

**SHINING A LIGHT ON THE.....**  
**Aberdeen Standard SICAV I – China A Share Equity Fund**

**AT A GLANCE**

Investment Objective	
The Fund's investment objective is long-term total return to be achieved by investing, directly or indirectly (including through QFII, RQFII, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programs, participatory notes, equity linked notes and any other eligible means), at least two-thirds of its total assets in equity and equity-related securities of companies whose securities are listed on Chinese Stock Exchanges, including, without limitation, China A-Shares and B-Shares of companies listed on the Chinese Stock Exchanges or other equivalent securities authorised by the China Securities Regulatory Commission for purchase by non-Chinese investors.	

<b>Inception Date</b>	16 March 2015
<b>Fund Factsheet Link</b>	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000VNAV">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000VNAV</a>

Management	
<b>Manager Name</b>	<b>Start Date</b>
Asia Pacific Equity Team	16 March 2015

Investment Style Details	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	61.71%
Large	36.04%
Medium	2.25%
Small	0.00%
Micro	0.00%

Top 10 Holdings		
<b>Total number of holdings</b>	36	
<b>Assets in Top 10 Holdings</b>	51.25%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
Kweichow Moutai Co Ltd	Consumer Defensive	8.65%
Ping An Insurance (Group) Co. of Chin...	Financial Services	7.21%
Hangzhou Hik-Vision Digital Technolog...	Technology	4.89%
Aier Eye Hospital Group Co Ltd	Healthcare	4.88%
China International Travel Service Co...	Consumer Cyclical	4.86%
Midea Group Co Ltd Class A	Technology	4.81%
Foshan Haitian Flavouring and Food Co...	Consumer Defensive	4.48%
Wuliangye Yibin Co Ltd	Consumer Defensive	4.39%
China Merchants Bank Co Ltd Class H	Financial Services	3.69%
Anhui Conch Cement Co Ltd Class A	Basic Materials	3.38%

Volatility Measurements	
<b>3-Yr Std Dev (volatility)</b>	17.51%
<b>3-Yr Mean Return (average)</b>	13.47%

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## FUND PERFORMANCE

Performance from 16 March 2015 to 31 March 2020:

	2015	2016	2017	2018	2019	2020
<b>AS SICAV I China A Share Fund</b>	-1.79%	8.35%	45.09%	-9.07%	32.04%	-5.83%
<b>iShares MSCI EM ETF</b>	-13.81%	33.56%	24.43%	-9.25%	13.81%	-12.73%

Performance over 12 months, 3 years, and since launch.

	1 year	3 years	Since launch
<b>AS SICAV I China A Share Fund</b>	2.60%	46.10%	74.56%
<b>iShares MSCI EM ETF</b>	-8.05%	2.80%	28.66%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

## UPDATE....

**This update has been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.**

This update focused both on the macro position and what has been happening with the fund in relation to recent events.

The managers remain bullish about China; in terms of the virus there are advantages of one body speaking and therefore strict rules can be put in place and enforced. This is much harder to do in the West. The move to lockdown quickly has meant that China has come out of this quicker than anyone else. Over 70% of China is now back to work. The one concern they have is demand, which could slow as the rest of the world locks down.

In terms of the fund and where it invests, China A tends to be more domestically focused and therefore in 2018 at the height of the trade tensions the domestic stocks held up reasonably well. Over time China A could decouple from the rest of the world because of demand internally. It will not be immune to global shocks, but it could potentially offer investors a form of diversification.

The fund itself focuses around areas like insurance, IT, food, travel, and healthcare. Hardware and software are important and there is a shift away from using US products to Chinese manufactured products. Huawei is a good example of this, but there is also a drive away from using Microsoft Windows to a Chinese based system.

The fund has always had a big exposure to travel, but they had been reducing this coming into the Chinese New Year. They still hold Shanghai International Airport but as valuations had risen, they had started to reduce to take profits. They had also reduced holdings in China International Travel. Travel will be the last thing to come back and although they believe in the long-term story, they do not want to take a big active risk and it is important that the weightings are trimmed.

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What COVID19 has done is expose those companies which are over leveraged and with little operating capital on their balance sheets. Their process is all about finding quality companies and ensuring they have low levels of debt and liquidity. This does not change but a lot more work is being done to ensure that nothing is being missed. They do not think the long-term themes change, and the companies they invest in are likely to get stronger as a result of this.

There is a word of caution as although not much has changed on the fund, the macro picture is not perfect. They are seeing activity coming back but things are not coming back to normal and it will take time for things to recover.

*The source of information in this note has been provided by ASI and is correct as at April 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*