

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*	-4.57	-2.48	15.57	0.14	9.96	9.31
China Opportunities Fund Gross returns**	-4.40	-1.99	17.88	2.17	12.16	11.50
MSCI Zhong Hua Index (AUD unhedged)***	-6.95	-4.38	12.72	4.80	18.22	15.64
Net returns* vs Index	2.38	1.90	2.85	-4.66	-8.26	-6.33
Gross returns** vs Index	2.55	2.39	5.16	-2.63	-6.06	-4.14

* 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 outperformed the Index by 2.55% (before fees) in January. The MSCI Zhong Hua Index fell amid heightened concerns that the mainland's efforts to rein in credit expansion could dent its strong growth.

China's central bank raised both lenders' reserve requirements and interest rates for three-month bills after new loans grew faster than expected. Regulators also ordered several banks to halt lending temporarily. New loans are expected to fall to about 7.5 trillion yuan this year, from 9.6 trillion yuan in 2009.

On the economic front, China's fourth-quarter GDP expanded by 10.7% year-on-year, bringing full-year growth to 8.7%. However, consumer prices accelerated in December, adding to inflation expectations. In Hong Kong, exports rose in December, while unemployment eased.

In portfolio-related news, China Mobile added more than 4 million new subscribers in December despite fierce competition. Hang Lung Group's first-half profits tripled from a year earlier, thanks to well-timed property sales and solid rental income. Conversely, Public Financial's full-year performance was hurt by higher provisions.

There were no major changes to the portfolio in January.

Top ten holdings

	Fund %
Jardine Strategic Holdings	8.83
Swire Pacific	8.41
China Mobile	7.24
Standard Chartered	5.57
Petrochina	4.70
ASM Pacific Technology	4.41
CNOOC Limited	4.38
Hong Kong & Shanghai Hotels Limited	4.29
Sun Hung Kai Properties	3.76
Hang Lung Group	3.74

Sector breakdown

	Fund %	Index %
Energy	8.83	12.41
Materials	1.11	4.11
Industrials	16.53	9.25
Consumer Discretionary	17.61	7.35
Consumer Staples	2.84	3.17
Healthcare	0.00	0.18
Financials	34.46	43.76
Information Technology	4.29	4.64
Teleco Services	8.71	9.45
Utilities	2.82	5.68
Cash	2.80	0.00

Further information

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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\$13.50m
Redemption Unit Price	A\$1.1211

* \$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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