

Eastspring Investments - China A Shares Growth Fund



Key information

| | |
|--|--------------|
| Asset class | Equity |
| ISIN (Class A) | LU1969619763 |
| Bloomberg ticker (Class A) | ESCAGFA LX |
| Fund size (mil) | 232.0 |
| Fund base currency | USD |
| Share class dealing currency (Class A) | USD |
| Net asset value (Class A) | USD 17.119 |
| Inception date (Class A) | 10-Apr-19 |
| Domicile | Luxembourg |
| Fund type | UCITS |

Style

Concentrated All Cap Growth

Benchmark (BM)

MSCI China A Index

Portfolio Management:

PM: Jie Lu

Years of experience - since 2006

Research Advisor of China Equities

Shanghai based CIO: Michelle Qi

Years of experience - since 1997

Investment manager

Eastspring Investments (Singapore) Limited

*The MSCI Index is calculated with dividends reinvested.

Key measures

| | Fund | BM |
|---------------------------|------|-----|
| No. of portfolio holdings | 44 | 757 |
| 3Y tracking error (%) | - | - |
| 3Y sharpe ratio | - | - |
| 3Y standard deviation (%) | - | - |
| Alpha | - | - |
| Beta | - | - |
| Information Ratio | - | - |

*Source: Morningstar

Strategy Overview

The Fund seeks to maximize long-term growth of capital by investing primarily in onshore Chinese equities (A shares) listed on the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange. The Fund combines top-down macro analysis with bottom-up fundamental analysis to construct a concentrated growth portfolio

Investment Process

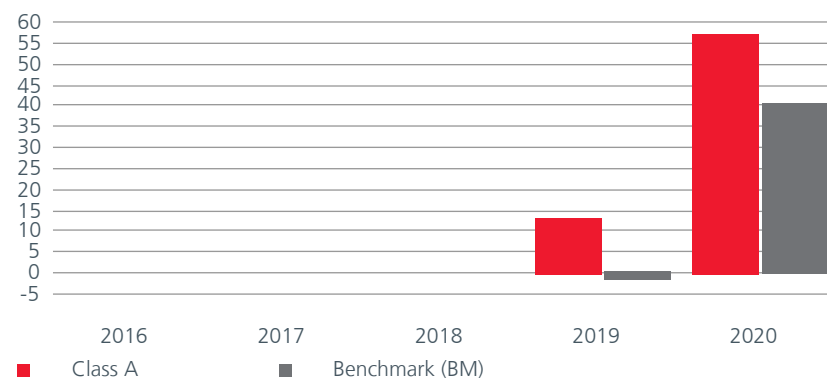
1. Utilizing proprietary quantitative tools and scorecard, research analysts screen investment universe of onshore Chinese "A" shares to build a stock pool of target stocks. This helps to narrow down and prioritize stocks for further fundamental research.
2. Qualitative adjustments can be made to conviction list based on fundamental inputs including; business catalysts, quality of management and business model, governance and projected growth potential. The objective is to narrow the universe to a pool of 200-300 stocks.
3. Top-down, macroeconomic analysis coupled with fundamental sector valuation analysis focusing on longer-term, secular growth drivers, determine sector allocations.
4. Bottom-up stock selection informed by rigorous fundamental research taking into account; company growth drivers, earnings sustainability, valuation, and risk factors (financial risks, downside risk and volatility, and material ESG risks) determine highest conviction investment ideas.
5. Portfolio construction executed by portfolio management team and guided by quantitative risk oversight process results in a high conviction, high active share portfolio of 30-55 holdings. Position sizing determined by conviction level.

Why Eastspring

- ▶ Pursuit of alpha through a differentiated, Asian lens
- ▶ History of operating in some of the most diverse, illiquid and inefficient markets in the world positions us well for emerging and developed markets investment
- ▶ Alignment of interests and history of investing alongside our clients
- ▶ Commitment of seed capital to innovate new strategies and willingness to customize solutions for clients
- ▶ Risk management is embedded in our DNA with a long history of managing liability-linked assets
- ▶ On the ground presence in China and knowledge of local/regional government influence on businesses and the economy
- ▶ Michelle Qi, Research Advisor of China Equities (Shanghai based CIO), of Eastspring Investment Management (Shanghai) Company Limited ("Eastspring Shanghai") has been investing in onshore Chinese equities for over 19 years

Performance

Calendar year returns (%) (Class A)



Source: Eastspring Investments (Singapore) Limited. Past performances is not a guide to future performance and should not be the sole factor of consideration when selecting a product. The returns shown during the first year relate to the performance of the share class since its inception to the end of that calendar year. For full details, please refer to the performance disclosure.

Portfolio Characteristics

| | Fund | BM |
|--|------|------|
| Weighted average market cap (USD, bil) | 14.4 | 14.1 |
| P/B forward (12m) | 3.9 | 2.1 |
| P/E forward (12m) | 23.0 | 16.3 |
| Active share (%) | 75.6 | – |
| Annual turnover (%) | 61.3 | – |

Sector allocation (%)

| | Fund | BM |
|---------------------------|------|------|
| Consumer discretionary | 17.4 | 7.7 |
| Financials | 16.9 | 21.6 |
| Materials | 14.0 | 8.5 |
| Information technology | 12.7 | 11.5 |
| Consumer staples | 12.4 | 18.7 |
| Industrials | 11.1 | 13.2 |
| Health care | 11.0 | 10.9 |
| Communication services | 0.0 | 1.5 |
| Others | -0.1 | 6.4 |
| Cash and cash equivalents | 4.6 | 0.0 |

Due to rounding, the allocation table may not add up to 100% or may be negative.

Country allocation (%)

| | Fund | BM |
|---------------------------|------|-------|
| China | 95.4 | 100.0 |
| Cash and cash equivalents | 4.6 | 0.0 |

Due to rounding, the allocation table may not add up to 100% or may be negative.

Top 10 holdings (%)

| | | |
|--------------------------|---|------|
| 1. | BANK OF NINGBO CO LTD | 4.8 |
| 2. | CHINA MERCHANTS BANK CO LTD A | 4.4 |
| 3. | CONTEMPORARY AMPEREX TECHNOLOGY CO LTD | 4.3 |
| 4. | CHINA TOURISM GROUP DUTY FREE CORP LTD | 4.2 |
| 5. | JIANGSU CHANGSHU RURAL COMMERCIAL BANK CO LTD | 4.1 |
| 6. | HANGZHOU GREAT STAR INDUSTRIAL CO LTD | 3.8 |
| 7. | GEELY AUTOMOBILE HOLDINGS LTD | 3.4 |
| 8. | LONGI GREEN ENERGY TECHNOLOGY CO LTD | 3.3 |
| 9. | WULIANGYE YIBIN CO LTD | 3.3 |
| 10. | ANHUI HONGLU STEEL CONSTRUCTION GROUP CO LTD | 3.2 |
| Sum Top 10 Concentration | | 38.8 |

Performance

| Class | Cumulative returns (%) | | | | Annualised returns (%) | | | |
|----------------|------------------------|------|------|------|------------------------|------------|-------------|------------------------|
| | 1 m | 3 m | YTD | 1 y | 3 y (p.a.) | 5 y (p.a.) | 10 y (p.a.) | Since inception (p.a.) |
| Class A | -8.6 | -3.2 | -3.2 | 62.1 | – | – | – | 31.3 |
| Benchmark (BM) | -6.3 | -2.2 | -2.2 | 51.1 | – | – | – | 16.6 |
| Relative | -2.3 | -1.0 | -1.0 | 11.0 | – | – | – | 14.7 |

| From | Rolling 12-month returns (%) | | | | |
|----------------|------------------------------|-------------|-------------|-------------|-------------|
| | 31 Mar 2020 | 31 Mar 2019 | 31 Mar 2018 | 31 Mar 2017 | 31 Mar 2016 |
| To | 31 Mar 2021 | 31 Mar 2020 | 31 Mar 2019 | 31 Mar 2018 | 31 Mar 2017 |
| Class A | 62.1 | – | – | – | – |
| Benchmark (BM) | 51.1 | – | – | – | – |
| Relative | 11.0 | – | – | – | – |

Performance Disclosure:

(p.a.): per annum. **Source: Eastspring Investments (Singapore) Limited.** Returns are based in share class currency and computed using the NAV price on bid-bid basis with net income reinvested. The NAV price is net of all fees, expenses and withholding taxes. Calendar year returns are based on the share class performance for the year and if the share class is inceptioned during a particular year, the returns shown relate to the performance of the share class since its inception till end of that calendar year. Fees and expenses vary among share classes, further information is available in the Prospectus. Since inception returns for periods less than a year are not annualised. The benchmark for the hedged share classes, if any, is also calculated on a hedged basis. Benchmark is for information purposes only unless specifically referenced in the Investment Objective. The monthly fund and benchmark returns calculated are aligned to the last NAV date of the fund for the month. **Past performances is not a guide to future performance and should not be the sole factor of consideration when selecting a product.**

Benchmark: This Sub-Fund aims to outperform the return of MSCI China A Index ("Benchmark"). The Sub-Fund is actively managed. The Benchmark is used as a reference point for portfolio construction. The majority of the Sub-Fund's equity securities will be components of, and have weightings derived from the Benchmark. The Investment Manager will use its discretion to overweight or underweight certain components of the Benchmark and may invest in companies or sectors not included in the Benchmark in order to take advantage of specific investment opportunities. It is thus expected that the performance of the Sub-Fund will moderately deviate from the Benchmark.

Share class details

| Class | Currency | Bloomberg ticker | ISIN | Inception date | *Minimum initial investment | *Minimum subsequent investment |
|---------|----------|------------------|--------------|----------------|-----------------------------|--------------------------------|
| Class A | USD | ESCAGFA LX | LU1969619763 | 10-Apr-19 | USD500 | USD50 |
| Class R | USD | ESCAGRU LX | LU2199555967 | 15-Jul-20 | USD500 | USD50 |

| Class | Initial sales charges% (max) | Annual management fee% (max) | Annual admin fee% (max) | Initial sales charges% (current) | Annual management fee% (current) | Annual admin fee% (current) | Ongoing charges% |
|---------|------------------------------|------------------------------|-------------------------|----------------------------------|----------------------------------|-----------------------------|------------------|
| Class A | 5.000 | 1.500 | 0.500 | 5.000 | 1.500 | 0.250 | 1.829 |
| Class R | 5.000 | 0.750 | 0.500 | None | 0.750 | 0.250 | 1.103 |

| Class | Distribution frequency | Ex-date | Dividend per share | Annual dividend yield % |
|---------|------------------------|---------|--------------------|-------------------------|
| Class A | N.A. | N.A. | N.A. | N.A. |
| Class R | N.A. | N.A. | N.A. | N.A. |

Ongoing charges vary from year to year and do not include portfolio transaction cost. Ongoing charges are based on estimated expenses of another Sub-fund for Share Class A; Ongoing charges are based on estimated expenses of another share class for Share Class R.

R-class shares are not sold directly to investors, but to financial intermediaries that serve investors. The intermediary executes the purchase of the funds on behalf of the investor, as well as the sale and exchange. The Sales Charge may be modified for certain financial intermediaries who submit trades on behalf of eligible investors. As allowed in the Prospectus, Eastspring and the financial intermediaries have agreed to waive the Sales Charge for all purchases for the fee-based R share class. Always consult your financial adviser. For more about charges, see the prospectus.

Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future trends, which may be lower. Distribution payouts and its frequency are determined by the Board of Directors, and can be made out of (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination of any of (a) and/or (b) and/or (c). The payment of distributions should not be confused with the Fund's performance, rate of return or yield. Any payment of distributions by the Fund may result in an immediate decrease in the net asset value per share. Funds with Monthly and Quarterly Distribution Frequency: Annualised Dividend yield = (Dividend per share / Reference NAV at start of distribution period) x (No. of calendar days in a year / No. of calendar days in distribution period) x 100%. Funds with Yearly Distribution Frequency: Annualised Dividend Yield = (Dividend amount / Total Net Assets) x (No. of calendar days in a year / No. of calendar days in distribution period) x 100%. *Or their near equivalent in any major freely convertible currency of the amounts specified. "N.A.": This share class does not distribute dividends.

IMPORTANT INFORMATION

Prior to investing, Investors should read the Prospectus and Key Investor Information Document (“KIID”).

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