

FSSA China
All Cap Fund

Semi-Annual Report

July 2021 - December 2021



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 2021 To 31 Dec 2021	1 July 2020 To 31 Dec 2020
FSSA China All Cap Fund Class I	(12.65%)	31.41%
FSSA China All Cap Fund Class II	(12.68%)	31.39%
FSSA China All Cap Fund Class III	(12.49%)	31.74%
Benchmark: MSCI China Free Index	(23.13%)	25.10%

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

Performance

Over the six-month period, Zhejiang Weixing New Building Materials rose as the government signalled an easing of real estate market restrictions and lowered the reserve requirement ratio (RRR). Another key contributor was Zhejiang Chint Electrics, which gained on solid revenue growth and general optimism over the solar equipment industry. On the negative side, Alibaba and Tencent weakened after Beijing proposed new regulations aimed at curbing anti-competitive practices among internet firms.

Major Activity

Major purchases over the period include Shenzhen Mindray Bio-Medical Electronics, China's largest domestic medical devices company and a market leader in patient monitors and life support systems. The company has a strong track record and has been gaining market share from global leaders as it expands its presence overseas. We believe there is significant growth opportunities ahead, as the penetration level of medical devices in China is still low and there is a growing preference for import substitutions. The Fund also bought ANTA Sports, China's most successful sportswear company, and one of the few Chinese companies that has proven its ability to build and run multiple strong consumer brands. We believe it can significantly prolong its brand life-cycle and continue to grow sales, as it attracts new customers with its Kids, Fusion and performance sportswear range.

The Fund divested CR Medical to consolidate into other healthcare names, and sold out of Hangzhou Hikvision on political concerns. Additionally, the Fund switched its positions in JD.com and ZTO Express from the American Depositary Receipts (ADRs) to the Hong Kong-listed shares, due to policy uncertainties in the Chinese ADR market.

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

Outlook

China is eyeing a broad-based albeit bumpy recovery, as concerns about policy risk have hurt market sentiment and increased market volatility in the short term. The recent reserve requirement ratio (RRR) cuts signalled that Beijing is willing to add some cushion to the slowing economy.

We expect further policy actions to come but the government will remain prudent and fine-tuned, as the goal is stability. 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.

FSSA China All Cap Fund
Investment Portfolio (Unaudited)
as at 31 December 2021

	Holdings as at 31.12.2021	Market value US\$	% of net asset value
Listed investments – equities (99.78%)			
<i>Listed on the Stock Exchange of Hong Kong (62.02%)</i>			
Alibaba Group Holding Ltd	19,100	291,291	2.72
ANTA Sports Products Ltd	10,000	149,943	1.40
Beijing Capital International Airport Co Ltd	318,000	194,561	1.81
China Mengniu Dairy Co Ltd	48,000	272,129	2.54
China Merchants Bank Co Ltd - H	57,791	448,834	4.18
China Resources Beer Holdings Co Ltd	52,000	425,869	3.97
China Resources Gas Group Ltd	38,000	214,704	2.00
China Resources Land Ltd	160,137	673,716	6.28
China Taiping Insurance Holdings Co Ltd	69,661	95,606	0.89
China Vanke Co Ltd - H	52,326	121,749	1.13
Haier Smart Home Co Ltd - H	49,000	207,092	1.93
Huazhu Group Ltd	23,430	87,604	0.82
JD.com Inc - A	14,364	504,821	4.71
Meituan (formerly known as Meituan Dianping)	16,900	488,598	4.56
Netease Inc	3,200	64,646	0.60
Nongfu Spring Co Ltd	9,200	60,713	0.57
Sino Biopharmaceutical Ltd	416,500	291,688	2.72
Sunny Optical Technology Group Co Ltd	2,600	82,239	0.77
Tencent Holdings Ltd	13,900	814,427	7.59
Tsingtao Brewery Co Ltd - H	12,000	112,361	1.05
Weimob Inc	133,000	134,598	1.25
Wuxi Biologics Cayman Inc	5,871	69,695	0.65
Xiaomi Corp - B	30,000	72,727	0.68
Xinyi Glass Holdings Co Ltd	42,000	105,050	0.98
Yihai International Holding Ltd	21,000	97,104	0.91
Zhongsheng Group Holdings Ltd	17,500	136,475	1.27
ZTO Express Cayman Inc - A	15,598	432,950	4.04
		6,651,190	62.02

FSSA China All Cap Fund
Investment Portfolio (Unaudited) (continued)
as at 31 December 2021

	Holdings as at 31.12.2021	Market value US\$	% of net asset value
Listed investments – equities (99.78%) (continued)			
<i>Listed on the Stock Exchange of New York, U.S.A.</i>			
<i>(1.78%)</i>			
ACM Research Inc	2,243	191,261	1.78
		<hr/>	<hr/>
		191,261	1.78
		<hr/>	<hr/>
<i>Listed on the Stock Exchange of Shanghai People's Republic of China (16.05%)</i>			
Autobio Diagnostics Co Ltd - A	20,316	175,907	1.64
Dashenlin Pharmaceutical Group	42,938	284,338	2.65
Guangzhou Kingmed Diagnostics Group Co Ltd	11,900	208,412	1.94
Hongfa Technology Co Ltd - A	12,620	148,128	1.38
Jiangsu Hengrui Medicine Co Ltd	17,400	138,756	1.30
Nari Technology Co Ltd - A	10,500	66,097	0.62
Ping An Insurance Group Co	45,100	357,521	3.33
Shanghai M&G Stationery Inc	14,200	144,053	1.34
Zhejiang Chint Electrics Co Ltd	14,968	126,847	1.18
Zwsoft Co Ltd Guangzhou - A	1,300	71,356	0.67
		<hr/>	<hr/>
		1,721,415	16.05
		<hr/>	<hr/>
<i>Listed on the Stock Exchange of Shenzhen, People's Republic of China (18.32%)</i>			
Bank of Ningbo Co Ltd - A	26,653	160,445	1.50
Han's Laser Technology Industry Group Co Ltd	13,155	111,710	1.04
Midea Group Co Ltd	47,154	547,282	5.10
S F Holding Co Ltd	20,891	226,419	2.11
Shanghai Liangxin Electric Co Ltd	55,660	155,976	1.46
Shenzhen Inovance Technology Co Ltd	6,100	65,805	0.62
Shenzhen Mindray Bio-Medic - A	3,100	185,638	1.73
Shenzhen Sunlord Electronics Co Ltd	26,300	157,906	1.47
Zhejiang Weixing New Building Materials Co Ltd	92,340	353,152	3.29
		<hr/>	<hr/>
		1,964,333	18.32
		<hr/>	<hr/>
<i>Listed on the Stock Exchange of Taiwan (1.61%)</i>			
MediaTek Inc	4,000	172,046	1.61
		<hr/>	<hr/>
		172,046	1.61
		<hr/>	<hr/>

FSSA China All Cap Fund
Investment Portfolio (Unaudited) (continued)
as at 31 December 2021

	Market value US\$	% of net asset value
Listed investments – equities (99.78%) (continued)		
Total listed investments – equities	10,700,245	99.78
Derivative financial instruments – spot foreign exchange contracts	15	0.00
Other net assets	23,811	0.22
Net assets as at 31 December 2021	<u>10,724,071</u>	<u>100.00</u>
Total listed investments, at historical cost	<u>9,030,470</u>	

FSSA China All Cap Fund
Statement of Movements in Portfolio Holdings (Unaudited)
for the period ended 31 December 2021

Listed investments	Portfolio holdings		Corporate
	Additions	Disposals	Action
<u>Equities</u>			
<i>Listed on the Stock Exchange of Hong Kong</i>			
ANTA Sports Products Ltd	10,000	-	-
China Mengniu Dairy Co Ltd	-	6,000	-
China Merchants Bank Co Ltd - H	-	2,500	-
China Resources Beer Holdings Co Ltd	4,000	4,000	-
China Resources Gas Group Ltd	4,000	-	-
China Resources Land Ltd	4,000	-	-
China Resources Medical Holdings Co Ltd	-	108,334	-
China Taiping Insurance Holdings Co Ltd	-	54,600	-
Haier Smart Home Co Ltd - H	14,400	-	-
Huazhu Group Ltd	23,430	-	-
JD.com Inc - A	14,364	-	-
Meituan (formerly known as Meituan Dianping)	1,300	-	-
Netease Inc	3,200	-	-
Nongfu Spring Co Ltd	4,400	2,000	-
Sino Biopharmaceutical Ltd	48,000	-	-
Sunny Optical Technology Group Co Ltd	-	500	-
Tencent Holdings Ltd	1,300	-	-
Weimob Inc	34,000	-	-
Xiaomi Corp - B	30,000	-	-
Xinyi Glass Holdings Co Ltd	20,000	4,000	-
Yihai International Holding Ltd	3,000	-	-
Zhongsheng Group Holdings Ltd	-	8,000	-
ZTO Express Cayman Inc - A	15,598	-	-

FSSA China All Cap Fund
Statement of Movements in Portfolio Holdings (Unaudited) (continued)
for the period ended 31 December 2021

Listed investments (continued)	Portfolio holdings		Corporate Action
	Additions	Disposals	
<u>Equities (continued)</u>			
<i>Listed on the Stock Exchange of New York, U.S.A.</i>			
ACM Research Inc	176	152	-
Huazhu Group Ltd ADR	1,723	1,723	-
JD.Com Inc	231	6,557	-
TAL Education Group	-	4,926	-
ZTO Express (Cayman) Inc ADR	817	14,448	-
<i>Listed on the Stock Exchange of Shanghai, People's Republic of China</i>			
Autobio Diagnostics Co Ltd - A	4,398	-	-
Dashenlin Pharmaceutical Group	5,794	-	-
Guangzhou Kingmed Diagnostics Group Co Ltd	1,700	-	-
Hongfa Technology Co Ltd - A	-	8,700	-
Nari Technology Co Ltd - A	13,700	3,200	-
Ping An Insurance Group Co	17,900	-	-
Shanghai M&G Stationery Inc	3,900	-	-
Zhejiang Chint Electrics Co Ltd	-	28,600	-
Zwsoft Co Ltd Guangzhou - A	1,300	-	-
<i>Listed on the Stock Exchange of Shenzhen, People's Republic of China</i>			
Bank of Ningbo	2,423	2,423	2,423
Bank of Ningbo Co Ltd - A	2,423	-	-
Beijing Thunisoft Corp Ltd	-	40,129	-
Gree Electric Appliances Inc	-	17,000	-
Hangzhou Hikvision Digital Technology Co Ltd	-	21,200	-
Han's Laser Technology Industry Group Co Ltd	-	11,200	-
Midea Group Co Ltd	9,000	-	-
S F Holding Co Ltd	-	2,100	-
Shanghai Liangxin Electric Co Ltd	16,400	-	-
Shenzhen Inovance Technology Co Ltd	6,100	-	-
Shenzhen Mindray Bio-Medic - A	3,100	-	-
Shenzhen Sunlord Electronics Co Ltd	-	5,600	-
Zhejiang Weixing New Building Materials Co Ltd	6,200	8,700	-
<i>Listed on the Stock Exchange of Taiwan</i>			
Largan Precision Co Ltd	-	1,000	-

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 2021 are summarised below:

Spot foreign exchange contracts

The details of spot foreign exchange contracts held by the fund as at 31st December 2021 are as follows:

As at 31st December 2021

Currency/ Amount bought	Currency/ Amount sold	Settlement date	Counterparty	Fair Value US\$
<u>Financial assets:</u>				
HKD589,249	USD75,566	04 January 2022	The Hongkong and Shanghai Banking Corporation Limited	15
				<hr/> 15 <hr/> <hr/>

FSSA China All Cap Fund
Statement of Net Assets (Unaudited)
as at 31 December 2021

	(Unaudited) 31 December 2021 US\$	(Audited) 30 June 2021 US\$
Assets		
Investments	10,700,245	11,830,853
Derivative financial instruments	15	5
Dividend receivable	-	32,191
Amounts receivable on subscription	-	1,276
Amounts receivable on management fee rebate	9,115	7,601
Cash and cash equivalents	226,536	560,208
Total assets	10,935,911	12,432,134
Liabilities		
Amounts payable to brokers	75,581	118,370
Amounts payable on redemption	53,132	53,132
Accounts payable and accrued expenses	83,127	102,325
Total liabilities (excluding net assets attributable to unitholders)	211,840	273,827
Net assets attributable to unitholders	10,724,071	12,158,307
Number of units in issue		
- Class I (USD)	87,179.16	78,969.86
- Class II (USD)	32,223.48	32,223.48
- Class III (USD)	267,959.27	267,959.27
Net assets attributable to unitholders per unit		
- Class I (USD)	11.67	13.36
- Class II (USD)	158.96	182.04
- Class III (USD)	17.10	19.54

Note: Semi-annual report of the sub-fund has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements.

FSSA China All Cap Fund
Statement of Comprehensive Income (Unaudited)
For the period ended 31 December 2021

	(Unaudited) For the period from 1st July 2021 to 31st December 2021 US\$	(Unaudited) For the period from 1st July 2020 to 31st December 2020 US\$
Income		
Interest on bank deposits	9	2
Dividend on investments	59,511	56,419
Net (losses)/gains on investments and derivative financial instruments	(1,498,179)	2,867,743
Management fee rebate	50,007	30,003
Other income	3,066	-
Exchange losses	(753)	(1,537)
Total net (loss)/income	<u>(1,386,339)</u>	<u>2,952,630</u>
Expenses		
Management fee ^{Note 2}	70,339	67,787
Trustee's fee ^{Note 1}	4,753	3,323
Administration fee ^{Note 1}	6,000	6,000
Auditor's remuneration	18,820	18,768
Legal and professional fees	18,781	8,648
Transaction costs ^{Note 1,2}	5,097	7,629
Safe custody and bank charges ^{Note 1}	3,776	107
Preliminary expenses	-	114
Other operating expenses ^{Note 1}	11,685	13,974
Total operating expenses	<u>139,251</u>	<u>126,350</u>
(Loss)/profit before tax	(1,525,590)	2,826,280
Withholding tax	(4,943)	(4,779)
(Decrease)/increase in net assets attributable to unitholders from operations	<u><u>(1,530,533)</u></u>	<u><u>2,821,501</u></u>

FSSA China All Cap Fund
Statement of Comprehensive Income (Unaudited) (continued)
For the period ended 31 December 2021

Note 1 During the period ended 31 December 2021 and 2020, 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 2021 to 31st December 2021 US\$	(Unaudited) For the period from 1st July 2020 to 31st December 2020 US\$
Transaction costs	-	180
Other operating expenses	8,321	9,861

Note 2 During the period ended 31 December 2021 and 2020, other than Management fee paid to the Manager, other respective amounts paid to the Manager or its Connected Persons were as follows:

	(Unaudited) For the period from 1st July 2021 to 31st December 2021 US\$	(Unaudited) For the period from 1st July 2020 to 31st December 2020 US\$
Transaction costs	9	72

FSSA China All Cap Fund
Statement of Changes in Net Assets Attributable to Unitholders (Unaudited)
For the period ended 31 December 2021

	(Unaudited) For the period from 1st July 2021 to 31st December 2021 US\$	(Unaudited) For the period from 1st July 2020 to 31st December 2020 US\$
Net assets attributable to unitholders at 1 July	12,158,307	9,070,320
Allotment of units	123,493	116,548
Redemption of units	(27,196)	(356,679)
(Decrease)/increase in net assets attributable to unitholders from operations	(1,530,533)	2,821,501
Net assets attributable to unitholders at 31 December	<u><u>10,724,071</u></u>	<u><u>11,651,690</u></u>
	(Unaudited) For the period from 1st July 2021 to 31st December 2021 Units	(Unaudited) For the period from 1st July 2020 to 31st December 2020 Units
Class I (USD)		
Balance at the beginning of the period	78,969.86	29,182.21
Allotment of units	10,345.89	10,016.39
Redemption of units	(2,136.59)	(3,787.75)
Balance at the end of the period	<u><u>87,179.16</u></u>	<u><u>35,410.85</u></u>
Class II (USD)		
Balance at the beginning of the period	32,223.48	34,360.65
Allotment of units	-	-
Redemption of units	-	(1,981.08)
Balance at the end of the period	<u><u>32,223.48</u></u>	<u><u>32,379.57</u></u>
Class III (USD)		
Balance at the beginning of the period	267,959.27	267,959.27
Allotment of units	-	-
Redemption of units	-	-
Balance at the end of the period	<u><u>267,959.27</u></u>	<u><u>267,959.27</u></u>

FSSA China All Cap Fund
Cash Flow Statement (Unaudited)
For the period ended 31 December 2021

	(Unaudited) For the period from 1st July 2021 to 31st December 2021 US\$	(Unaudited) For the period from 1st July 2020 to 31st December 2020 US\$
Cash flows from operating activities		
Payments on purchase of investments and derivative financial instruments	(2,655,057)	(2,267,969)
Proceeds from sale of investments and derivative financial instruments	2,244,688	2,819,219
Interest received	9	2
Dividend received	86,759	74,667
Other income received	3,066	-
Management fee rebate received	48,493	23,358
Management fee paid	(71,634)	(65,596)
Trustee's fee paid	(4,793)	(2,896)
Administration fee paid	(6,003)	(6,000)
Auditor's remuneration paid	(34,901)	(35,555)
Transaction costs paid	(5,097)	-
Other operating expenses paid	(36,022)	(36,448)
Net cash (used in)/generated from operating activities	(430,492)	502,782
Cash flows from financing activities		
Allotment of units	124,769	116,548
Redemption of units	(27,196)	(354,496)
Net cash generated from/(used in) financing activities	97,573	(237,948)
Net (decrease)/increase in cash and cash equivalents	(332,919)	264,834
Effect of foreign exchange rate changes	(753)	(1,537)
Cash and cash equivalents at the beginning of the period	560,208	157,370
Cash and cash equivalents at the end of the period	226,536	420,667
Analysis of balance of cash and cash equivalents		
Cash at banks	226,536	420,667

FSSA China All Cap Fund
General Information
For the period ended 31 December 2021

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 Chung Piau Chia (Appointed on 8 October 2021) Lauren Prendiville (Appointed on 17 December 2021)
Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central Hong Kong
Auditor	Deloitte Touche Tohmatsu 35/F, One Pacific Place 88 Queensway Hong Kong
Legal Advisor to the Manager	Deacons 5th Floor Alexandra House 18 Charter Road Central Hong Kong

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