
Materials	2.39	3.72
Industrials	15.50	8.53
Consumer Discretionary	17.87	7.52
Consumer Staples	5.44	4.32
Health Care	0.00	0.57
Financials	35.61	44.78
Information Technology	4.84	4.03
Teleco Services	6.31	9.25
Utilities	3.13	5.56
Cash	1.02	0.00

Further information

Aberdeen Asset Management Limited

Level 6, 201 Kent St Sydney NSW 2000 Australia
GPO Box 4306 Sydney NSW 2001 Australia

Client Service 1800 636 888
Phone +61 2 9950 2888
Web www.aberdeenasset.com.au

Aberdeen China Opportunities Fund

Key information

APIR Code	ETL0031AU
Benchmark	MSCI Zhong Hua*
Date of Launch	30 June 2004
Income Payable	30 June
MER	1.95%
Fund Size	A\$15.546m
Redemption Unit Price	A\$1.2383

* \$A unhedged

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.

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