

January 2021

# Reasons Why



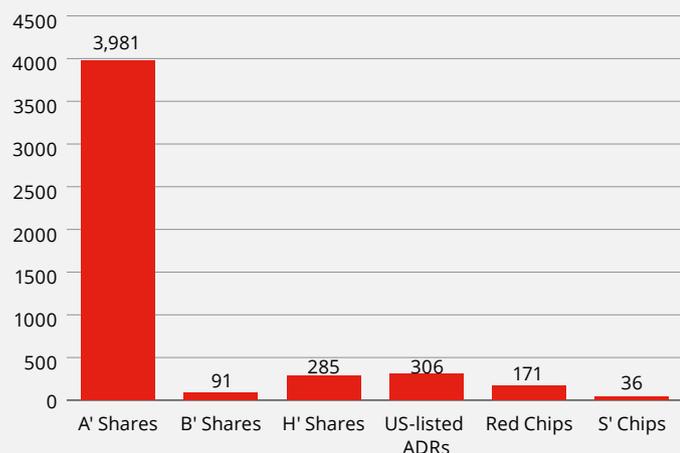
## Aberdeen Standard SICAV I - China A Share Equity Fund



### 01 Large and inefficient market

- Deep and liquid market with over 3,900 stocks
- Most companies are not available in offshore China markets
- Inefficient, sentiment-driven market is suitable for active investors

The China A share market compared to other markets  
Number of listed companies



Source: Aberdeen Standard Investments, 31 December 2020.

### 02 Exposure to premium consumers

- Rising wealth sees consumers moving to higher value goods and services
- China's 380 million millennials are earning more than parents ever did
- Portfolio positioned to benefit from structural growth of emerging consumer

Consumer category	Annual disposable income (USD)	Growth (2010-18)
Global	>60k	+167%
Affluent	46k-60k	+233%
Mass affluent	31k-46k	+530%
Upper aspirant	21k-31k	+815%

Source: McKinsey Global Institute – China Consumer Report 2020, December 2019. USD / CNY conversion based on 1/6.45 as at 2 Feb 2021. Source Bloomberg.

### 03 Key investment themes

- Changing work and consumption patterns due to COVID-19
- Growth in structural demand for healthcare and insurance products
- China a hub for adoption of renewable energy amid global push by policymakers

Spending switch



Matter of policy: life insurance on the rise



Health and wellness

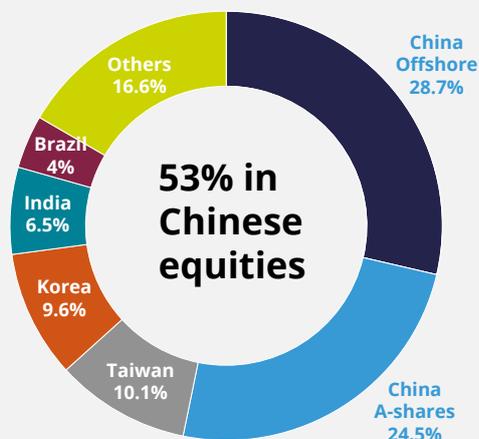


Going green



## 04 China's increasing weight

If 100% of Chinese A-shares were included in the MSCI Emerging Markets Index, their weighting would increase to 24.5% of the benchmark, from 4.9%. Currently index inclusion of A-shares is limited to 20% of their market-cap weight.

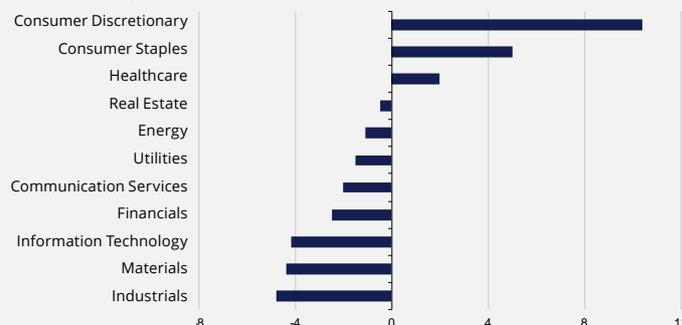


Countries based on Bloomberg country of risk classification.  
Source: MSCI, Bloomberg, Aberdeen Standard Investments, 14 August 2020.  
Figures may not always sum to 100 due to rounding.

## 05 A high-conviction approach

- Concentrated portfolio of 30-40 stocks only
- Unconstrained, highly active strategy versus benchmark
- Experienced and stable team uniquely focused on ESG

Significant deviation from the benchmark  
Relative sector position (%)



Your portfolio may not have the same sector exposure. Sector exposure is subject to change. For illustrative purposes only.  
Benchmark was MSCI China A Index from inception at 16 March 2015 to 28 February 2018. From 1 March 2018, benchmark has been changed to MSCI China A Onshore Index. Post November 2018 Quarterly MSCI Rebalancing, Telecommunication Services has been renamed to Communication Services due to the reclassification of MSCI sectors on the close of 30 November 2018.  
Source: Aberdeen Standard Investments, BPSS, Thomson Reuters Datastream, 31 December 2020. Figures may not always sum to 100 due to rounding.

## 06 Long-term track record

- Top-quartile Morningstar performance ranking over 3 years, 5 years and since inception<sup>1</sup>
- Strong performance was seen in both rising and falling markets<sup>2</sup>
- Fund has USD 5.36 billion in AUM as at 1 January 2021 and a track record of more than five years

### Cumulative and annualised performance

	1 Month	6 Months	Year to date	1 Year	3 Years (p.a.)	5 Years (p.a.)
Fund (gross) (%)	12.53	46.96	55.77	55.77	23.21	22.34
Fund (net) (%)	12.36	45.65	53.00	53.00	21.03	20.17
Performance target (%)	6.26	33.89	40.29	40.29	9.07	4.84

### Discrete annual returns - year to 31/12

	2020	2019	2018	2017	2016
Fund (gross) (%)	55.77	38.52	-13.26	59.98	-8.39
Fund (net) (%)	53.00	36.06	-14.80	57.18	-10.00
Performance target (%)	40.29	37.76	-32.85	20.47	-18.97

Performance Data: Share Class A Acc USD

Benchmark history: Performance comparator - MSCI China A (USD)

Source: Lipper. Basis: Total Return, NAV to NAV, net of annual charges, gross income reinvested, (USD).

"Fund (Net)" refers to the actual unit price performance of the shareclass shown; "Fund(Gross)" adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark. All return data includes investment management fees, operational charges and expenses, and assumes the reinvestment of all distributions. The returns provided do not reflect the initial sales charge and, if included, the performance shown would be lower.

**Past performance is not a guide to future returns and future returns are not guaranteed.**

<sup>1</sup> Morningstar quartile performance ranking periods: 3-year refers to 01/11/2015 - 31/10/2020, 5-year refers to 01/11/2015 - 31/10/2020 & since launch refers to 16/03/2015 to 31/10/2020.

<sup>2</sup> 112% of upside capture and 69% of downside capture for the period 31 March 2015 to 30. September 2020 (Source: Aberdeen Standard Investments, BPSS, Thomson Reuters Datastream, Gross, USD)

## Key Facts

Fund Type	Equities
Launch date	16 March 2015
Objective	The Fund aims to achieve a combination of growth and income by investing in companies listed on Chinese stock exchanges. The Fund aims to outperform the MSCI China A Onshore Index (USD) benchmark before charges.
Base currency	USD
Performance target	MSCI China A Onshore Index
Sector	Lipper Global Equity China
Fund size	US\$ 5.36 billion (as of 1/1/2021)
Fund type	SICAV UCITS
Domicile	Luxembourg

## Important Information

**For professional investors (in Switzerland for Qualified Investors) only – not for use by retail investors.**

- The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. Past performance is not a guide to future results.
- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The fund invests in Chinese equities. Investing in China involves a greater risk of loss than investing in more developed markets due to, among other factors, greater government intervention, tax, economic, foreign exchange, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks. The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- More details of the risks applicable to this fund can be found in the Key Investor Information Document (KIID) and Prospectus, both of which are available on request or at our website [aberdeenstandard.com](http://aberdeenstandard.com).

The fund is a sub-fund of Aberdeen Standard SICAV I, a Luxembourg-domiciled UCITS fund, incorporated as a Société Anonyme and organized as a Société d'Investissement à Capital Variable (a "SICAV").

**In Spain** Aberdeen Standard SICAV I has been registered with the Comisión Nacional del Mercado de Valores under the number 107.

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