

HENDERSON China Opportunities (OEIC)

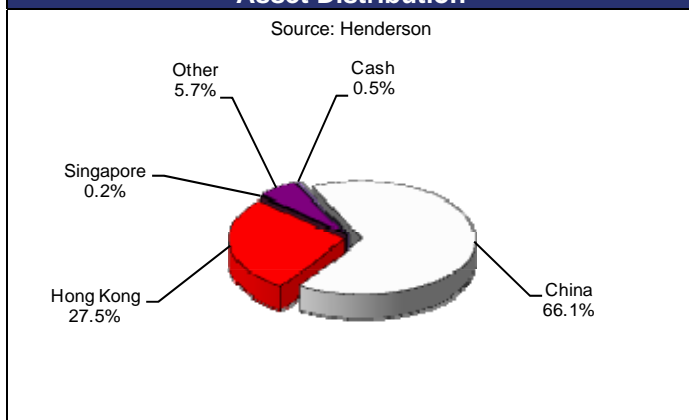
OBSR Fund Rating
A /  Bronze

obsr FUND
RATINGS

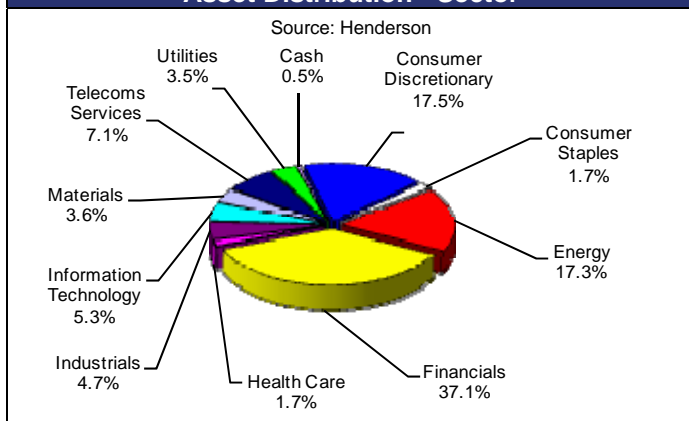
Key Information

Launch Date	March 1983	
Fund Size	£600.8m	
Type of Shares Available	Accumulation	
Distribution Date	31 January, 31 July	
Yield	0.72%	
ISA	Yes	
ISA Transfer	Yes	
Standard Fund Management Charges	Initial	5.00%
	Annual	1.50%

Asset Distribution



Asset Distribution - Sector



Top Ten Holdings

	%
ICBC	6.6
CNOOC	6.0
AIA	5.5
China Construction	5.2
Hong Kong Exchange	4.0
China Unicom	3.6
Swire Pacific	3.6
Petrochina	3.4
China Oilfield	3.3
China Telecom	3.1
Concentration (Top 10)	44.2
Total Number of Holdings	56

Source: Henderson

Classification

Sector	China/Greater China
Market Cap / Style	Large Cap Bias / Blend
Benchmark/Index	MSCI Zhong Hua

Management/Investment Style

Fund Manager	Charlie Awdry (June 2006)
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The fund offers exposure to a diversified portfolio of equities in Greater China. The Global Emerging Markets investment team at Henderson is well-resourced and the manager runs the fund actively, within a disciplined and benchmark-focused risk management framework.

Investment Objective & Methodology

The fund aims to achieve long term returns in excess of what is typically achieved from investments in Hong Kong and Chinese equity markets. The fund invests predominantly in companies registered in Hong Kong or China, or that carry out the majority of their business activity in these markets. The manager also has the discretion to invest in cash and cash-like securities, derivatives and collective investment schemes for the purposes of stock lending, hedging, managing cash levels in the fund, and other techniques approved under FSA rules.

The lead manager is Charlie Awdry who has been with Henderson since 2001. Mr. Awdry is assisted by the well-resourced Emerging Markets team, headed by Chris Palmer. The team covers emerging markets across the globe providing a valuable insight and comparison that is useful in managing Henderson's regional and country specific portfolios such as the China Opportunities fund.

The team undertakes systematic, qualitative and quantitative sector research to cover a large investment universe with the aim of identifying unexpected earnings. The process begins with a top-down analysis of markets and themes that they believe will drive returns in different sectors and regions. However the eventual stock selection is driven by bottom-up fundamental research, which focuses on detailed earnings and cash-flow forecasts, which are later used to generate specific buy and sell valuation targets. In order to gain an insight into the companies they are researching, the analysts and portfolio managers make regular visits to the regions they cover as well as visiting other emerging markets to gain comparative insight. The sell discipline is considered just as important as buying, and the manager has specific guidelines on what can trigger the sale of a stock in the portfolio.

Although the fund has few explicit portfolio constraints the manager is acutely aware of risk with respect to the index, and is consequently focused on the contribution to tracking error that each individual investment could have on the portfolio. Typically the portfolio will have roughly 70 stocks, but may differ from this level. The fund has no pre-determined market cap bias, but the manager is conscious of a stock's liquidity, downside risk and benchmark risk so in practice the fund will have a strong tilt towards large caps.

www.obsrfundratings.co.uk

Data as at 31 December 2011
Last Updated January 2012