First State Investments

First State Bridge

Monthly factsheet (in SGD)

December 2009

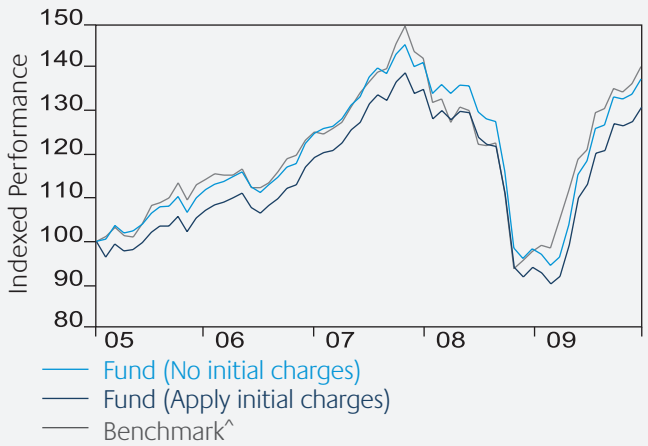
Investment objective

To provide investors with an annual distribution and medium term capital stability from investments focused in the Asia-Pacific ex Japan region by investing all or substantially all of its assets in the Dublin-domiciled First State Asian Equity Plus Fund (in relation to the equity portion) and the Dublin-domiciled First State Asian Quality Bond Fund (in relation to the fixed income portion).

Fund information			
Launch Date	2 Jun 03	Minimum Investment	S$1,000 (Initial) S$100 (Subsequent)
NAV Price	S$1.3282		
Fund Size	S$1352.2mn	Management Fee	1.25% p.a.
Dealing	Monday to Friday (except public holidays)	Initial Charge	4.0% (Cash) 3.0% (CPF - Ordinary/Special Account)
Distribution Policy	Semi-annually on 30 Apr and 31 Oct*	CPF Classification	Medium to High Risk-Narrowly Focused (Regional)

* Effective 31 Oct 06, the Manager intends to make semi-annual distributions of 1.5% of the net asset value on 30 Apr and 31 Oct each year. The distributions will be made out of the income, capital gains and/or capital of the Fund. First State Investments (Singapore) has the sole discretion to determine whether a distribution be made as well as on the rate and frequency of distribution to be made. The distributions are not guaranteed by First State Investments (Singapore) or its distributors.

Total return for past 5 years ended Dec 09



Annualised (%)	1yr	3yrs	5yrs	Inception**
Fund (No initial charges)	39.2	3.2	6.5	8.6
Fund (Apply initial charges)	33.4	1.7	5.5	7.8
Benchmark^	43.2	3.8	6.9	8.2

Source: Lipper, First State Investments. Single pricing basis with net income reinvested.

** Inception date: 14 Jul 03

^ Composite comprising 50% MSCI AC Asia Pacific ex Japan Index# (Unhedged) & 50% JP Morgan Asia Credit Investment Grade Index (Hedged to SGD)

Previously known as MSCI AC Asia Pacific Free ex Japan Index and was renamed MSCI AC Asia Pacific ex Japan Index with effect from 30 Jan 04.

Asset allocation	%
Fixed Income	45.5
Hong Kong	10.6
China	8.3
Taiwan	7.3
South Korea	6.2
Singapore	5.7
Australia	5.2
India	4.0
Thailand	1.7
Philippines	1.2
Malaysia	1.0
Sri Lanka	0.1
Liquidity	3.2

Sector allocation	%
Fixed Income	45.5
Financials	12.5
Consumer Staples	12.0
Information Technology	6.7
Telecommunication Services	4.9
Consumer Discretionary	3.6
Industrials	3.2
Utilities	2.6
Health Care	2.1
Materials	2.1
Energy	1.2
Others	0.4
Liquidity	3.2

Top 10 equity holdings	%
QBE Insurance Group Ltd	2.1
Taiwan Semiconductor Mfg Co	1.9
Shinsegae Co Ltd	1.8
Cheung Kong (Hldgs) Ltd	1.6
Oversea-Chinese Banking Corp	1.5
Chunghwa Telecom Co Ltd	1.5
Yuhan Corp	1.3
Newcrest Mining Ltd	1.2
Brambles Ltd	1.2
China Resources Enterprise	1.0

Manager's comment

- Asian markets finished 2009 strongly as concerns about a default by Dubai World proved to be short-lived.
- Chinese stocks paused after recent strength as sentiment was negatively impacted by government policies to curb speculation in the property market.
- Hong Kong and Singapore rose as low interest rates in both markets pushed property stocks higher, while technology companies were strong as investors priced in a recovery in 2010.
- Asian dollar bonds posted a positive performance in December as tighter credit spreads offset the move to higher global yields.
- Investment grade Asian dollar bonds underperformed High Yield as investors moved into higher-risk assets.
- Credit spreads in high grade Asian countries such as Hong Kong, Malaysia, Singapore and South Korea widened, while higher yielding countries, such as Indonesia and the Philippines, recorded solid tightening during the month.
- The outperformance of High Yield bonds reversed some of the weakness of November caused by concerns about a potential default by Dubai World.
- However, the support for these non-investment grade markets was also driven by growing evidence that the global economy was showing further signs of strengthening.
- Economic news across Asia followed a similar trend as elsewhere in the world and supported the move into more risky markets.
- New issuance in the Asian dollar bond market was low, although it was generally in line with expectations for the year end.
- We have reduced our exposure to Consumer Staples stocks and increased our holdings in companies which should benefit from rising interest rates.

For further information

Distributor Hotline: +65 6580 1360 Investor Service Hotline: +65 6580 1390 Fund Price Hotline: +65 6580 1388
Facsimile: +65 6538 0800 Website: www.firststateasia.com
Address: 1 Temasek Avenue #17-01 Millenia Tower Singapore 039192

DISCLAIMER

Except for the benchmark index, performance stated for relevant indices are quoted in the respective local currency unless otherwise specified.

Note: The above asset allocation pertains to the underlying fund. This report is prepared by First State Investments (Singapore) and is provided for information purposes only. Investors should read the Prospectus before deciding whether to subscribe for or purchase units in the Fund. The prospectus is available and copies may be obtained from the Manager and Distributors. The value of the units in the Fund and the income from them may rise as well as fall. Past performance figures are not necessarily a guide to future performance. Neither is any forecast made necessarily indicative of the future or likely performance of the Fund. Where information is provided on top holdings, such information does not constitute a recommendation to buy these securities. Units are not available to U.S. persons.

The CPF interest rate for the Ordinary Account (OA) is based on the 12-month fixed deposit and month-end savings rates of the major local banks. Under the CPF Act, the Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate. From 1 January 2008, the new interest rate for the Special, Medisave and Retirement Accounts (SMRA) will be pegged to the yield of 10-year Singapore government bond plus 1%. For 2008 to 2010, the minimum interest rate for the SMRA will be 4.0% per annum. After 2010, the 2.5% per annum minimum interest rate, as prescribed by the CPF Act, will apply to the SMRA. In addition, from 1 January 2008, the CPF Board will pay an extra interest rate of 1% per annum on the first $60,000 of a CPF member's combined balances, including up to $20,000 in the OA. From 1 April 2008, the first $20,000 in the Ordinary Account will not be allowed to be invested under the CPF Investment Scheme; and from 1 May 2009, the first $30,000 in the Special Account will not be allowed for investments.

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