

FSSA Greater China Growth Fund (Irish VCC)

Investment objective and policy

The Fund aims to grow your investment. The Fund invests at least 70% of its assets in shares of companies which have the potential for long term growth and are based in, or are closely associated with, mainland China, Hong Kong and Taiwan. The Fund invests in companies that may be listed in mainland China, Hong Kong, Taiwan, the United States, Singapore, Korea, Thailand, Malaysia or a developed market around the world. The Fund may invest up to 100% of its assets in companies of any size or industry. The Fund will not invest more than 100% of its assets in China A Shares. The Fund may use derivatives with the aim of risk reduction or efficient management.

Fund information

Fund Launch Date	18 October 2002
Fund Size (US\$m)	1168.3
Benchmark	MSCI Golden Dragon Net Index*
Number Of Holdings	52
Fund Manager(s)	Martin Lau/Winston Ke
Research Rating ^	Morningstar®:Silver

* The benchmark of the Fund changed from MSCI Golden Dragon Gross to MSCI Golden Dragon Net with effect from 1 July 2016. This change has been reflected in the calculation of the benchmark performance.

^ This does not constitute an investment recommendation and is not indicative of future results. Methodology available on rating provider's website.

Available share classes

Share class	Sedol	ISIN
FSSA Greater China Growth Fund USD Class I (Accumulation)	B233CW5	IE0031814852
FSSA Greater China Growth Fund USD Class I (Distributing)	B031J35	IE00B031J352
FSSA Greater China Growth Fund USD Class III (Accumulation)	B972368	IE00B9723685
FSSA Greater China Growth Fund USD Class III (Distributing)	B96WWD9	IE00B96WWD96
FSSA Greater China Growth Fund EUR Class VI (Accumulation)	BYXW3F6	IE00BYXW3F60

Risk Factors

This document is a financial promotion for the FSSA Greater China Growth Fund in the EEA and elsewhere where lawful. Investing involves certain risks including:

- **The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back substantially less than the original amount invested.**
- **Currency risk:** The Fund invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the Fund and could create losses. Currency control decisions made by governments could affect the value of the Fund's investments and could cause the Fund to defer or suspend redemptions of its shares.
- **Single country / specific region risk:** investing in a single country or specific region may be riskier than investing in a number of different countries or regions. Investing in a larger number of countries or regions helps spread risk.
- **China market risk:** Although China has seen rapid economic and structural development, investing there may still involve increased risks of political and governmental intervention, potentially limitations on the allocation of the Fund's capital, and legal, regulatory, economic and other risks including greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.

Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell. Reference to the names of any company is merely to explain the investment strategy and should not be construed as investment advice or a recommendation to invest in any of those companies.

For a full description of the terms of investment and the risks please see the Prospectus and Key Investor Information Document.

If you are in any doubt as to the suitability of our funds for your investment needs, please seek investment advice.

If you are unsure of the terminology used in this report, please seek independent financial advice.

Quarterly Investment Report

30 June 2021

About FSSA Investment Managers

FSSA Investment Managers is an autonomous investment management team within First Sentier Investors, with dedicated investment professionals based in Hong Kong, Singapore and Edinburgh. We are specialists in Asia Pacific and Global Emerging Markets equity strategies, managing assets on behalf of clients globally.

We are bottom-up investors, using fundamental research and analysis to construct high-conviction portfolios. We conduct more than a thousand direct company meetings a year, seeking to identify high quality companies to invest in. We look for founders and management teams that act with integrity and risk awareness; and dominant franchises that have the ability to deliver sustainable and predictable returns over the long term. As responsible, long-term shareholders, we have integrated ESG analysis into our investment process and engage extensively on environmental, labour and governance issues.

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Annual Performance in USD (%) to 30 June 2021

	12 mths to 30/06/21	12 mths to 30/06/20	12 mths to 30/06/19	12 mths to 30/06/18	12 mths to 30/06/17
FSSA Greater China Growth Fund	43.9	8.9	-3.5	23.4	31.0
MSCI Golden Dragon Net Index	36.0	9.9	-2.0	14.5	30.6

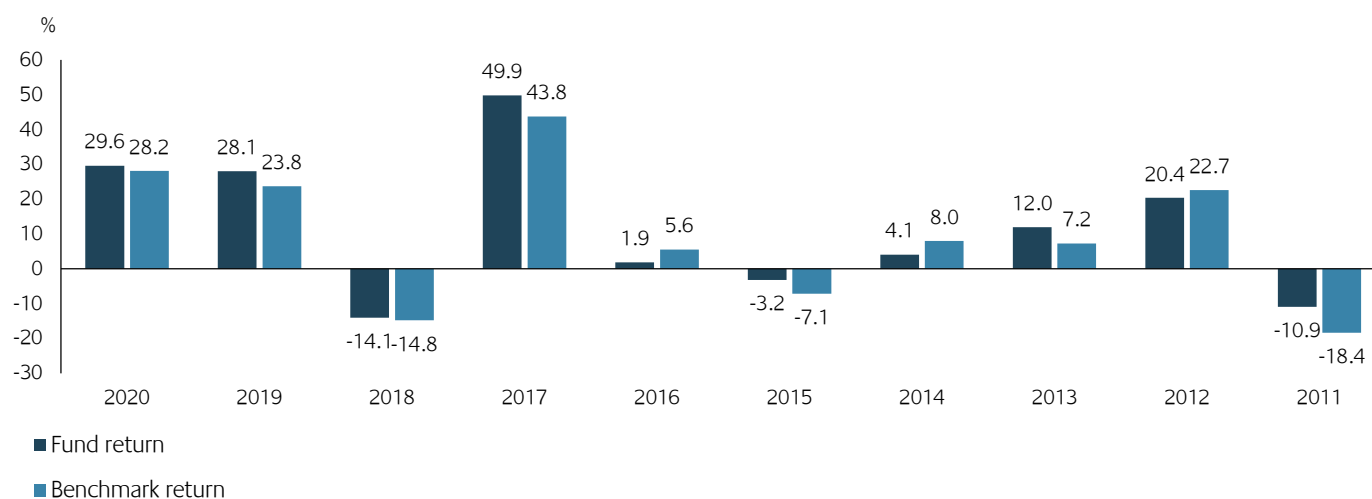
Cumulative Performance in USD (%) to 30 June 2021

	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
FSSA Greater China Growth Fund	1570.6	178.8	144.5	51.2	43.9	7.7	7.7	4.0
MSCI Golden Dragon Net Index	698.7	136.9	119.0	46.5	36.0	6.5	6.5	3.4

Performance Review

Over the past 12 months, key contributors to performance included Taiwan Semiconductor (TSMC) outperformed, driven by improved profitability and solid sales growth guidance. The company has increased capital expenditure and added capacity, as it continues to see strong customer demand. China Merchants Bank also performed well, over what has been a challenging year. We believe its strong capital adequacy rate, non-performing loan coverage and stable retail business should protect book value over the next few years. On the negative side, Beijing Thunisoft was lower, as some clients deferred their project timescales during Covid-19, causing revenue and net profits to decline. Laobaixing Pharmacy declined on concerns about greater competition from e-commerce players.

Calendar Year Performance (% in USD) to 30 June 2021



These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than USD, the return may increase or decrease as a result of currency fluctuations. Since inception performance figures have been calculated from 18 October 2002. All performance data for the FSSA Greater China Growth Fund Class I (Accumulation) USD as at 30 June 2021. Source for fund - Lipper IM / First Sentier Investors (UK) Funds Limited. Performance data is calculated on a net basis by deducting fees incurred at fund level (e.g. the management fee and other fund expenses), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis. Source for benchmark - MSCI, income reinvested net of tax.

FSSA Greater China Growth Fund (Irish VCC)

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Portfolio Review

New additions over the quarter included TAL Education, a leading after-school tutoring provider, on attractive valuations. We believe the management are high quality and aligned with shareholders, they have a proven track record, and there is plenty of room for growth over the long term. While there have been concerns about tighter regulations on the sector, (ensuring that teachers are qualified, classrooms are adequately furnished, teaching materials are adequate, among others) we believe TAL's experience means they should be able to comply – and arguably face less issues than peers.

We divested Fuyao Glass on expensive valuations.

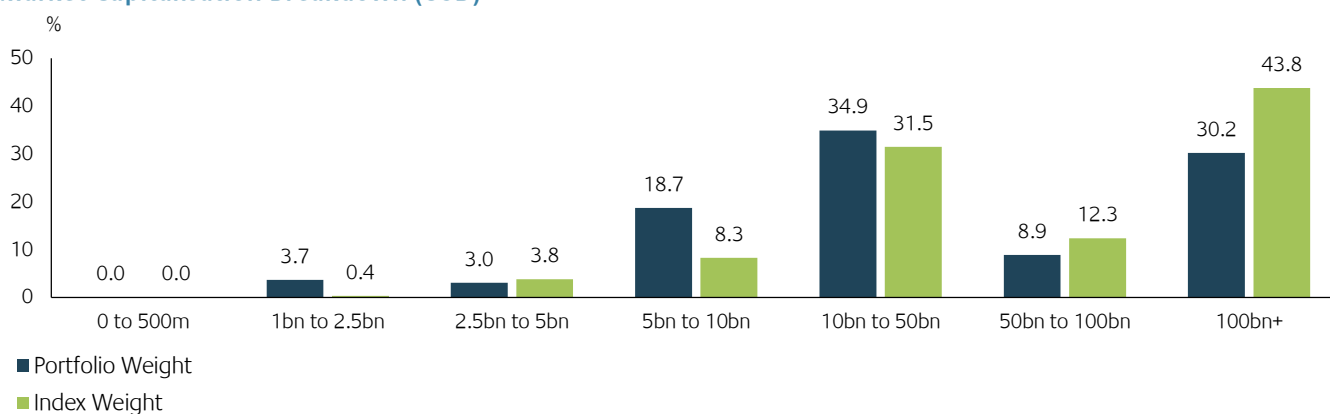
Stock Spotlight

We believe China Mengniu Dairy, one of the two largest dairy companies in China, is well-positioned to tap into China's 'premiumisation' trend. Despite being one of the largest markets in the world for dairy products, China's per capita consumption of yoghurt, ice-cream and cheese – higher margin products compared to milk – is still relatively low.

Overall dairy consumption in China is growing at mid-single-digit. Mengniu believes its outperformance will come from improving areas such as ice cream and milk powder, and developing newer products such as fresh milk and cheese. It aims to double sales in five years and improve margins.

As incomes continue to rise, we believe the growing appetite for premium yoghurts, ice-creams, beverages and other non-dairy health products, particularly with the launch of healthier versions and local flavours, should provide a structural tailwind for Mengniu.

Market Capitalisation Breakdown (USD)



Data source: For illustration purposes only. Portfolio weights may not add up to 100% as cash holdings are excluded and full coverage of stocks is not always available. This information is calculated by First Sentier Investors. Past performance is not indicative of future performance. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of First Sentier Investors' portfolios at a certain point in time, and the holdings may change over time. These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than USD, the return may increase or decrease as a result of currency fluctuations.

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Outlook

A number of key leading indicators point to a healthy and broad-based recovery in China. Industrial production, trade activity and retail sales have been strong; and in stark contrast to the lockdowns and travel restrictions in early 2020, domestic travel, tourism and the leisure sectors in China have sprung back to life. China's early strict measures to contain the virus meant that it was one of the first countries to reopen its economy and resume growth. Our investment approach, which focuses on purchasing high-quality companies for the long term, has performed as we might have hoped – which is to say our portfolios have been resilient during market shocks.

In the short term, we expect corporate earnings growth to be generally strong from a low base in 2020. The main risks are from rising raw materials costs, which could affect profitability if companies are unable to pass these on or find efficiencies elsewhere. In the medium and long term, we still see major challenges with excessive liquidity in global markets, which continues to drive ineffective pricing mechanisms and inflated asset prices.

Our strategy against this backdrop is to be selective in our investments, seeking to buy good quality companies to hold for at least 3-5 years or more. We continue to see attractive opportunities in China's increasing urbanisation, consumption upgrading, technical innovation, and the rise in healthcare spending.

Our long-term investment themes:

- Dominant consumer franchises which have an edge in brand, distribution and innovation.
- The rise in healthcare spending, due to increasing incomes and healthy consumer choices.
- Beneficiaries of a smarter, more connected world.
- An ageing population and the growing trend of automation.
- Globally competitive exporters with a growing international business.

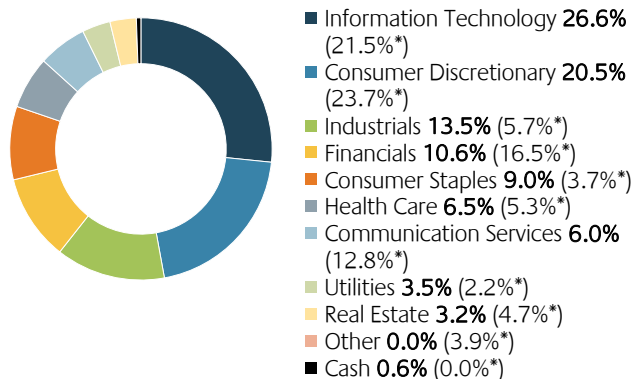
Ten Largest Company Holdings as at 30 June 2021

Stock Name	Country	Sector	Portfolio Weight (%)	Index Weight (%)
Taiwan Semiconductor (TSMC)	Taiwan	Information Technology	8.4	10.6
Tencent Holdings Ltd.	China	Communication Services	6.0	8.7
China Merchants Bank Co., Ltd. Class H	China	Financials	4.4	0.7
AIA Group Limited	Hong Kong	Financials	3.9	3.0
Midea Group	China	Consumer Discretionary	3.7	0.0
China Mengniu Dairy Co. Ltd.	China	Consumer Staples	3.6	0.4
ENN Energy Holdings Limited	China	Utilities	3.5	0.3
Realtek Semiconductor Corp	Taiwan	Information Technology	3.2	0.2
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	3.1	0.5
Silergy Corp	China	Information Technology	3.0	0.2

Sector and Country classifications provided by Factset and First Sentier Investors. The Fund may hold multiple equity securities in the same company, which have been combined to provide the Fund's total position in that company. Index weights, if any, typically include only the main domestic-listed security. The above Fund weightings may or may not include reference to multiple securities. Allocation percentage is rounded to the nearest one decimal place and the total allocation percentage may not add up to 100%.

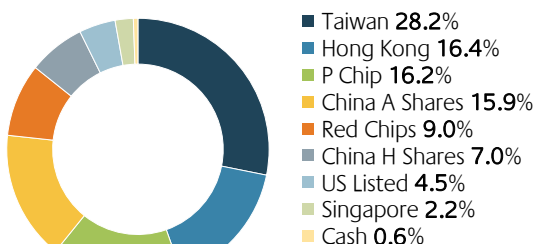
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Sector Breakdown



*Index Weight

Share Class Breakdown



FSSA Greater China Growth Fund (Irish VCC)

Quarterly Investment Report



Top 5 contributors to absolute performance

3 months to 30 June 2021

Stock Name	Country	Sector	Value added (bps*)
Silergy Corp	China	Information Technology	122
ANTA Sports Products Ltd.	China	Consumer Discretionary	66
ENN Energy Holdings Limited	China	Utilities	64
Sunny Optical Technology Group Co Limited	China	Information Technology	52
China Merchants Bank Co., Ltd. Class H	China	Financials	50

12 months to 30 June 2021

Stock Name	Country	Sector	Value added (bps*)
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	738
China Merchants Bank Co., Ltd. Class H	China	Financials	321
Hangzhou Hikvision Digital Technology Co., Ltd Class A	China	Information Technology	227
China Mengniu Dairy Co. Ltd.	China	Consumer Staples	227
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	219

Bottom 5 contributors to absolute performance

3 months to 30 June 2021

Stock name	Country	Sector	Value added (bps*)
Midea Group Co. Ltd	China	Consumer Discretionary	-39
China Resources Land Limited	China	Real Estate	-36
Laobaixing Pharmacy Chain JSC Class A	China	Consumer Staples	-32
Gree Electric Appliances, Inc. of Zhuhai Co., Ltd. Class A	China	Consumer Discretionary	-32
Ping An Insurance (Group) Company of China, Ltd. Class H	China	Financials	-27

12 months to 30 June 2021

Stock name	Country	Sector	Value added (bps*)
Beijing Thunisoft Corporation Ltd	China	Information Technology	-45
Ping An Insurance (Group) Company of China, Ltd. Class H	China	Financials	-33
Laobaixing Pharmacy Chain JSC Class A	China	Consumer Staples	-29
TAL Education Group Unsponsored ADR Class A	China	Consumer Discretionary	-26
Shanghai International Airport Co., Ltd. Class A	China	Industrials	-23

Stock Contributions show the impact of the individual stock's performance to the total fund performance. These stock contributions show the top 5 and bottom 5 contributors to the fund and are not representative of the performance of the fund as a whole.

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This stock information does not constitute any offer or inducement to enter into investment activity.

Contributions are calculated at the investee company level before the deduction of any fees incurred at fund level (e.g. the management fee and other fund expenses) but after deduction of transactional costs. Stocks held/listed in non-index countries have economic activity > 50% from developing economies.

* A basis point is a unit of measure used in finance to describe the percentage change in value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

Data source: This information is calculated by First Sentier Investors.



Portfolio Risk Analysis - Ex-Post 3 Years Annualised to 30 June 2021

Risk Measure	Value	Risk Description
Beta	1.00	Beta is a measure of volatility relative to the market. A beta of 1 would indicate that the fund tended to move in line with the market; a beta greater than 1 would indicate that the fund has been more volatile than the market; whereas a beta less than 1 would indicate that the fund has been less volatile than the market.
Information Ratio	0.65	The fund's excess return divided by its tracking error. It is designed to assess a portfolio's performance relative to its level of benchmark risk. The higher the fund's information ratio, the more excess return it generates for each unit of tracking error.
Portfolio Standard Deviation	18.84%	A measure of how much the returns of the fund vary relative to the arithmetical average. The higher the fund's standard deviation, the more its returns tend to deviate from the mean.
Benchmark Standard Deviation	18.28%	A measure of how much the returns of the index vary relative to the arithmetical average. The higher the index's standard deviation, the more its returns tend to deviate from the mean.
Tracking Error	4.62%	The standard deviation of the difference between the fund's returns and those of the index. The higher the fund's tracking error, the more its performance relative to the benchmark may vary.

Portfolio Risk Analysis - Ex-Ante at 30 June 2021

Risk Measure	Value	Risk Description
Dividend Yield (Fund)	1.52%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Dividend Yield (Index)	1.66%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Price to Book (Fund)	3.46	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Book (Index)	2.41	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Earnings (Fund)	21.78	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.
Price to Earnings (Index)	17.38	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.



Disclaimer

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Representative and Paying Agent in Switzerland: The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. Place where the relevant documentation may be obtained: The prospectus, key investor information documents (KIIDs), the instrument of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

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