

Fund review and outlook

- The Fund outperformed relative to both its benchmark index and sector average over the last three months, ranking in the first quartile.
- China faces challenges in 2008, including the slowing of Western economies, rising food and energy costs, and the effects of three major natural disasters. However we anticipate that investment will remain strong, driven by the start of a new five-year investment cycle, and the regional loosening of lending conditions following May's earthquake in Sichuan province. At macro-level, the Central Bank increased the Bank Reserve Ratio by another 1% in June, effective in two stages during the month, in a move designed to curb liquidity.
- Inflation remains a concern, with wages and manufacturing input costs rising. China subsidises energy costs, but the authorities allowed an increase in domestically controlled prices of petrol and diesel of almost 18% on 19th June. This is believed to have contributed to a decline in the consumer confidence

index. The move is significant in that artificially low energy prices have prompted energy consumption to expand without an equivalent focus on energy efficiency within China. It may also signal the end of a gradualist approach to economic management.

- Risk appetite will continue to be affected by the state of the banking system in the developed world, so we anticipate continued volatility over the summer months. We will scrutinise upcoming interim results closely, but expect continued profit growth in China. We note that investor interest has become centred on a small number of established themes, including equities in the consumer discretionary and infrastructure spaces. As a result, we believe some stocks within these themes have become over-owned, and we have reduced exposure over the last quarter. We will continue to focus on the best company franchises for our conviction-led positions.

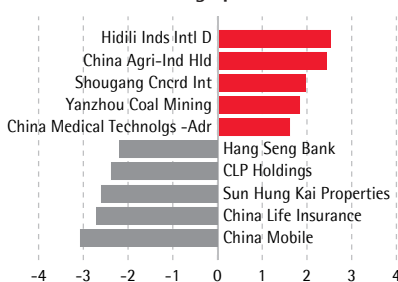
Fund holdings as at 30.06.08

Largest holdings*

	Total assets (%)
China Mobile	7.9
Ind & Com Bk China	5.2
China Construction Bank	4.3
CNOOC	4.2
Cheung Kong	3.0
Boc Hong Kong Hldg	2.8
Hidili Inds Intl D	2.8
China Agri-Ind Hld	2.6
Ping An Insurance	2.5
Yanzhou Coal Mining	2.3

Stock weighting*

Top overweights/underweights vs MSCI Zhong Hua Index (Percentage points)

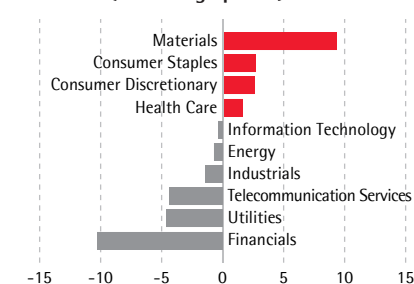


Sector breakdown*

	Total assets (%)
Financials	29.8
Energy	13.4
Materials	13.1
Industrials	10.4
Telecommunication Services	9.9
Consumer Discretionary	8.2
Consumer Staples	4.3
Information Technology	2.1
Utilities	1.7
Health Care	1.6
Cash	5.5

Sector weighting*

Top overweights/underweights vs MSCI Zhong Hua Index (Percentage points)



Distribution by market capitalisation excluding cash (US\$bn,%)*

	Under 3 (Small)	3 to 10 (Mid)	Over 10 (Large)
Fund weighting	43	18	39
MSCI Zhong Hua Index weighting	20	29	51

Exchanges where the Fund invests**

Exchange	% of fund
Hong Kong	81.6
China 'A' Shares	4.8
China 'B' Shares	0.0
Singapore	1.7
US (including ADR's)	4.6
Other	2.8
Cash	4.6

The table left illustrates the financial exchanges where shares are purchased for the Fund. Shares in Chinese companies are often traded on exchanges outside of China even though they may relate to Chinese based companies. Many Chinese companies are listed on the Hong Kong exchange as this is the primary source of foreign capital. An A-share is a domestic Chinese share class. A B-share is a domestic share class that is traded in a currency other than the Chinese currency, such as the Hong Kong Dollar or US Dollar. An ADR is a stock listed in US stock markets to facilitate trading in shares of non-US companies.

*Source: Gartmore/Factset. **Source: Gartmore

Please note that the figures have been rounded and therefore may not equal 100% where applicable.

Ratings

A rated by Standard & Poor's

A rated by OBSR

☆☆☆☆ rated by Morningstar

All ratings as at 30.06.08

Past performance is not a guide to future performance.

Fund details

Launch Date	March 1983
Fund Manager	Charlie Awdry
Fund Size	£559.5m
Number of Holdings	74
Base Currency	GBP
IMA Sector	Asia Pacific (ex Japan)
Benchmark	MSCI Zhong Hua Index
Type of Share	Accumulation Only
Initial Charge	5.00% of subscription
Annual Management Charge	1.50%
Dividend Dates	31st January, 31st July
Valuation Point	12.00 midday
Lipper ID	60009849
Bloomberg	GAHKCHA
ISIN	GB0031860934
SEDOL	3186093

IF Investment Fund Minimum Investment
£1,000

ISA ISA Maximum Investment
£7,200

Investment objective

The Fund aims to achieve a long-term return, in excess of the long-term return that is typically achieved from investments in Hong Kong and Chinese equity markets, by investing in: companies having their registered office in Hong Kong or China, companies that do not have their registered office in Hong Kong or China but either (i) carry out a predominant proportion of their business activity in these markets, or (ii) are holding companies which predominantly own companies with registered offices in Hong Kong or China. The Fund may also invest in American Depositary Receipts ('ADRs') investing in securities issued by companies incorporated in Hong Kong or China or in any similar listed securities of Hong Kong or Chinese companies. The return will be a combination of capital and income returns. The Fund may also invest at the Manager's discretion in other transferable securities, money market instruments, cash and near cash, derivative instruments and forward transactions, deposits and units in collective investment schemes (use may be made of stocklending, borrowing, cash holdings, hedging and other investment techniques permitted in applicable FSA Rules).

Fund performance

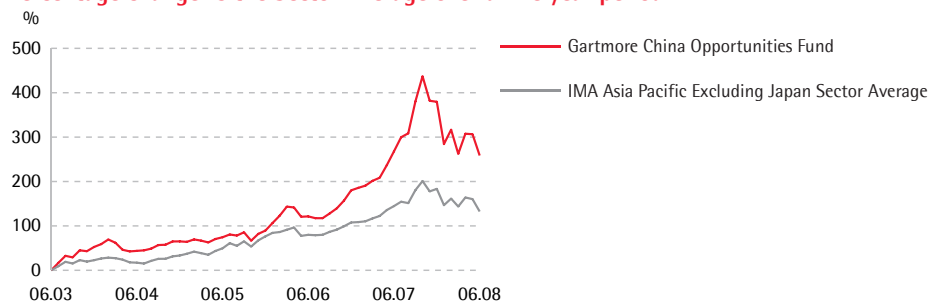
Annual performance for the period ending 30.06.08 (%)[†]

	30.06.03 -30.06.04	30.06.04 -30.06.05	30.06.05 -30.06.06	30.06.06 -30.06.07	30.06.07 -30.06.08
Percentage growth	43.8	21.4	26.9	66.2	-2.5

Cumulative track record to 30.06.08 (%)[†]

	1 year	3 years	5 years	10 years
Gartmore China Opportunities Fund	-2.5	105.5	258.6	410.7
IMA Asia Pacific Excluding Japan Sector Average	-5.0	55.4	132.4	228.1
Gartmore China Opportunities Fund Sector Ranking	26/69	1/57	1/48	2/38
Quartile Ranking of Fund	2	1	1	1

Percentage change vs the Sector Average over a five year period[†]



[†]Source for all performance data: Lipper. Basis: Mid to mid, net income reinvested and net of fees in UK Sterling terms. Past performance is not a guide to future performance.

Fund statistics

Statistical data vs the index over a three year period[†]

Annualised Alpha	4.45	Annualised Volatility	28.01%
Annualised Information Ratio	0.60	Beta	1.06
Annualised Sharpe Ratio	0.69	R Squared	0.91
Annualised Tracking Error (ex post)	8.78		

Glossary

Annualised Alpha - A risk-adjusted return a security or a portfolio would be expected to earn if the market rate of return were zero.

Annualised Information Ratio - This measure evaluates the return a fund manager achieves, given the risk they take on.

Annualised Sharpe Ratio - A measure of return adjusted for the amount of risk that has been taken. The higher the Sharpe Ratio, the better the portfolio's return in risk adjusted terms.

Annualised Tracking Error (ex post) - The standard deviation of a fund's relative returns against a benchmark.

Annualised Volatility - The extent of fluctuation in an investment portfolio, etc. on an annualised basis.

Beta - A measure of market sensitivity - i.e. the extent to which a share or a portfolio fluctuates with the market. A fund with a beta of 1 would perform inline with the market.

Decile - 1st decile means ranked in top 10%, 2nd means ranked in next 10% and so on.

Quartile - 1st quartile means ranked in the top 25%, 2nd means ranked in the next 25% and so on

R Squared - A measurement of how closely a portfolio's performance correlates with the performance of a benchmark index.

Ratings - Ratings are provided by independent rating agencies based on a number of investment criteria. For example, where applicable, a "AAA" rating is the highest possible for Standard & Poor's and Citywire. A 5 star rating is the highest possible for fund star ratings. For a full description of the ratings please see the Gartmore website.

Distribution Yield - The Distribution Yield reflects the amounts that may be expected to be distributed over the next twelve months as a percentage of the mid-market share price of the fund as at the date shown. It is based on a snapshot of the portfolio on that day. It does not include any preliminary charge and investors may be subject to tax on distributions.

Historic Yield - The Historic Yield reflects distributions declared over the past twelve months as a percentage of the mid-market share price, as at the date shown.

Underlying Yield - The Underlying Yield reflects the annualised income net of expenses of the fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market share price of the fund as at the date shown. It is based on a snapshot of the portfolio on that day. It does not include any preliminary charge and investors may be subject to tax on distributions.

How to contact us:

Risk profile

This Fund invests in shares, which are more volatile than other investments such as cash or bonds, although you should bear in mind that the value of all investments can go down as well as up. China is an emerging market, which tend to be more volatile than more established stockmarkets and therefore your money is at greater risk. In addition, the Fund can invest in smaller companies which can be more risky than investing in larger companies due to lack of liquidity and increased volatility. As this Fund invests in China, changes in exchange rates may cause the value of investments to fall or rise.

Please read the Simplified Prospectus before investing.

General information

This document is issued by Gartmore Investment Limited (GIL). Gartmore's authorised OEICs are managed by Gartmore Fund Managers Limited (GFM). Both GIL and GFM are authorised and regulated by the Financial Services Authority. Gartmore's registered address is Gartmore House, 8 Fenchurch Place, London EC3M 4PB. Gartmore's funds follow the investment guidelines set by the Investment Management association (IMA) for each of their relevant sectors. Where a fund predominantly invests in a single country or multiple region as mentioned in the fund objective, it should be noted that typically the IMA sector definitions allow for limited investment outside of these countries/regions.

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BrokerLine Freephone **0800 212 433**

Investor HelpLine Freephone **0800 289 336**

Textphone **0800 328 0288**

Dealing Line **0870 601 6103**

www.gartmore.com
brokerline@gartmore.com
helpline@gartmore.com

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