

ASIA CENTURY FUND 亚洲世纪投资基金

FUND REPORT - JAN 2012

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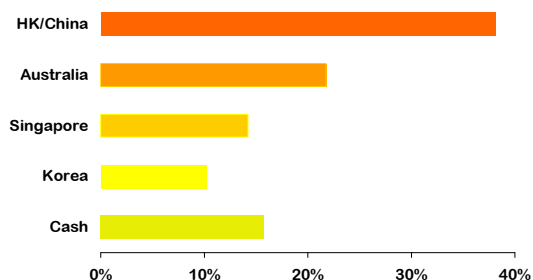
Market Summary & Strategy

The new year kicked off with surging markets across the world and Asia was no exception. In fact, with the reversal of funds outflow from the region, Asian markets have outperformed other markets when the strengthening of Asian currencies is taken into account. Our fund recorded an increase of 6.55% for the month.

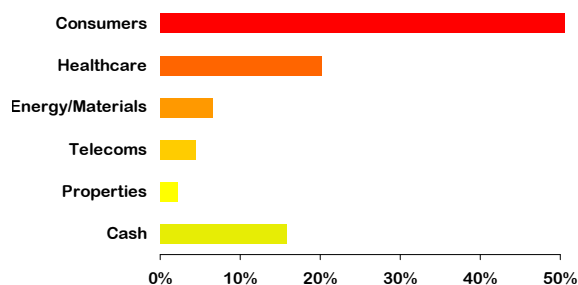
Among the major catalysts for the equity market rally was the promise by the US Fed to keep interest rate “exceptionally low” until at least late 2014. Ultra low interest rates are generally positive for equities, hence the reaction by investors to take on risks again. Ironically, the Fed’s stance is also a forewarning that the economic outlook is going to remain poor for the next 3 years. Over in Europe, there is a sense of crisis fatigue and markets are rebounding on the expectation that some sort of deal will eventually be worked out for Greece. Over in Asia, there is expectation that with a slowing economy, China is likely to ease its tightening policy. Share prices of Chinese companies listed in Hong Kong have rebounded in anticipation of such a move.

Given our framework that the global economy will still be tough for the next few years, we have not changed our exposure in non-cyclical sectors as we believe they will weather difficult times better than other sectors. In fact, some of the defensive stocks are starting to offer good values now as investors switch to higher beta stocks. Whether the rally in January can be sustained or proves to be temporary rebound remains to be seen but the overall economic environment is not favourable.

Asset Allocation (By Country)

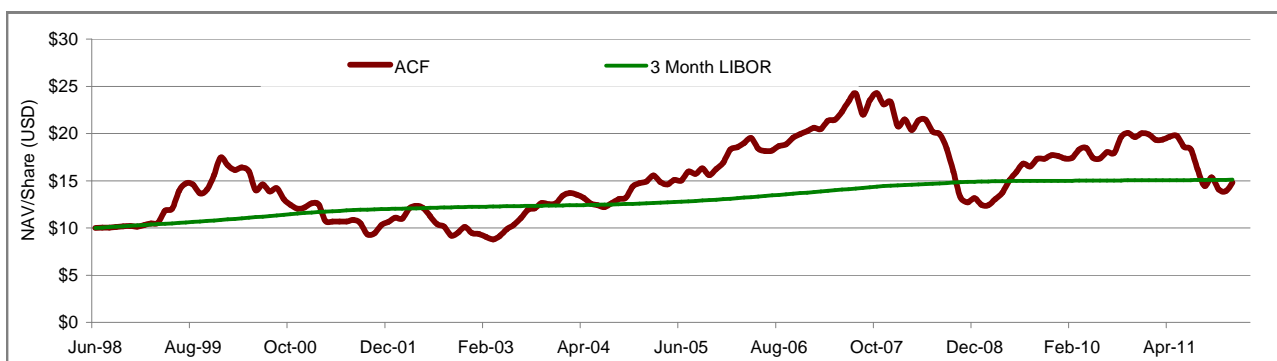


Asset Allocation (By Sector)



Fund Performance

* NAV: USD 14.81



* As of Jan 31 2012, Net of Fees	1 Month	YTD	1-Year	3-Year	5-Year	Since Launch
Fund Performance	6.55%	6.55%	-25.58%	18.96%	-28.18%	48.10%

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Investment Objective

The Fund invests in the Asia ex-Japan equities market on a long-only absolute return multi-cap basis. The managers adopt a strict fundamental, bottom-up approach, with a strong emphasis upon qualitative analytical factors backed by regular company visits. The managers apply risk controls and will resort to cash as a hedge in difficult market and/or investment conditions.

Year	Monthly Performance (%) Net of Fees												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012	6.55%												6.55%
2011	-0.65%	-2.86%	0.05%	1.60%	0.61%	-5.87%	-1.72%	-11.32%	-10.91%	6.30%	-8.40%	-1.21%	-30.60%
2010	-1.59%	0.40%	5.23%	0.82%	-5.63%	-0.46%	4.03%	-0.66%	9.43%	2.34%	-2.19%	1.99%	13.68%
2009	-5.32%	-0.48%	5.25%	5.29%	9.69%	5.78%	5.59%	-1.84%	4.85%	0.06%	2.14%	-0.40%	33.99%
2008	-10.97%	3.42%	-5.26%	5.01%	0.33%	-5.87%	-1.24%	-7.62%	-13.36%	-17.04%	-4.00%	3.46%	-43.66%
2007	1.83%	-0.78%	4.45%	0.47%	3.87%	0.47%	3.55%	-9.28%	7.05%	3.06%	-4.91%	1.17%	15.26%
2006	8.28%	1.31%	2.43%	2.84%	-5.89%	-1.31%	0.33%	2.58%	0.91%	3.82%	1.79%	1.66%	19.75%
2005	1.22%	4.29%	-4.63%	-1.48%	3.15%	-0.46%	6.33%	-1.38%	2.19%	-4.29%	4.10%	4.06%	14.72%
2004	6.58%	2.01%	-1.24%	-2.51%	-4.62%	-1.43%	-1.53%	3.19%	3.41%	1.07%	8.95%	2.65%	16.89%
2003	-0.95%	-3.21%	-3.09%	4.10%	7.77%	4.97%	6.77%	7.97%	1.34%	4.80%	-1.11%	0.72%	33.44%
2002	4.13%	-1.08%	9.93%	2.32%	9.93%	-7.10%	-7.47%	-2.79%	-9.09%	3.48%	6.20%	-6.53%	-11.35%
2001	3.61%	-3.06%	-13.71%	-0.65%	0.00%	-0.09%	1.50%	-3.04%	-11.42%	1.40%	9.22%	3.39%	-12.48%
2000	-4.58%	-3.06%	1.67%	-2.50%	-12.44%	4.28%	-5.13%	2.38%	-8.03%	-4.75%	-3.30%	1.33%	-30.20%
1999	1.48%	1.55%	0.67%	12.25%	1.78%	15.71%	5.75%	-0.75%	-6.50%	2.93%	10.95%	11.86%	71.92%
1998	--	--	--	--	--	--	0.20%	0.30%	0.40%	0.79%	0.20%	-0.39%	1.50%

Fund Information

Custodian

HSBC Institutional Trust Services (Singapore) Limited

Fund Registered Address

Asia Century Fund
CIM Global Business
Roger House
5 President John Kennedy Street
Port Louis
Mauritius
Incorporated in Mauritius
Registration No. 19697/3690

Launch Date

June 1, 1998

Launch Price

USD 10.00

Initial Investment

Minimum USD 100,000

Subscription Fee

None

Dealing Frequency

Monthly

Financial Year-End

June 30

Assets Under Management (AUM)

USD 31 Million

Fund Manager

Heritage Capital Management Pte. Ltd.
Company Registration No. 199704636E
15 Scotts Road #09-01
Thong Teck Building
Singapore 228218
Tel: +65 6733 1922 Fax: +65 6733 0550
Email: info@hcm.com.sg
www.hcm.com.sg

Management Fee

1% per annum payable monthly

Performance Fee

15% of profit payable annually subject to high watermark

High Watermark

USD 23.41 per share as at June 2007

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