

December 2019

Reasons why



Aberdeen Standard OEIC – China A Share Equity Fund

01 Why China?



China's economic growth over the last 40 years has been unparalleled and now Beijing is allowing unprecedented access to its stock and bond markets. This offers major opportunities for foreign investors.

02 Why A shares?



Chinese companies are listed around the world. However, the China A-share market is still home to the majority of the mainland Chinese companies. With around 3,500 companies listed, it presents the opportunity to invest in one of the most exciting economies in the world.

03 Diversification benefits

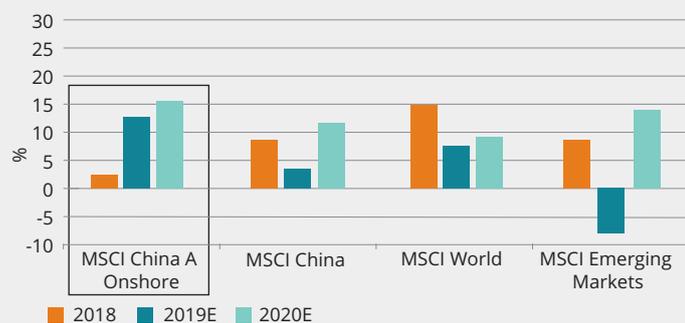


A-shares have relatively low correlation with global equities, offering diversification benefits to international investors. The variety of listed companies offers a wide dispersion of returns, providing opportunities to uncover mispricings.

04 Quality at a fair price

Chart 1: EPS YoY growth estimates

We target financially strong companies that are consistently more profitable than the market. Such quality in China is still inexpensive thanks to the healthier earnings prospects of A-share stocks.



Source: Bloomberg, in USD, 19 December 2019. Forecasts are offered as opinion and are not reflective of potential performance. Forecasts are not guaranteed and actual events or results may differ materially.

05 Why ASI China A-Share Equity Fund



The ASI China A-Share Equity Fund aims to generate growth over the long term (five years or more) by investing in onshore Chinese companies with an A-share listing. Although many investors remain cautious, we believe the long-term opportunities in this market are too big to ignore. As experienced, active investors in Chinese companies we believe that by following an active approach, ensuring ESG is an integral part of our investment process and by investing in high quality companies with strong balance sheets, that are cash generative, have strong corporate governance and a clear and defensible competitive advantage will allow us to manage the risk and uncover quality investments over the long term.

06 Diligent research



Due diligence is at the heart of our investment process. We don't rely on company disclosures. We scrutinise accounts and meet management teams regularly to be sure they will protect shareholder interests.

07 Total return



We target cash-rich companies with durable earnings, competitive advantages and a strong market share. They have pricing power and are best placed to sustain dividend payouts, which boost total return.

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Key Facts

Fund Type	Equities
Objective	To achieve a combination of income and growth by investing, directly or indirectly (including through QFII, RQFII, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programmes, participatory notes, equity linked notes and any other eligible means), mostly in shares of companies whose securities are listed on Chinese Stock Exchanges, including, without limitation, A-Shares and B-Shares of companies listed on the Shanghai and Shenzhen Stock Exchanges or other equivalent securities authorised by the China Securities Regulatory Commission for purchase by non-Chinese investors.
Base currency	GBP
Reference Index	MSCI China A Onshore Index
Sector	Lipper Global Equity China
Fund type	OEIC
Domicile	UK

Important Information

Risk factors you should consider before investing:

- Investing in China A shares involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- A concentrated portfolio may be more volatile than a more broadly diversified one. The fund's investments are concentrated in China. This may result in greater volatility than portfolios which are more geographically diversified.
- 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 does not make extensive use of derivatives.
- 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 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.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained. The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment. Inflation reduces the buying power of your investment and income. The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations. The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund. In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner. The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration. For more information please contact your local Aberdeen Standard Investments representative, or visit our website at aberdeenstandard.com

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Before investing, investors should consider carefully the investment objective, risks, charges, and expenses of a fund. This and other important information is contained in the prospectus, which can be obtained from a financial advisor and are also available on aberdeenstandard.com. Prospective investors should read the prospectus carefully before investing. Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. You should obtain specific professional advice before making any investment decision.

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