

# Premium China Fund

## Top 10 Portfolio Holdings as at 31 January 2019

### Alibaba Group (Software & Services)

Market Cap: USD 436.8 Billion



- Alibaba, an e-commerce giant, provides services ranging from web portals connecting businesses and consumers, electronic payment services and internet infrastructure.
- Its flagship site Alibaba.com is the world's largest online business-to-business trading platform for small businesses, handling sales between importers and exporters from over 240 countries. whilst its consumer-to-consumer portal—Taobao functions similar to eBay featuring nearly a billion products. Currently, it is amongst one of the 20 most visited websites globally on a consistent basis.
- Global brands such as Nike, Uniqlo and Burberry, use Alibaba's Tmall platform to market to an estimated 300 million shoppers. The companies online payment platform—Alipay is larger than PayPal and accounts for roughly half of all online payment transactions within China.

### Tencent (Software & Services)

Market Cap: USD 419.8 Billion



- Tencent, a world leader in the internet-related services space, provides services across instant messaging, social media, email, web-portals, e-commerce, advertising, online payment as well as multiplayer games.
- With offerings including QQ Instant Messenger and WeChat, Tencent is providing similar services to the likes of Facebook, Twitter and WhatsApp. By the end of Q2 2018, QQ had 803 million monthly active user accounts, whilst WeChat, since its launch in 2011, accommodates for over 1 Billion monthly active users.
- In November 2017, Tencent's market value reached US\$528 billion, surpassing Facebook's market value at the time, which resulted in it being recognised as one of the world's top 5 most valuable public companies.

### China Construction Bank (Banks)

Market Cap: USD 224.9 Billion



- The China Construction Bank (CCB) was founded in October 1954 and is one of the four major banks in mainland China. It has a diverse range of financial and banking services, which has driven its profits, ranking it 6th globally in terms of market value.
- On a recent Forbes listing of "The World's Largest Public Companies", the China Construction Bank was ranked 2<sup>nd</sup> globally in terms total assets, which amounted to RMB 3,631.6 billion as at end of June 2018.
- With over 13,000 domestic branches established, CCB is expanding its overseas market by deploying offices in cities like New York, Tokyo and Sydney.

### Industrial & Commercial Bank of China (Banks)

Market Cap: USD 294.8 Billion



ICBC

中国工商银行

- As a state-owned commercial bank founded in 1984, Industrial & Commercial Bank of China (ICBC) has been ranked the first in the world by total assets and market capitalisation, as well as third for profits within the banking sector as of June 2018.
- It is one of a few banks within the industry to have a diversified portfolio in revenue streams, adapting a universal banking model.
- ICBC has approximately 5.1 million corporate clients and 465 million individual customers, with 17,122 domestic branches. This has provided the group with a scale of advantages in building a consumer banking franchise, allowing it to rely less heavily on revenue from interest payments in the long run.

### China National Offshore Oil Company (Energy)

Market Cap: US 74.7 Billion



- Founded in 1999, CNOOC engages in the exploration, production and selling of crude oil, natural gas as well as other petroleum products. The company's exploration sites, from which it extracts its crude oil and natural gas, are on offshore rigs in Bohai, Western South China Sea, Eastern South China Sea, and the East China Sea.
- On the 23<sup>rd</sup> of August 2018, the company announced its profits had increased by 57% year on year, whilst also announcing an interim dividend of HK \$0.30 per share, on the back of inflationary pressures from the international market. CNOOC, however, has been able to maintain its all-in production expenses at \$31.83 per barrel. This has allowed it to remain competitive within the global market.

**CRRC Corp Ltd** (Capital Goods)

Market Cap: USD 35.4 Billion



- CRRC, together with its many subsidiaries, engages in research, development, manufacture, sale, refurbishment, service; and lease of locomotives, metro cars, engineering machinery, mechanical and electric equipment, electronic equipment, environmental protection equipment, and related components in mainland China and internationally.
- Being the largest supplier of rail transit equipment, it was ranked 277th in the Forbes global 2000 list as at June 2018.
- The company strategic focus is to offer products and services which provide energy-saving, eco-friendly, cost efficiency, intelligent solutions for the sustainable development of railway transportation.

**CSPC Pharmaceutical Group** (Pharmaceuticals, Biotechnology & Life Sciences)

Market Cap: USD 10.7 Billion



- CSPS Pharmaceutical is a leading pharmaceutical group whose manufacturing facilities are located in the Shijiazhuang City of the Hebei Province in China that has been listed on the Main Board of the Hong Kong Stock Exchange since 1994.
- CSPC has three major business segments including innovative drugs, common generic drugs and bulk drugs.
- According to World Brand Lab, one of the leading independent consultancy of brand valuations in the world, CSPC has been consistently ranked in the "Top Most 500 Most Valuable Brands" in China.

**PetroChina** (Energy)

Market Cap: USD 190.5 Billion



- PetroChina is China's largest oil and gas producers and distributor. It is also one of the largest companies in the world by revenue. In addition to the exploration, development, production and transportation of crude oil and natural gas, the company also engages in the development and production of petrochemical products such as ethylene.
- Placing a strong emphasis on the development of new energy, PetroChina continues to deepen its industrial testing and resource evaluation of bio-diesel, oil shale and oil sands, and conduct research on the utilisation of geothermal energy and water soluble gas.

**Ping An Insurance** (Insurance)

Market Cap: USD 173.9 Billion



- Established in 1988, Ping An Insurance group is China's biggest insurer, being reigns as the supreme as the industry's No.1 by profit and return on equity. Ranking 10<sup>th</sup> on Forbes global listing of "The world's Largest public companies".
- Being the very first Chinese non-state-owned financial conglomerates, Ping An covers a wide services ranging from banking products to asset management and insurance related services. The group has had the ability to gain the earlier mover advantage adopting blockchain and artificial intelligence across its vast territory in finance.

**Sands China** (Consumer Services)

Market Cap: USD 38.4 Billion



- Sands china is a subsidiary of the Las Vegas Sands Corp, which is geared in the specific geographic region of Asia and is a leading developer, owner and operator of multi-use integrated resorts and casino's in Macao. These include their flagship resort-hotel, The Venetian Macao, and its newly opened casino resort, Cotai Central.
- With Macao's continual growth in consumer spending and an increased trajectory focus around the retail and gaming segments within the region again. Sands China has situated itself to enhance and capture growth within the tourism industry.

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