



# 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 (Acc)	Inception date	01 November 1993
ISIN code		SG9999000194	NAV/share	S\$3.9598

Source: First Sentier Investors, as at 31 December 2023.

## Annualised performance in SGD (%)

	1 year	3 years	5 years	10 years	Since inception
Fund (Ex initial charges)	-10.9	-10.9	2.6	4.9	7.2
Fund (Inc initial charges)	-15.3	-12.4	1.5	4.3	7.0
Benchmark*	-2.2	-11.1	1.6	4.4	3.8

Source: Lipper, First Sentier Investors, as at 31 December 2023. 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)	70.8%
High conviction (# holdings)	46
Concentrated (top 20 holdings)	68.9%
Cash generative, asset light companies (ROCE#)	27.8%
Profitability (ROE*)	20.2%
P/E ratio (next 24 month) <sup>†</sup>	11.5x

Source: First Sentier Investors, FactSet, MSCI as at 31 December 2023.

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

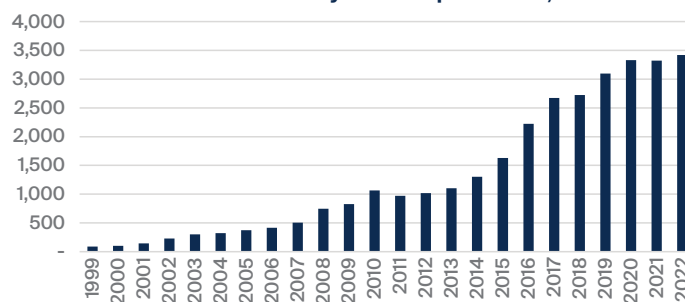
\* Weighted Average Return on Equity run excluding values below zero.

<sup>†</sup> 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 at 30 April 2023.

## 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, London 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

\*\*First Sentier Investors (Singapore) ("FSIS") intends to make quarterly distributions on 31 March, 30 June, 30 September and 31 December each year. The distributions will be made out of the income, capital gains and/or capital of the Fund. Investors should note that the intention to make the quarterly distribution is not guaranteed by FSIS or its distributors and FSIS may in future review the distribution policy depending on prevailing market conditions. This material is prepared by First Sentier Investors (Singapore) ("FSI") (Co. Reg No. 196900420D.) whose views and opinions expressed or implied in the material are subject to change without notice. To the extent permitted by law, FSI accepts no liability whatsoever for any loss, whether direct or indirect, arising from any use of or reliance on this material. This material is published for general information and general circulation only and does not have any regard to the specific investment objectives, financial situation and particular needs of any specific person who may receive this material. Investors may wish to seek advice from a financial adviser and should read the Prospectus, available from First Sentier Investors (Singapore) or any of our Distributors before deciding to subscribe for the Fund. In the event that the investor chooses not to seek advice from a financial adviser, he should consider carefully whether the Fund in question is suitable for him. Past performance of the Fund or the Manager, and any economic and market trends or forecast, are not indicative of the future or likely performance of the Fund or the Manager. The value of units in the Fund, and any income accruing to the units from the Fund, may fall as well as rise. Investors should note that their investment is exposed to fluctuations in exchange rates if the base currency of the Fund and/or underlying investment is different from the currency of your investment. Units are not available to US persons. Applications for units of the Fund must be made on the application forms accompanying the prospectus. Investments in unit trusts are not obligations of, deposits in, or guaranteed or insured by First Sentier Investors (Singapore), and are subject to risks, including the possible loss of the principal amount invested.

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