

FSSA China
All Cap Fund

Semi-Annual Report

July 2020 – December 2020



FSSA China All Cap Fund

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This semi-annual report shall not constitute an offer to sell or a solicitation of an offer to buy units in the FSSA China All Cap Fund. Subscriptions are to be made only on the basis of the information contained in the relevant Explanatory Memorandum, as supplemented by the latest annual and semi-annual reports.

FSSA China All Cap Fund
Report of the Manager (Unaudited)

Performance

	1 July 2019 to 31 Dec 2020	1 July 2019 to 31 Dec 2019
FSSA China All Cap Fund Class I ¹	31.41%	-
FSSA China All Cap Fund Class II	31.39%	10.26%
FSSA China All Cap Fund Class III	31.74%	10.45%
Benchmark: MSCI China Free Index	25.10%	9.29%

¹ New class “Class I (USD)” is issued with effective from 8 January 2020.

(Performance calculation is based on the official dealing NAV.)

Performance

Meituan Dianping benefitted from changing consumer behaviour and lifestyles, particularly against the recent backdrop of the Covid-19 pandemic. Midea increased, as the domestic home appliances market saw the return of upbeat demand. Retail sales have largely recovered, as China’s lockdown measures have eased significantly.

On the negative side, Sino Biopharmaceutical reported weaker than expected earnings results due to Covid-19. On the other hand, the company has a good pipeline of new drugs to launch within the next few years, which should contribute significantly to future growth. ZTO Express weakened due to increased competition and pricing pressure, which hurt profitability.

FSSA China All Cap Fund
Report of the Manager (Unaudited) (continued)

Major Activity

Significant purchases over the period included Gree Electric, the largest air-conditioning company in China, on signs of improving corporate governance. The Fund also purchased Beijing Capital International Airport (BCIA), which was trading at trough valuations due to the new Daxing Airport, as well as Covid-related travel restrictions. However, BCIA is the main airport serving Beijing's city centre (it is closer than Daxing) and should remain the preferred option for higher margin international and business travellers.

The Fund divested Advantech in Taiwan to refocus the portfolio on domestic China companies. Shanghai International Airport (SIA) was sold to deploy cash into more attractive investment opportunities.

Outlook

China is eyeing a broad-based recovery, as the country has effectively controlled Covid-19 and is recovering well from the pandemic. Company fundamentals are improving, with leading companies being the main beneficiaries as they gained market share during the more challenging period. The Fund remains focused on high quality companies that can benefit from China's increasing urbanisation, consumption upgrading, technical innovation, and the rise in healthcare spending.

FSSA China All Cap Fund
Investment Portfolio (Unaudited)
as at 31 December 2020

	Holdings as at 31.12.2020	Market value US\$	% of net asset value
Listed investments – equities (97.48%)			
<i>Listed on the Stock Exchange of Hong Kong (55.46%)</i>			
Alibaba Group Holding Ltd	18,100	542,964	4.66
Beijing Capital International Airport Co Ltd	264,000	220,288	1.89
China Mengniu Dairy Co Ltd	58,000	350,071	3.00
China Merchants Bank Co Ltd - H	83,291	526,353	4.52
China Resources Beer Holdings Co Ltd	48,000	442,000	3.79
China Resources Gas Group Ltd	34,000	180,878	1.55
China Resources Land Ltd	152,137	627,867	5.39
China Resources Medical Holdings Co Ltd	235,334	202,135	1.74
China Resources Mixc Lifestyle Services Ltd	1,509	6,996	0.06
China Taiping Insurance Holdings Co Ltd	171,461	309,140	2.65
China Vanke Co Ltd - H	52,326	180,519	1.55
Meituan (formerly known as Meituan Dianping)	16,800	638,300	5.48
Nissin Foods Co Ltd	141,000	116,017	1.00
Nongfu Spring Co Ltd	8,800	62,307	0.53
Shanghai Henlius Biotech Inc - H	17,500	105,963	0.91
Sino Biopharmaceutical Ltd	479,500	463,802	3.98
Sunny Optical Technology Group Co Ltd	3,100	67,846	0.58
Tencent Holdings Ltd	12,600	916,500	7.87
Tsingtao Brewery Co Ltd - H	12,000	125,667	1.08
Wuxi Biologics Cayman Inc	5,871	77,837	0.67
Xinyi Glass Holdings Co Ltd	38,000	106,102	0.91
Zhongsheng Group Holdings Ltd	27,000	192,388	1.65
		6,461,940	55.46

FSSA China All Cap Fund
Investment Portfolio (Unaudited) (continued)
as at 31 December 2020

	Holdings as at 31.12.2020	Market value US\$	% of net asset value
Listed investments – equities (97.48%) (continued)			
<i>Listed on the Stock Exchange of New York, U.S.A.</i>			
<i>(11.55%)</i>			
51Job Inc ADR	3,777	264,390	2.27
ACM Research Inc	2,471	200,769	1.72
JD.Com Inc	5,110	449,169	3.85
TAL Education Group	974	69,651	0.60
ZTO Express (Cayman) Inc ADR	12,412	361,934	3.11
		1,345,913	11.55
<i>Listed on the Stock Exchange of Shanghai People's Republic of China (9.55%)</i>			
Dashenlin Pharmaceutical Group	19,120	230,588	1.98
Guangzhou Kingmed Diagnostics Group Co Ltd	15,700	309,619	2.66
Hongfa Technology Co Ltd - A	9,720	81,122	0.70
Ping An Insurance Group Co	8,800	117,818	1.01
Shanghai M&G Stationery Inc	8,100	110,416	0.95
Zhejiang Chint Electrics Co Ltd	43,568	262,616	2.25
		1,112,179	9.55
<i>Listed on the Stock Exchange of Shenzhen, People's Republic of China (19.49%)</i>			
Bank of Ningbo Co Ltd - A	24,230	131,805	1.13
Beijing Thunisoft Corp Ltd	37,329	137,154	1.18
Gree Electric Appliances Inc	17,000	162,080	1.39
Hangzhou Hikvision Digital Technology Co Ltd	33,900	253,129	2.17
Han's Laser Technology Industry Group Co Ltd	24,355	160,264	1.38
Midea Group Co Ltd	35,154	532,668	4.57
S F Holding Co Ltd	21,491	291,866	2.50
Shanghai Liangxin Electric Co Ltd	23,600	111,304	0.96
Shenzhen Sunlord Electronics Co Ltd	39,800	150,215	1.29
Zhejiang Weixing New Building Materials Co Ltd	118,340	340,631	2.92
		2,271,116	19.49
<i>Listed on the Stock Exchange of Taiwan (1.43%)</i>			
Largan Precision Co Ltd	1,000	113,709	0.97
MediaTek Inc	2,000	53,171	0.46
		166,880	1.43

FSSA China All Cap Fund
Investment Portfolio (Unaudited) (continued)
as at 31 December 2020

	Market value US\$	% of net asset value
<hr/> Listed investments – equities (97.48%) (continued) <hr/>		
Total listed investments – equities	11,358,028	97.48
Other net assets	293,662	2.52
Net assets as at 31 December 2020	<u>11,651,690</u>	<u>100.00</u>
Total listed investments, at historical cost	<u>7,442,193</u>	

FSSA China All Cap Fund
Statement of Movements in Portfolio Holdings (Unaudited)
for the period ended 31 December 2020

Listed investments	Portfolio holdings		Corporate
	Additions	Disposals	Action
<u>Equities</u>			
<i>Listed on the Stock Exchange of Hong Kong</i>			
Alibaba Group Holding Ltd	3,800	-	-
ASM Pacific Technology Ltd	-	7,500	-
Beijing Capital International Airport Co Ltd	264,000	-	-
China Mengniu Dairy Co Ltd	-	20,000	-
China Merchants Bank Co Ltd - H	-	20,500	-
China Overseas Property Holdings Ltd	-	37,307	-
China Resources Beer Holdings Co Ltd	6,000	28,000	-
China Resources Gas Group Ltd	6,000	-	-
China Resources Land Ltd	34,000	-	-
China Resources Mixc Lifestyle Services Ltd	1,509	1,109	1,109
China Taiping Insurance Holdings Co Ltd	30,400	-	-
China Vanke Co Ltd - H	15,600	-	-
CSPC Pharmaceutical Group Ltd	-	5,200	-
Fuyao Glass Industry Group Co Ltd - H	-	32,154	-
Meituan (formerly known as Meituan Dianping)	-	6,000	-
Ming Yuan Cloud Group Holdings Ltd	441	441	-
Minth Group Ltd	-	32,000	-
Nissin Foods Co Ltd	19,000	76,000	-
Nongfu Spring Co Ltd	8,800	-	-
Shanghai Henlius Biotech Inc - H	8,200	-	-
Shenzhou International Group	-	7,900	-
Sino Biopharmaceutical Ltd	211,000	-	89,500
Sunny Optical Technology Group Co Ltd	-	9,800	-
Tencent Holdings Ltd	-	900	-
Tsingtao Brewery Co Ltd - H	-	6,000	-
Wuxi Biologics Cayman Inc	-	3,629	6,000
Xinyi Glass Holdings Co Ltd	-	106,000	-
Zhongsheng Group Holdings Ltd	27,000	-	-

FSSA China All Cap Fund
Statement of Movements in Portfolio Holdings (Unaudited) (continued)
for the period ended 31 December 2020

Listed investments (continued)	Portfolio holdings		Corporate
	Additions	Disposals	Action
<u>Equities (continued)</u>			
<i>Listed on the Stock Exchange of New York,</i>			
<i>U.S.A.</i>			
51Job Inc ADR	229	657	-
ACM Research Inc	342	-	-
JD.Com Inc	-	443	-
TAL Education Group	974	-	-
ZTO Express (Cayman) Inc ADR	6,443	-	-
<i>Listed on the Stock Exchange of Shanghai,</i>			
<i>People's Republic of China</i>			
Dashenlin Pharmaceutical Group	4,000	-	-
Guangzhou Kingmed Diagnostics Group Co Ltd	3,900	-	-
Hongfa Technology Co Ltd - A	-	3,800	-
Ping An Insurance Group Co	8,800	-	-
Shanghai International Airport Co Ltd	-	28,118	-
Shanghai M&G Stationery Inc	-	8,000	-
Zhejiang Chint Electrics Co Ltd	-	15,600	-
<i>Listed on the Stock Exchange of Shenzhen,</i>			
<i>People's Republic of China</i>			
Bank of Ningbo Co Ltd - A	-	10,900	-
Beijing Thunisoft Corp Ltd	13,600	-	-
Gree Electric Appliances Inc	17,000	-	-
Hangzhou Hikvision Digital Technology Co Ltd	-	8,200	-
Han's Laser Technology Industry Group Co Ltd	5,600	-	-
Midea Group Co Ltd	-	17,400	-
S F Holding Co Ltd	14,391	-	-
Shanghai Liangxin Electric Co Ltd	23,600	-	-
Shenzhen Inovance Technology Co Ltd	-	8,252	-
Shenzhen Sunlord Electronics Co Ltd	31,900	-	-
Zhejiang Weixing New Building Materials Co Ltd	15,000	-	-
<i>Listed on the Stock Exchange of Taiwan</i>			
Advantech Co Ltd	1,268	13,967	-
MediaTek Inc	2,000	-	-

FSSA China All Cap Fund
Details in Respect of Financial Derivative Instruments (Unaudited)

The financial derivative instruments held by the fund as at 31st December 2020 are summarised below:

Spot foreign exchange contracts

The details of spot foreign exchange contracts held by the fund as at 31st December 2020 are as follows:

As at 31st December 2020

Currency/ Amount bought	Currency/ Amount sold	Settlement date	Counterparty	Fair Value US\$
<u>Financial liabilities:</u>				
HKD123,194	USD15,891	04 January 2021	ANZ Bank Melbourne	(3)
				<hr/>
				(3)
				<hr/> <hr/>

FSSA China All Cap Fund
Statement of Net Assets (Unaudited)
as at 31 December 2020

	(Unaudited) 31 December 2020 US\$	(Audited) 30 June 2020 US\$
Assets		
Formation cost	-	114
Investments	11,358,028	9,044,886
Dividend receivable	-	23,027
Amounts receivable on management fee rebate	6,645	-
Cash and cash equivalents	420,667	157,370
Total assets	11,785,340	9,225,397
Liabilities		
Derivative financial instruments	3	-
Amounts payable to brokers	15,888	19,242
Amounts payable on redemption	55,315	53,132
Accounts payable and accrued expenses	62,444	82,703
Total liabilities (excluding net assets attributable to unitholders)	133,650	155,077
Net assets attributable to unitholders	11,651,690	9,070,320
Number of units in issue		
- Class I (USD) ¹	35,410.85	29,182.21
- Class II (USD)	32,379.57	34,360.65
- Class III (USD)	267,959.27	267,959.27
Net assets attributable to unitholders per unit		
- Class I (USD) ¹	13.43	10.22
- Class II (USD)	182.98	139.27
- Class III (USD)	19.59	14.87

Note: Semi-annual report of the sub-fund has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements.

¹ New class “Class I (USD)” is issued with effective from 8 January 2020.

FSSA China All Cap Fund
Statement of Comprehensive Income (Unaudited)
For the period ended 31 December 2020

	(Unaudited) For the period from 1st July 2020 to 31st December 2020 US\$	(Unaudited) For the period from 1st July 2019 to 31st December 2019 US\$
Income		
Interest on bank deposits	2	720
Dividend on investments	56,419	91,149
Net gains on investments and derivative financial instruments	2,867,743	684,415
Management fee rebate	30,003	-
Exchange losses	(1,537)	(5,405)
Total net income	<u>2,952,630</u>	<u>770,879</u>
Expenses		
Management fee ^{Note 2}	67,787	56,219
Trustee's fee ^{Note 1}	3,323	2,257
Administration fee ^{Note 1}	6,000	6,069
Auditor's remuneration	18,768	18,473
Legal and professional fees	8,648	11,386
Transaction costs	7,629	12,812
Safe custody and bank charges ^{Note 1}	107	144
Preliminary expenses	114	2,015
Other operating expenses ^{Note 1}	13,974	13,894
Total operating expenses	<u>126,350</u>	<u>123,269</u>
Profit before tax	2,826,280	647,610
Withholding tax	(4,779)	(6,089)
Increase in net assets attributable to unitholders from operations	<u><u>2,821,501</u></u>	<u><u>641,521</u></u>

FSSA China All Cap Fund
Statement of Comprehensive Income (Unaudited) (continued)
For the period ended 31 December 2020

Note 1 During the period ended 31 December 2020 and 2019, other than trustee's fee, administration fee and safe custody and bank charges paid to the Trustee or its Connected Persons, other respective amounts paid to the Trustee or its Connected Persons were as follows:

	(Unaudited) For the period from 1st July 2020 to 31st December 2020 US\$	(Unaudited) For the period from 1st July 2019 to 31st December 2019 US\$
Transaction costs	180	44
Other operating expenses	9,861	9,925

Note 2 During the period ended 31 December 2020 and 2019, other than Management fee that paid to the Manager, no other amounts paid to the Manager or its Connected Person of Manager.

	(Unaudited) For the period from 1st July 2020 to 31st December 2020 US\$	(Unaudited) For the period from 1st July 2019 to 31st December 2019 US\$
Transaction costs	72	-

FSSA China All Cap Fund
Statement of Changes in Net Assets Attributable to Unitholders (Unaudited)
For the period ended 31 December 2020

	(Unaudited) For the period from 1st July 2020 to 31st December 2020 US\$	(Unaudited) For the period from 1st July 2019 to 31st December 2019 US\$
Net assets attributable to unitholders at 1 July	9,070,320	12,294,615
Allotment of units	116,548	-
Redemption of units	(356,679)	(4,318,970)
Increase in net assets attributable to unitholders from operations	2,821,501	641,521
Net assets attributable to unitholders at 31 December	<u>11,651,690</u>	<u>8,617,166</u>
	(Unaudited) For the period from 1st July 2020 to 31st December 2020 Units	(Unaudited) For the period from 1st July 2019 to 31st December 2019 Units
Class I (USD)¹		
Balance at the beginning of the period	29,182.21	-
Allotment of units	10,016.39	-
Redemption of units	(3,787.75)	-
Balance at the end of the period	<u>35,410.85</u>	<u>-</u>
Class II (USD)		
Balance at the beginning of the period	34,360.65	35,166.60
Allotment of units	-	-
Redemption of units	(1,981.08)	(305.95)
Balance at the end of the period	<u>32,379.57</u>	<u>34,860.65</u>
Class III (USD)		
Balance at the beginning of the period	267,959.27	607,402.20
Allotment of units	-	-
Redemption of units	-	(339,442.93)
Number of units in issue at the end of the year	<u>267,959.27</u>	<u>267,959.27</u>

¹ New class “Class I (USD)” is issued with effective from 8 January 2020.

FSSA China All Cap Fund
Cash Flow Statement (Unaudited)
For the period ended 31 December 2020

	(Unaudited) For the period from 1st July 2020 to 31st December 2020 US\$	(Unaudited) For the period from 1st July 2019 to 31st December 2019 US\$
Cash flows from operating activities		
Payments on purchase of investments and derivative financial instruments	(2,267,969)	(1,991,441)
Proceeds from sale of investments and derivative financial instruments	2,819,219	6,458,409
Interest received	2	725
Dividend received	74,667	136,382
Management fee rebate received	23,358	-
Management fee paid	(65,596)	(58,425)
Trustee's fee paid	(2,896)	(2,381)
Administration fee paid	(6,000)	(6,069)
Auditor's remuneration paid	(35,555)	(34,692)
Other operating expenses paid	(36,448)	(50,901)
Net cash generated from operating activities	502,782	4,451,607
Cash flows from financing activities		
Allotment of units	116,548	-
Redemption of units	(354,496)	(4,318,970)
Net cash used in financing activities	(237,948)	(4,318,970)
Net increase in cash and cash equivalents	264,834	132,637
Effect of foreign exchange rate changes	(1,537)	(5,405)
Cash and cash equivalents at the beginning of the period	157,370	128,555
Cash and cash equivalents at the end of the period	420,667	255,787
Analysis of balance of cash and cash equivalents		
Cash at banks	420,667	255,787

FSSA China All Cap Fund
General Information
For the period ended 31 December 2020

Manager	First Sentier Investors (Hong Kong) Limited 25th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
Directors of the Manager	Michael David Stapleton Lucinda Kate Dowling Robert Gordon Scott
Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central Hong Kong
Auditor	PricewaterhouseCoopers 22/F, Prince's Building Central Hong Kong
Legal Advisor to the Manager	Deacons 5th Floor Alexandra House 18 Charter Road Central Hong Kong

