

Reasons-to-invest

Greater China equities

Why invest in Greater China?

China is the second largest economy and second largest stock market in the world. As the country evolves, the market is broadening out beyond previous state-owned enterprises. Trends such as consumption growth, R&D/innovation, and next generation manufacturing will continue to drive Chinese growth.

Dominant consumer franchises

Franchises leveraging rising incomes and demand for premium products offer growth potential

Healthcare spending

Healthcare spend per capita will grow benefitting companies providing drugs and medical services

Financial services growth

Positive demographics, rising income levels and urbanisation drive demand for financial products

Technology leaders

Higher R&D spend will promote technology champions within niche markets

Strategy overview

FSSA Greater China strategies cover China, Hong Kong and Taiwan offering both single country and regional portfolios. While China is the principal focus, both Taiwan and Hong Kong offer additional opportunities due to their positioning within the technology sector and having developed governance and regulatory frameworks.

Investment considerations include quality of management, track record executing long-term strategies and an analysis of a company's ability to compound growth in excess of its cost of capital.

Key strategy facts

- Aim: capital growth over medium-long term (>3 years)
- Universe: individual sector exposure max. 30% other than financials (40%), IT (40%), consumer discretionary & staples (50%)
- FSSA 20-year track record managing China equity strategies
- Lead manager: Martin Lau, 27 years investment experience

Why FSSA?

FSSA Investment Managers are specialists in Asia Pacific and Global Emerging Markets equity strategies. Our investment strategies cover regional and single country portfolios across the universe of small, mid and large-cap stocks.

An autonomous team within the First Sentier Group, we are bottom-up investors using fundamental research to construct high-conviction portfolios. ESG analysis is core to our process as we seek to identify high-quality, long-term investment opportunities.

This is a financial promotion for The FSSA China Strategy. This information is for professional clients only in the UK and EEA and elsewhere where lawful.

Investing involves certain risks including:

The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back significantly less than the original amount invested.

Currency risk: the Fund invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the Fund and could create losses. Currency control decisions made by governments could affect the value of the Fund's investments and could cause the Fund to defer or suspend redemptions of its shares.

Single country/specific region risk: investing in a single country or specific region may be riskier than investing in a number of different countries or regions. Investing in a larger number of countries or regions helps spread risk.

China market risk: although China has seen rapid economic and structural development, investing there may still involve increased risks of political and governmental intervention, potentially limitations on the allocation of the Fund's capital, and legal, regulatory, economic and other risks including greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.

Concentration risk: the Fund invests in a relatively small number of companies which may be riskier than a fund that invests in a large number of companies.

Smaller companies risk: Investments in smaller companies may be riskier and more difficult to buy and sell than investments in larger companies.

For a full description of the terms of investment and the risks please see the Prospectus and Key Investor Information Document for each Fund. **If you are in any doubt as to the suitability of our funds for your investment needs, please seek investment advice.**

Investment approach

FSSA are long-term, fundamental bottom-up investors. Our investment approach is to research quality companies, buy them at a sensible price and hold for the long-term. We look for companies with proven management teams with a record of successfully managing their businesses across economic cycles.

The most attractive opportunities are likely to be companies with dominant franchises and an ability to deliver sustainable and predictable long-term returns. ESG engagement is core to our process as we believe companies with good or improving ESG standards are likely to be superior investments.

Long-term investors

Long-term investors. Promote improvement through active engagement

Conservative approach

Resilient portfolios. Long term returns through consistent compounding of returns

Bottom-up analysis

Bottom-up research. Ability to compound growth in excess of cost of capital

Benchmark agnostic

Index considerations not part of portfolio construction. High-conviction portfolios

Quality companies

Strong management, high ESG standards, competitive advantage, record across cycles

ESG integration

Sustainability issues viewed as investment issues. Active ESG engagement

Valuation discipline

Both financial and non-financial metrics to determine fair market value

For more information



www.fssaim.com



www.firstsentierinvestors.com

Important Information

This document has been prepared for informational purposes only and is only intended to provide a summary of the subject matter covered. It does not purport to be comprehensive or to give advice. The views expressed are the views of the writer at the time of issue and may change over time. This is not an offer document and does not constitute an offer, invitation or investment recommendation to distribute or purchase securities, shares, units or other interests or to enter into an investment agreement. No person should rely on the content and/or act on the basis of any material contained in this document.

This document is confidential and must not be copied, reproduced, circulated or transmitted, in whole or in part, and in any form or by any means without our prior written consent. The information contained within this document has been obtained from sources that we believe to be reliable and accurate at the time of issue but no representation or warranty, express or implied, is made as to the fairness, accuracy, or completeness of the information. We do not accept any liability whatsoever for any loss arising directly or indirectly from any use of this document.

References to "we" or "us" are references to First Sentier Investors a member of MUFG, a global financial group. First Sentier Investors includes a number of entities in different jurisdictions. MUFG and its subsidiaries do not guarantee the performance of any investment or entity referred to in this document or the repayment of capital. Any investments referred to are not deposits or other liabilities of MUFG or its subsidiaries, and are subject to investment risk including loss of income and capital invested.

If this document relates to an investment strategy which is available for investment via a UK UCITS but not an EU UCITS fund then that strategy will only be available to EU/EEA investors via a segregated mandate account. In the United Kingdom, issued by First Sentier Investors (UK) Funds Limited which is authorised and regulated in the UK by the Financial Conduct Authority (registration number 143359). Registered office Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB number 2294743. In the EEA, issued by First Sentier Investors (Ireland) Limited which is authorised and regulated in Ireland by the Central Bank of Ireland (registered number C182306) in connection with the activity of receiving and transmitting orders. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland number 629188. Outside the UK and the EEA, issued by First Sentier Investors International IM Limited which is authorised and regulated in the UK by the Financial Conduct Authority (registered number 122512). Registered office: 23 St. Andrew Square, Edinburgh, EH2 1BB number SC079063.

Copyright © (2023) First Sentier Investors

All rights reserved.