

# FSSA Regional China Fund

Lead portfolio manager	Approx. no. of stocks	Benchmark	Maximum cash	Minimum market cap
Martin Lau	40 - 50	MSCI Golden Dragon Index	10%	> US\$1.5bn

Minimum initial investment	S\$1,000
Minimum subsequent Investment	S\$100
Share class	Class A (SGD - Acc)
Inception date	1 Nov 1993
ISIN code	SG9999000194

Initial charge	5.0% (Cash / SRS) 0.0% (CPF - Ordinary Acct)
Management fee	1.5% p.a.
NAV/share	S\$5.5907

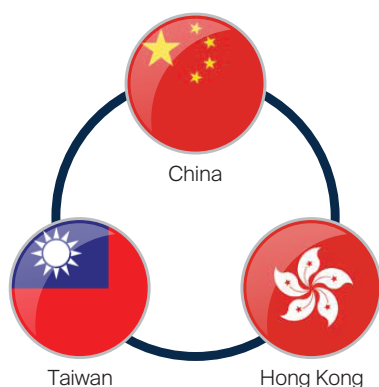
Source: First Sentier Investors, as at 31 December 2020

## What does the FSSA Regional China Fund invest in?

### 1. An opportunity to tap into the growth of three key markets

- Reap the benefits of diversification: invest into the equity markets of China, Hong Kong and Taiwan in one single product
- China: Capital markets are opening up, providing access to global leaders and domestic champion
- Hong Kong: Wealthy conurbation with a world-class international financial centre and a strong legal and regulatory environment
- Taiwan: Market-leading technology industry and key supplier in the world's high-tech supply chain

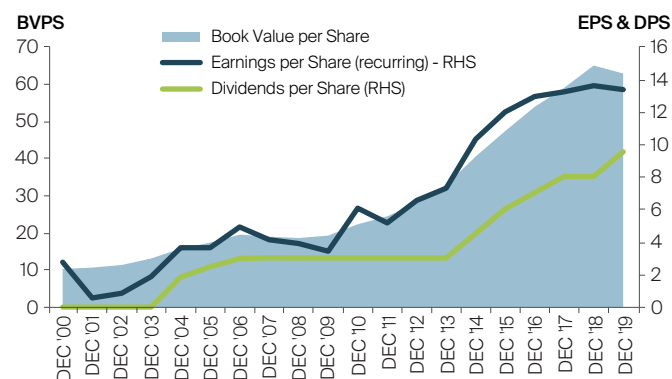
### Three key markets within Greater China region



### 2. Invest in the rise in technology and networked connectivity

- Taiwan Semiconductors (TSMC) is the world's largest dedicated foundry (makes semiconductor chips on behalf of tech companies) with 56% global market share
- Major beneficiary of secular growth in smart technology and 'Internet of Things' - which should continue to see steady demand growth
- Franchise remains strong and governance standards are high. Management have been proven to execute well

### TSMC - Long-term growth in earnings per share



Source: Bloomberg, FactSet, FSSA Investment Managers, as at 30 June 2020. All figures in Taiwan Dollars.

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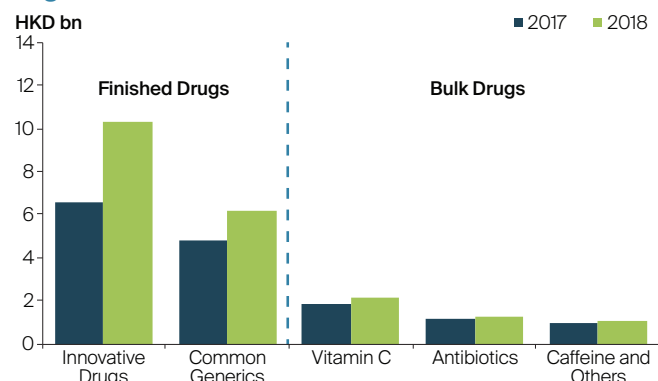
## Quarterly Fund Flyer



### 3. Ageing population should mean a rise in health care spending

- CSPC has generated 16% revenue CAGR and 29% profit CAGR over past 5 years. Margins have improved as product mix shifted from bulk pharmaceuticals to innovative drugs
- Growth is reasonably visible as NBP (treats Ischemic stroke) is 40% of profit and gaining market share
- Conservative balance sheet with sizeable cash balance (good free cash flow generation over past 5 years). Long-term debt is minimal

### Strong revenue growth for the innovative drugs segment

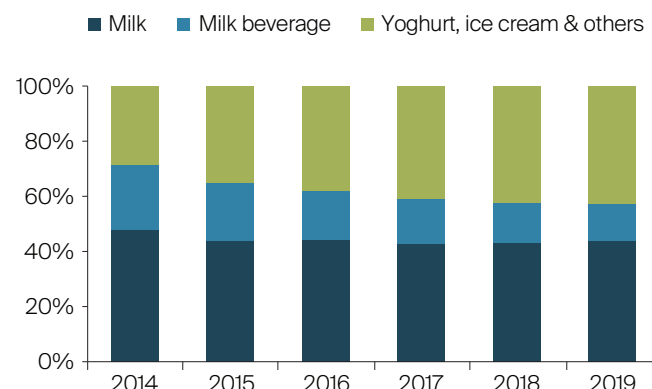


Source: FactSet, FY2018 Annual Report, FSSA Investment Managers, as at 30 June 2019

### 4. Good mix of products increase market share

- Product mix has improved with fresh and healthy new products such as yogurt, cheese and plant protein drinks. Outdated products with low margins have been cut
- Consistent investment in brand building has led to market share gains
- Inclusive corporate culture, transparent management style and solid corporate governance

### Increasing contribution of higher value products



Source: FactSet, Bloomberg and FSSA Investment Managers, as at 30 June 2020

### Annualised performance in SGD (%)^

	1 year	3 years	5 years	10 years	Since inception
Fund (Ex initial charges)	27.0	11.9	15.0	10.3	9.4
Fund (Inc initial charges)	20.7	10.0	13.8	9.8	9.2
Benchmark*	26.3	10.5	14.1	8.7	5.6

Source: Lipper, First Sentier Investors, as at 31 December 2020. Since inception: 01 November 1993. Single pricing basis with net income reinvested \*MSCI Golden Dragon Index. ^ The performance prior to 18 Oct 2002 is in relation to the Fund before its conversion to a feeder fund.

### 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, Tokyo 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.

### Important Information

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