

Monthly Update

Investment News and Funds' Holdings

August 2021

Investment news

Our investment and research team's analysis are being incorporated into PWIN & PWINRMF & P-CGREEN's investments

Concerns about inflation and interest rate

Any potential for the US 10-year interest rate to reach 2%? What are our perspective and investment strategy?

10-year yield slides from 2021 peak



Yields are in per cent.
Source: Bloomberg

This year-end forecast
JP Morgan: reduce to 1.75%
Goldman Sachs: reduce to 1.60%

The world economy has not fully recovered yet, and the Fed will prioritize employment over inflation. We consider interest rates factors in our risk management, but primarily focus on the fundamentals of our investments and their earnings.

Chinese regulatory impacts and opportunities

Last month, there were corrections in Chinese market especially for following areas due to the regulations from Chinese authorities.



Private education



Technology



Food delivery

However, we believe that this **short-term volatility** is a good opportunity to analyze and invest in high growth potential stocks that comply with government's goals in the long term.

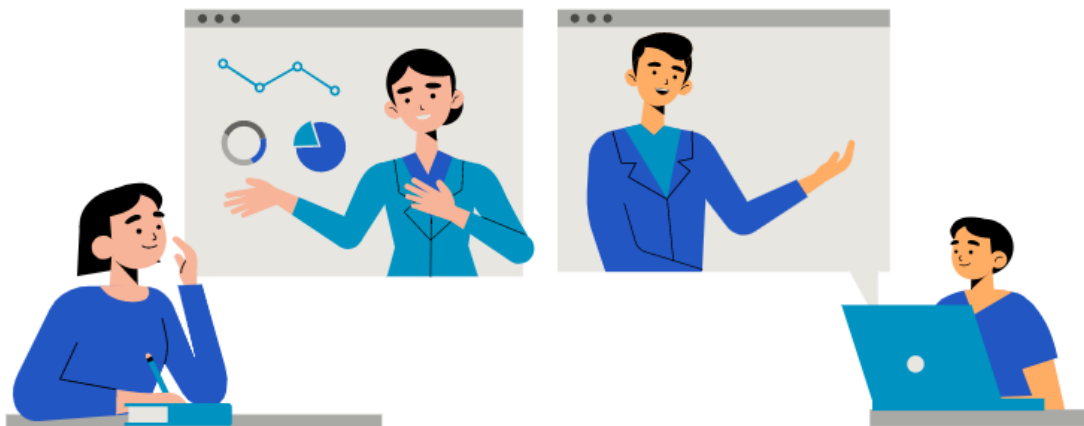
In this monthly update, we will summarize Chinese regulatory impacts, describe our portfolio adjustment and highlight investment opportunities.

Private Education

The State Council of China issued the regulations that aiming to

- change the after-school tutoring industry into **nonprofit institution**
- use “**double reduction**” scheme: reduce homework and after-school tutoring

On that date, share price of major Ed-tech companies e.g. TAL Education, New Oriental Education plunged around 10-15%.



Both of our funds, **PWIN** and **P-CGREEN**, don't invest in these affected stocks, but experienced some market volatility.

Technology



Tencent's music apps



As Tencent owns >80% of exclusive music platform in China, the State Administration for Market Regulation (SAMR) required Tencent and its affiliates to

1. give up its exclusive music rights within 30 days
2. pay a fine of 500,000 yuan
3. report the progress every year for 3 years

Tencent showed its effort to comply with the rules and its determination to contribute a healthy market competition.

For PWIN, we have done detailed research and reduced our investment in Chinese technology sector to reduce regulatory risks. Currently we are keep updating and managing the highest return per unit risk goal for our investors.

Technology (cont.)

Xinhua newspaper published that online gaming could spur addiction and negative impacts to children.

Therefore, gaming company plans to **strengthen its children protection measurements**. For example,

- reduce time spending for players under 18 years old to 60 mins on weekdays, and 2 hrs on weekends
- prohibit players under 12 years old to purchase in games
- check identity of players to make sure that they are adults

Although we believe that Tencent is a potential stock with a strong revenue growth (at 33% 5-year CAGR), we would like to reduce uncertainty and market risk in China. Thus, we decided to reduce our investment in Chinese tech firms as reflected in our top holdings of PWIN.

“Honor of Kings” a famous online mobile game of Tencent



Food delivery

The SAMR also announced a guideline about food delivery riders' basic rights such as base income, safety and insurance coverage. This regulation has negative effects on Meituan's share price.



Meituan Delivery



However, Meituan has a development plan with Li Auto (leading Chinese EV firm and P-CGREEN top holding).

Companies have signed an agreement that allows Meituan to use Li Auto's intellectual property to create autonomous delivery vehicles. This agreement will be validated until the end of 2023.

Li Auto will receive fees from Meituan when the vehicles are produced.

Investment opportunities

We believe that the main purposes of Chinese government are to improve quality of life, reduce monopolistic and get rid of inequality.



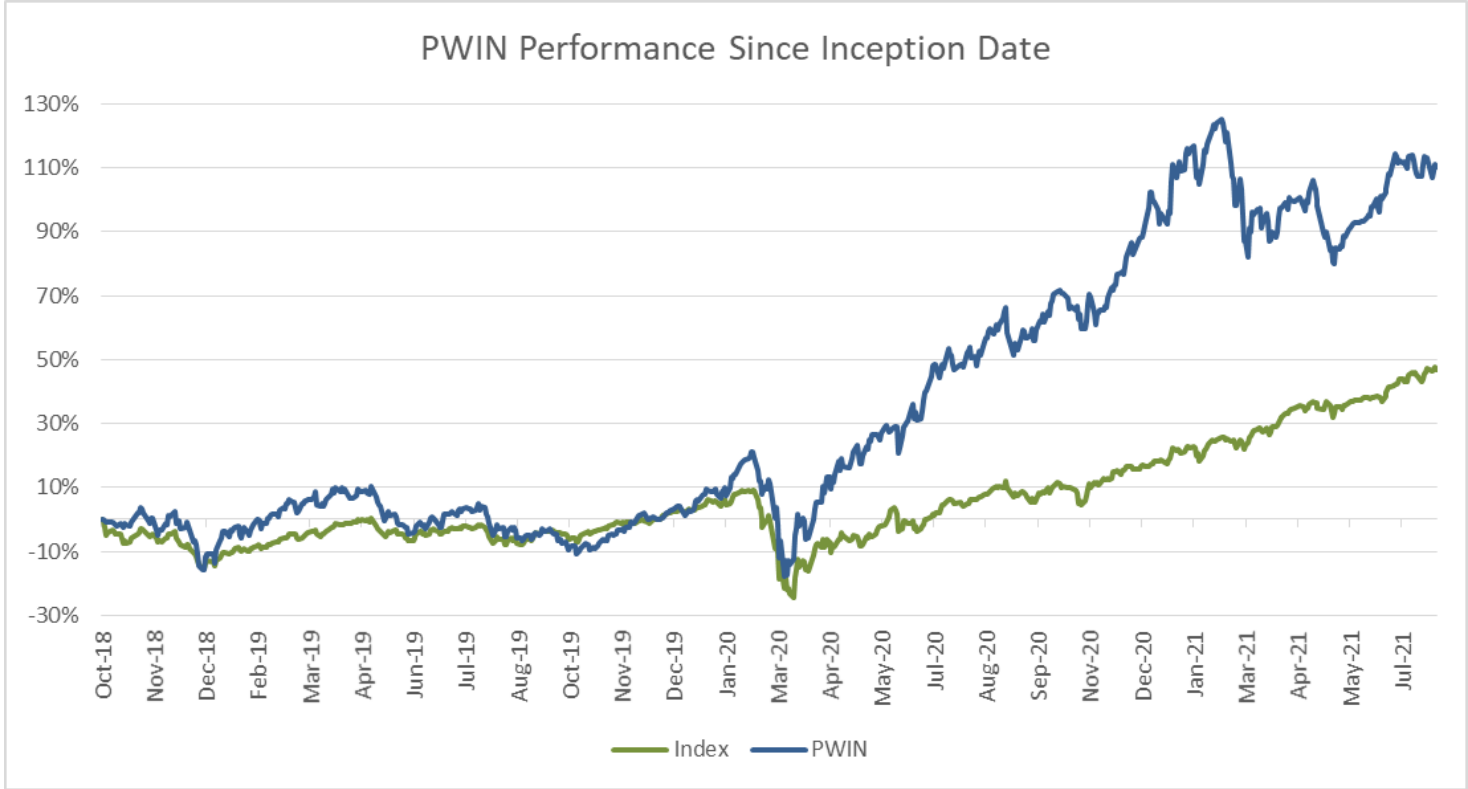
It is important to invest in sectors/businesses that comply with the goals of Chinese government such as green energy which receives significant subsidies and supports, and also invest in strong fundamental stocks. In the long run, we still see a lot of potential growths for China.

Corrections in short term are good opportunities to invest in strong companies at cheaper prices. We also keep monitoring our portfolios, especially during this uncertainty environment.



Funds' Performances and Holdings

PWIN's performance since inception date



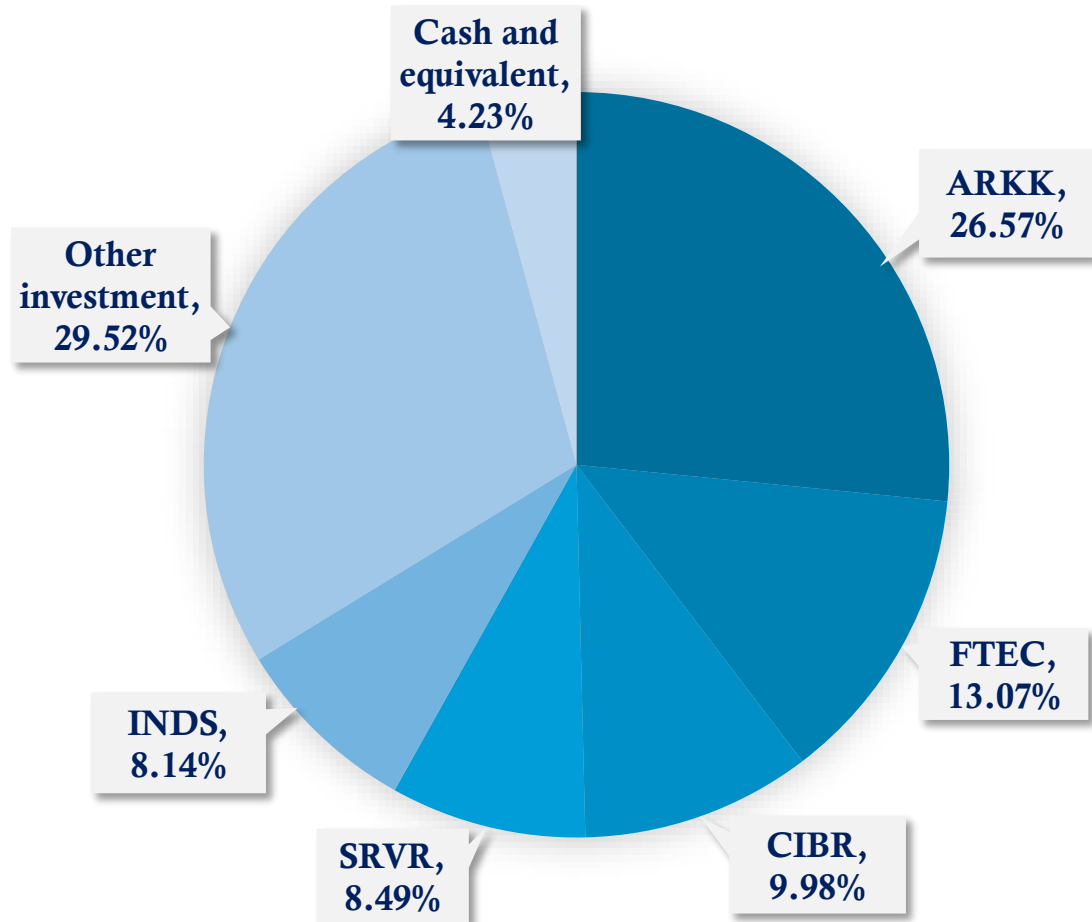
PWIN + 110.38%

**Morningstar Global
Market Index NR USD + 46.68%**

	3-month	6-month	1-year	YTD	Since Inception (8 Oct 2018)
PWIN	6.21%	2.75%	42.54%	7.53%	110.38%
Benchmark	8.65%	24.22%	41.23%	23.75%	46.68%

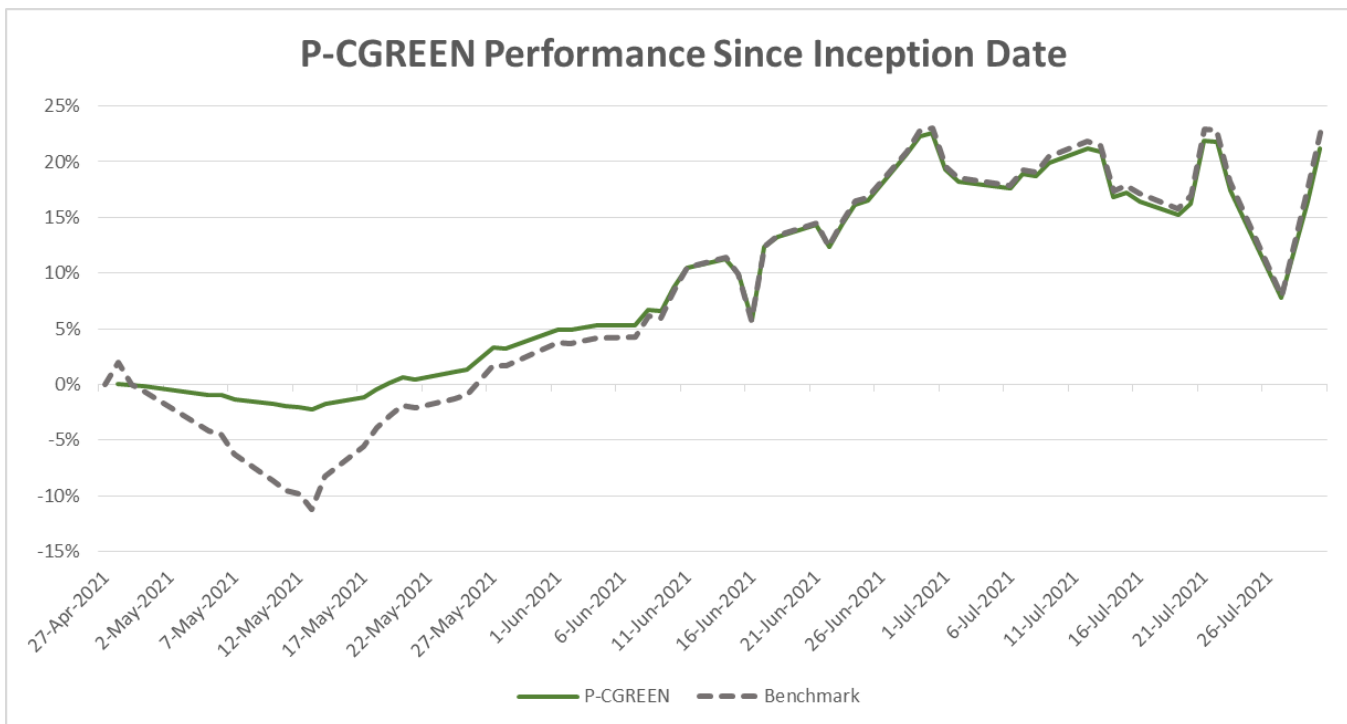
Performance as of 30 July 2021
Past performance is no guarantee of future results

PWIN's top holdings



Holdings	Weight (%)
TESLA INC	3.07%
APPLE INC	2.63%
MICROSOFT CORP	2.19%
NVIDIA CORP	1.99%
TELADOC HEALTH INC	1.83%
SQUARE INC - A	1.66%
ROKU INC	1.58%
UNITY SOFTWARE INC	1.55%
ZOOM VIDEO COMMUNICATIONS-A	1.46%
SHOPIFY INC - CLASS A	1.41%

P-CGREEN's performances and holdings



Holdings	Weight (%)
NIO INC - ADR	8.84
BYD CO LTD-H	8.56
LI AUTO INC - ADR	8.29
XPENG INC - ADR	8.23
CONTEMPORARY AMPEREX TECHN-A	6.12
CHINA LONGYUAN POWER GROUP-H	4.62
XINYI SOLAR HOLDINGS LTD	4.46
ZHUZHOU CRRC TIMES ELECTRI-H	4.03
LONGI GREEN ENERGY TECHNOL-A	3.87
CHINA CONCH VENTURE HOLDINGS	2.56

	3-month	6-month	1-year	YTD	Since Inception (27 Apr 2021)
P-CGREEN	21.45%	-	-	-	21.20%
Benchmark	23.43%	-	-	-	22.63%

Performance as of 30 July 2021. Past performance is no guarantee of future results