



# FSSA Regional China Fund

## Fund snapshot

- High-conviction portfolio with bottom-up stock selection
- Aims to provide long-term capital appreciation
- Managed by a team of Asia and Global Emerging Markets specialists with a long track record



**Minimum market cap**  
All cap



**Geographical sector**  
China, Hong Kong, Taiwan

Lead portfolio manager	Approx. no. of stocks	Benchmark	Maximum cash	Minimum market cap
Martin Lau	40-60	MSCI Golden Dragon Net Index	10%	All cap
Minimum initial investment		S\$1,000	Initial charge	5.0% (Cash / SRS) 0.0% (CPF - Ordinary Acct)
Minimum subsequent investment		S\$100	Management fee	1.5% p.a.
Share class	Class A (SGD - Q Dist)		Inception date	01 November 1993
ISIN code	SG9999000194		NAV/share	S\$4.8655

Source: First Sentier Investors, as at 30 June 2022.

## Annualised performance in SGD (%)

	1 year	3 years	5 years	10 years	Since inception
Fund (Ex initial charges)	-20.5	7.2	7.5	9.8	8.4
Fund (Inc initial charges)	-24.5	5.4	6.4	9.2	8.2
Benchmark*	-24.4	4.1	4.6	8.4	4.5

Source: Lipper, First Sentier Investors, as at 30 June 2022. Since inception: 01 November 1993. Single pricing basis with net income reinvested \*MSCI Golden Dragon Net Index

## Why invest in the FSSA Regional China Fund?

### 1. Tap into 3 economic powerhouses: China, Hong Kong and Taiwan

- Diversify China equity exposure by investing into 3 key economic markets
- China for access to global leaders and domestic champions; Hong Kong, a world-class international financial centre and; Taiwan, a key supplier for high-tech supply chains globally
- Ride on these long-term structural growth drivers:



**Dominant consumer franchises**



**Beneficiaries of the rise in healthcare spending**



**High-quality financials**



**A more connected and automated world**

### 2. A differentiated, high-conviction portfolio constructed from the bottom up

- High-conviction portfolio built from the bottom up with a focus on quality management, strong financials and sustainable growth drivers

#### Portfolio characteristics

Differentiated (high active share)	73.2%
High conviction (# holdings)	45
Concentrated (top 20 holdings)	69.0%
Cash generative, asset light companies (ROCE#)	22.9%
Profitability (ROE*)	22.0%
P/E ratio (next 24 month)†	12.7x

Source: First Sentier Investors, FactSet, MSCI as at 30 June 2022.

# Weighted Average Post-Tax ROCE run excluding values below zero or above 200% (GICS financial companies are excluded).

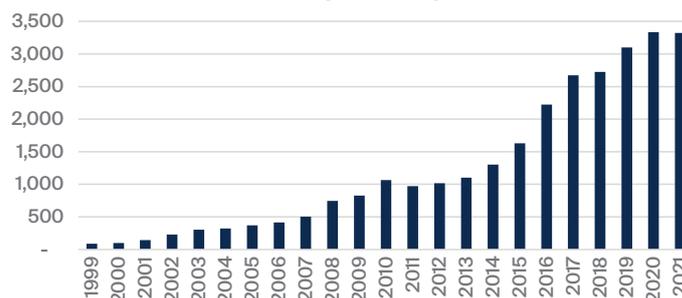
\* Weighted Average Return on Equity run excluding values below zero.

† Weighted Harmonic Average P/E ratio.

### 3. AIA Group: Asia's largest regional life insurance group

- One of the most profitable life insurance companies in the region, with leading positions in Hong Kong, Thailand and Singapore
- Gradually expanding footprint in China by partnering with banks, investing in digital and improving customer journey
- An example of a high-quality financial, AIA is helmed by a high quality board and management team
- Financials are sound, with prudent investment portfolios and accounting treatments

### China life insurance industry annual premium, RMB bn



Sources: Bloomberg, Insurance Association of China (IAC), China Insurance Yearbook, Morgan Stanley, FSSA Investment Managers as of 30 June 2022.

## Why FSSA Investment Managers?

FSSA Investment Managers are specialists in Asia and Global Emerging Markets. Operating as an autonomous investment team within First Sentier Investors Group, we are a team of dedicated investment professionals based in Hong Kong and Singapore. Established in 1988, we are bottom-up investors with a different perspective, using fundamental research and analysis to construct high-conviction portfolios.



Quality focused



Absolute return mind-set



Benchmark indifference



ESG fully integrated

### Important information

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