



# BARING HONG KONG CHINA FUND

APRIL 2010

## SUMMARY FUND OBJECTIVE

The objective of the Fund is to achieve long-term capital growth in the value of assets. The policy of the Fund is to hold a portfolio of quoted or traded equity investments in companies incorporated in Hong Kong or China, or quoted or traded on any Hong Kong or China stock exchange, or in companies that have a significant proportion of their assets or other interests in Hong Kong or China. The Managers may also invest in companies incorporated in Taiwan or quoted on the Taiwan stock exchange. (Please refer to the Prospectus for the full investment objective and policy.)

All fund information in this factsheet relates to the US\$ A Income share type

## FUND INFORMATION <sup>1</sup>

|                              |                                                      |
|------------------------------|------------------------------------------------------|
| Fund Manager                 | Agnes Deng                                           |
| Fund Type                    | Irish Authorised UCITS                               |
| Fund Size (Mn)               | US\$4875.5                                           |
| Inception Date               | 03.12.1982                                           |
| NAV price <sup>4</sup>       | US\$863.26                                           |
| Share Types Available        | Income/Accumulation                                  |
| Available Classes            | A (US\$,EUR,GBP)<br>C (US\$,EUR)<br>I (US\$,EUR,GBP) |
| Umbrella                     | International                                        |
| Min Investment               | US\$5000                                             |
| Min Subsequent Inv           | N/A                                                  |
| Management Charges           | Initial 5.00%<br>Annual 1.25%                        |
| XD Date                      | 01 May                                               |
| Dividend Paid By             | 31 Jul                                               |
| No. of Holdings              | 68                                                   |
| ISIN                         | IE0000829238                                         |
| Bloomberg Code               | BRGHKGI ID                                           |
| Lipper ID                    | 60000680                                             |
| TER                          | 1.7% as at 30.04.10                                  |
| Benchmark Index              | MSCI China (Total Return)                            |
| Historic Yield <sup>3</sup>  | 0.0%                                                 |
| UK Distributor Status Sought | Yes                                                  |
| Morningstar Rating           | ★★★★                                                 |

## MANAGER'S COMMENTS

### Performance summary

Both sector and stock selection in the telecom and energy sectors detracted from the Fund's performance relative to the benchmark index during the month.

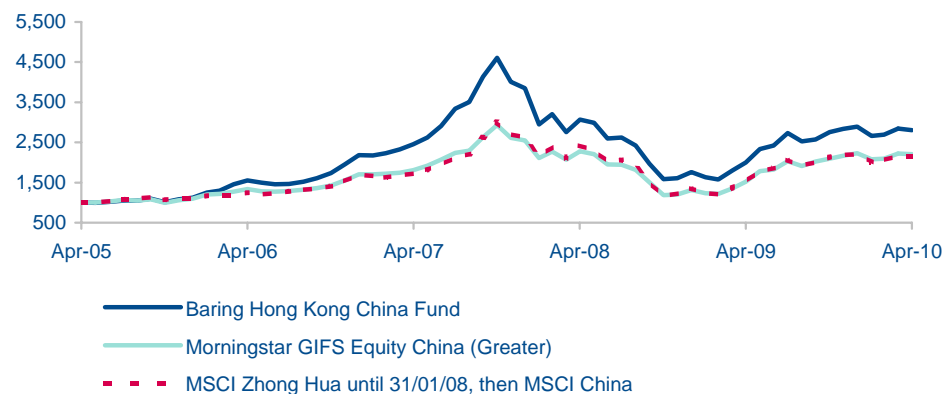
### Strategy / portfolio positioning

We reduced the Fund's weighting in the energy and telecom sectors and trimmed holdings in selected Hong Kong property stocks. The sale proceeds were used to build up positions in banks which appeared good value, with planned new issuance already reflected in the price. We also added some mid-cap property stocks to the Fund as their valuations appear attractive. We remain positive on companies in the consumer sector, which should benefit from the government's pro-consumption policies, stable demand and overall economic recovery.

### Market outlook

Recently, the market has become concerned about the possibility of the government trying to curb growth, particularly in relation to the booming property sector. However, given the improving economic backdrop and reasonable valuations, the equity market still looks attractive, in our opinion. The expected appreciation of the renminbi and more pro-consumption policies later this year should also support the market. The Fund remains biased towards quality companies with good cash flow and robust balance sheets, which we expect to benefit from rising consumer and infrastructure spending in China.

## HISTORIC PERFORMANCE <sup>2</sup> (CASH VALUE OF US\$1000)



Past performance is not a guide to future performance. The chart shown above should be viewed in conjunction with the rolling 12 month performance table below.

## CALENDAR YEAR PERFORMANCE (US\$) <sup>2</sup>

| % Change | Fund  | Index |
|----------|-------|-------|
| 2009     | +64.2 | +62.6 |
| 2008     | -54.2 | -48.5 |
| 2007     | +76.8 | +55.3 |
| 2006     | +94.6 | +53.0 |
| 2005     | +12.9 | +8.7  |

## ROLLING 12 MONTH PERFORMANCE (US\$) <sup>2</sup>

| % Change                      | Fund  |
|-------------------------------|-------|
| 30 April 2009 - 30 April 2010 | +40.3 |
| 30 April 2008 - 30 April 2009 | -34.8 |
| 30 April 2007 - 30 April 2008 | +25.3 |
| 30 April 2006 - 30 April 2007 | +58.1 |
| 30 April 2005 - 30 April 2006 | +54.8 |

## PERFORMANCE (US\$) <sup>2</sup>

| % Change | Fund  | Index |
|----------|-------|-------|
| 1 month  | -1.5  | -0.3  |
| 3 months | +5.3  | +7.4  |
| YTD      | -3.1  | -1.9  |
| 1 year   | +40.3 | +41.7 |

## ANNUALISED PERFORMANCE (US\$) <sup>2</sup>

| % Change            | Fund  | Index |
|---------------------|-------|-------|
| 3 years annualised  | +4.6  | +7.7  |
| 5 years annualised  | +22.9 | +16.6 |
| 10 years annualised | +17.0 | +8.5  |
| SI annualised       | +18.2 | +14.8 |

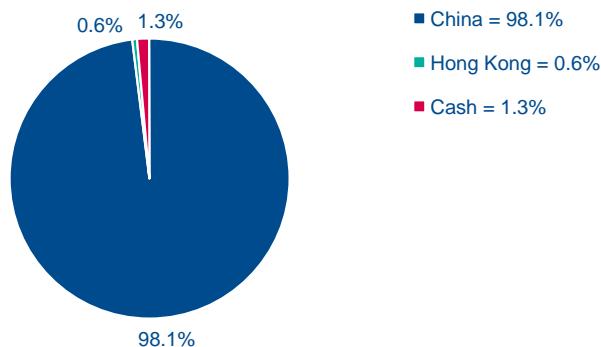


Ratings are subject to change.

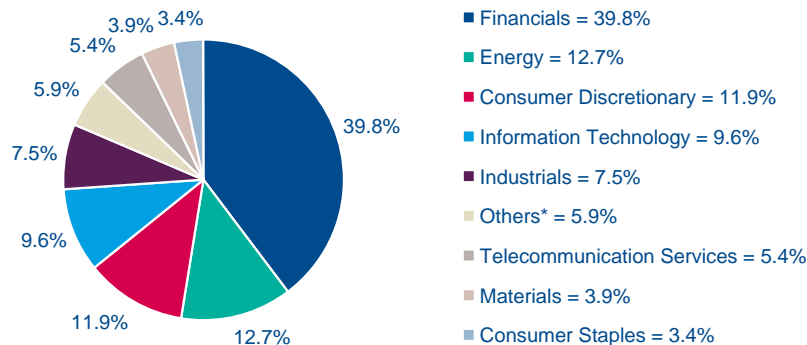
Index return source: MSCI

www.baring.com

## COUNTRY BREAKDOWN <sup>1</sup>



## SECTOR BREAKDOWN <sup>1</sup>



\*Including a cash weight of 1.3%

## TOP 10 HOLDINGS <sup>1</sup>

|                       | (%) |
|-----------------------|-----|
| China Construction    | 8.6 |
| China Life Insurance  | 5.9 |
| Bank of China         | 5.1 |
| Tencent Holdings      | 4.7 |
| China Shenhua Energy  | 4.0 |
| Kunlun Energy         | 3.9 |
| China Mobile          | 3.7 |
| Lenovo Group          | 2.5 |
| CTRIIP.Com            | 2.5 |
| China Citic Bank Corp | 2.4 |

## SUMMARY OF CHINESE ASSET ALLOCATION <sup>1</sup>

|                           | (%)  |
|---------------------------|------|
| H Share                   | 51.3 |
| Red Chip                  | 21.0 |
| A Share                   | 4.2  |
| B Share                   | 0.0  |
| Other- Listed in HK       | 17.2 |
| Other - Listed outside HK | 4.4  |

## PERFORMANCE CHARACTERISTICS <sup>1</sup>

|                          | Fund  | Index |
|--------------------------|-------|-------|
| Standard Deviation       | +37.9 | +37.3 |
| Alpha                    | -2.8  | -     |
| Beta                     | +1.0  | -     |
| Sharpe Ratio             | +0.1  | +0.2  |
| Tracking Error (Ex Post) | +7.8  | -     |

## PORTFOLIO TURNOVER (%) <sup>1</sup>

|           |       |
|-----------|-------|
| 12 months | 154.3 |
|-----------|-------|

## NOTES

<sup>1</sup> Unless otherwise stated, all fund portfolio figures within this factsheet are as at the end of the month shown at the top of page one. Performance characteristics are based on US\$ returns over a 3 year period. Portfolio Turnover is the lesser of purchases or sales divided by the average market value over the previous 12 months. Source: Barings.

<sup>2</sup> Performance figures are shown in US Dollars on a bid to bid basis, with gross income reinvested. Current Benchmark Index effective from 1st February 2008. Prior to this date the fund was shown against the following: MSCI Zhong Hua Index from 1st September 2006  
Hong Kong Hang Seng TR Index from 31st January 1990  
Hong Kong Hang Seng Price Index from inception  
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<sup>3</sup> The historic yield reflects distributions declared over the past 12 months as a percentage of the mid-market unit price. It does not include any preliminary charge and investors may be subject to tax on their distributions. Yields are not guaranteed.

<sup>4</sup> The NAV price is a single price for dealing which is a mid-price. For purchases, an initial charge is added to the NAV price.

## GLOSSARY OF INVESTMENT TERMS

We produce a glossary to assist you in case you find any of the investment terms we've used in this factsheet unfamiliar. This is available from our website [www.baring.com/uk/individualinvestors](http://www.baring.com/uk/individualinvestors) or free on request by calling +44 (0) 845 082 2479.

## UNCOMMITTED CASH POLICY

At the close of each day's trading, uncommitted cash is placed overnight into money market funds (currently funds managed by Northern Trust). These money market funds are reviewed on an ongoing basis and the intention is only to use funds that are rated Aaa/MR1+ by Moody's (or an equivalent rating by another ratings agency). The money is placed in these funds to diversify risk on uncommitted cash. The money market funds are not guaranteed and their value may go down as well as up.

## IMPORTANT INFORMATION

The fund is managed by Baring International Fund Managers (Ireland) Limited.

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Compensation arrangements under the Financial Services and Markets Act 2000 of the United Kingdom will not be available in respect of any offshore fund. Shares in the Fund are not available in any jurisdiction in which the offer or sale would be prohibited; in particular the Fund may not be sold directly or indirectly in the US or to a US person. Subscriptions will only be received and shares issued on the basis of the current Prospectus.

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