

Client Update

UK OEIC

Investment objective

The Fund aims to achieve long-term capital growth. The Fund invests in equity and equity type securities issued by companies established or having a predominant part of their economic activities in the People's Republic of China, Hong Kong and Taiwan.

Cumulative performance (% in GBP) to 31 Jul 2010

Period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since Launch
Fund return	1.1	15.6	25.5	38.7	153.3	-	263.5
Benchmark return	-3.0	8.3	13.4	21.4	81.2	-	125.5
Sector return	-4.3	10.3	20.4	16.2	88.8	-	148.5
Quartile rank	1	1	1	1	1	-	1

Annual performance (% in GBP) to 31 Jul 2010

Period	12 mths to 31/07/10	12 mths to 31/07/09	12 mths to 31/07/08	12 mths to 31/07/07	12 mths to 31/07/06
Fund return	25.5	16.5	-5.1	65.5	10.3
Benchmark return	13.4	15.7	-7.5	42.2	4.9
Sector return	20.4	9.0	-11.1	44.3	12.4
Quartile rank	1	1	1	1	3

Manager's comments

- Stock markets in Greater China rallied in July as companies in Greater China and the US announced positive results.
- Chinese manufacturing growth continued to slow in July, suggesting that the government's policies have cooled the economy.
- Performance was boosted by our position in property developer China Vanke which recovered after a period of weakness.
- China Mengniu lagged as it declined following a recent rally, while China Resources Power was driven lower by concerns about rising input costs.
- We bought Jiangling Motors, a strong player in the Chinese light truck market which should continue to benefit from urbanisation.
- We trimmed China Mengniu and Belle International on valuation concerns.
- Weaker data will ease the pressure on the government to tighten policy further.
- We retain a high weighting in companies exposed to domestic consumption and have limited exposure to exporters and cyclical stocks.
- We continue to seek investments that generate steady cash flow and pay good dividends.

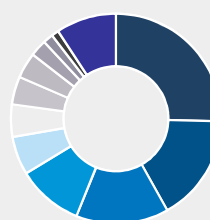
Fund information

Launch date	01/12/2003
Fund size (£m)	478
IMA sector	Asia Pacific ex Japan
Benchmark	MSCI Golden Dragon Index
Number of holdings	72
Fund managers	Martin Lau / Ho Hsiu Mei
ISAable fund	Yes
Minimum investment	£1,000 lump sum / £50 per month
Charges	Initial 4.0%; Annual 1.75%
Share type	Accumulation
Research rating	OBSR: A S&P Fund Management: AAA

Ten largest holdings

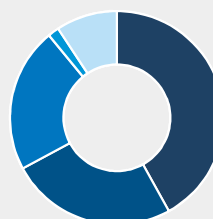
Stock name	%	Stock name	%
Cheung Kong Holdings	4.7	CNOOC	2.8
Delta Electronics	3.7	Hengan Intl Group	2.7
Jardine Matheson	3.4	Taiwan Semiconductor	2.6
Yantai Changyu	3.3	Li Ning	2.6
Chunghwa Telecom	2.9	China Resources Power	2.6

Sector breakdown



Financials: 25.4% (*36.2%)
Information Technology: 16.4% (*20.3%)
Consumer Staples: 14.3% (*3.5%)
Consumer Discretionary: 10.2% (*6.1%)
Telecom Services: 5.9% (*7.8%)
Utilities: 5.0% (*3.9%)
Industrials: 4.3% (*7.0%)
Energy: 3.9% (*8.6%)
Health Care: 2.6% (*0.4%)
Multiple sectors: 1.6% (*0.0%)
Materials: 1.1% (*6.1%)
Cash: 9.3% (*0.0%)

Country breakdown



China: 41.9% (*50.6%)
Taiwan: 25.3% (*29.3%)
Hong Kong: 21.9% (*20.1%)
Singapore: 1.7% (*0.0%)
Cash: 9.3% (*0.0%)

* 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 as at 31 July 2010 : 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 December 2003.

Further details: First State Greater China Growth 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. 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.

Fortis Foreign Fund Services AG, Rennweg 57, Postfach, 8021 Zurich has been designated as the Swiss Representative and Fortis Banque (Suisse) S.A., Zurich Branch, Rennweg 57, Postfach, 8021 Zurich has been designated as the Swiss Paying Agent. 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 Fortis Foreign Fund Services AG.

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