

# Premium Asia Fund

## Top 10 Portfolio Holdings as at 28 February 2018

### Taiwan Semiconductor Manufacturing (Technology Hardware) Market Cap: USD 217.8 Billion



- Taiwan Semiconductor Manufacturing is the world's largest independent semiconductor foundry. The company provides process design, wafer manufacturing and testing services to designers of integrated circuits, that is, chips for electronic devices.
- Being the exclusive supplier of the A11 chip, which is used to power the iPhone 8 and the iPhone X, its clientele include global giants such as Apple, Qualcomm, Nvidia and Huawei Technologies.
- As a world leader with more than 50% share of the outsourcing market, the company has consistently outperformed its competitors in terms of technology and profitability.

### Kweichow Moutai (Food, Beverage & Tobacco) Market Cap: USD 144.0 Billion



- Kweichow Moutai is China's largest and most revered liquor producer. Its premium spirits serve as prestigious gifts and are often consumed during special occasions.
- With its premium brand positioning and effective channel management, Moutai has successfully expanded its market share in private consumption in light of overall decline in the public sector arising from government clampdowns on lavish spending.
- Brand-driven margins help the company to ensure stable cash flows, which are expected to grow in 2018 through stronger volume growth.

### Tencent (Software & Services) Market Cap: USD 524.6 Billion



- Tencent is one of the largest internet-related services providers in the world, covering instant messaging, social networking, email, web portals, e-commerce, advertising, online payment services and multiplayer games.
- Its offerings include mobile chat services QQ Instant Messenger and WeChat, which provides users with services that are similar to those of Facebook, Twitter, WhatsApp and Zynga. By the end of Q2 2017, active QQ Instant Messenger users amounted to 850 million, while monthly active users of WeChat has grown to 963 million.
- In November 2017, Tencent's market value reached USD\$528 billion, shortly after surpassing Facebook to enter the world's top 5 most valuable companies.

### VTech (Technology Hardware & Equipment) Market Cap: USD 3.5 Billion



- VTech is the world's leading supplier of electronic learning products from infancy to preschool, as well as the largest global manufacturer of cordless phones. It also plays as one of the world's top providers of electronic manufacturing services.
- Founded and based in Hong Kong, the group currently has operations in 11 countries including Australia, China, Japan and India.
- With deployment of R&D centres in countries like the U.S. and Germany, along with high-end manufacturing facilities in China, VTech has established a network which enables it to keep up with the latest technology and market trends, while maintaining a highly cost effective structure.

### Industrial & Commercial Bank of China (Banks) Market Cap: USD 359.0 Billion



ICBC

中国工商银行

- As a state-owned commercial bank founded in 1984, Industrial & Commercial Bank of China (ICBC) has ranked the first in the world by total assets and market capitalisation as of February 2017.
- It is also the world's biggest public company on the latest Forbes list (End 2017).
- ICBC has an extensive network of over 17,000 branches and a huge customer base, which gives the group scale advantage in building a consumer banking franchise, allowing it to rely less heavily on interest income in the long run.

## Techtronic Industries (Consumer Durables & Apparel)

Market Cap: USD 11.5 Billion



- Techtronic is a global leading power tools company, selling through multiple brands including Milwaukee and Ryobi.
- Globally, it is the largest power tools brand in the DIY market with over 50% market share. Meanwhile, there is large room for its market share to pick up in the professional power tool segment.
- Around 76% of its revenue is from the U.S., its largest client being Home Depot. The remainder comes from Europe and Asia.

## KWG Property (Real Estate)

Market Cap: USD 4.4 Billion



- Founded in 1995 and headquartered in Guangzhou, KWG Property focuses on the development, management, investment and sale of real estate properties in the mainland China.
- Its properties portfolio includes mid- to high-end residential properties, serviced apartments, villas, office buildings, hotels, and shopping malls.
- In December 2017, the Group's gross pre-sales value amounted to RMB2,400 million, representing a year-on-year increase of 17.0%.

## Ping An Insurance (Insurance)

Market Cap: USD 195.4 Billion



- Established in 1988, Ping An Insurance Group is a leading provider of insurance services in China.
- It is also one of the first Chinese non-state-owned financial conglomerates, covering insurance, banking, securities, as well as trust and asset management services.
- Ping An's sustainable and stable development is supported by its robust business functions, clear growth strategy, effective disclosure mechanisms and comprehensive risk management system.

## V-ONE Tech (Semiconductors & Semiconductor Equipment)

Market Cap: USD 0.2 Billion



- Established in 2006 and headquartered in South Korea, V-ONE Tech is specialised in manufacturing testing software and equipment used in the flat panel display manufacturing.
- It also offers industrial machine vision system, LCD pattern checker, and test equipment.
- Boding well for its 2017 sales growth, the company is to start supplying its rechargeable battery inspection equipment from 2018. As smartphone rechargeable batteries are starting to come in more diverse shapes, more inspection processes are required to ensure safety for the users. V-ONE Tech is believed to benefit from this uptrend demand, thus generating robust growth going forward.

## Chinasoft International (Software & Services)

Market Cap: USD 1.8 Billion



- Incorporated in 2000, Chinasoft International is one of the largest China-based IT services providers listed on the main board of Hong Kong Stock Exchange.
- The group has two subsidiaries namely Technical Professional service Group (TPG) and Internet IT service Group (IIG).
- TPG focuses on providing technical support and professional services for key clients amongst major industries. It has established strategic cooperation with industry giants including Microsoft, Alibaba, Tencent, HSBC and China Mobile.
- IIG is engaged to construct high efficiency and competitiveness for governments and small businesses by providing them with big data related services and Internet-based platforms.

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