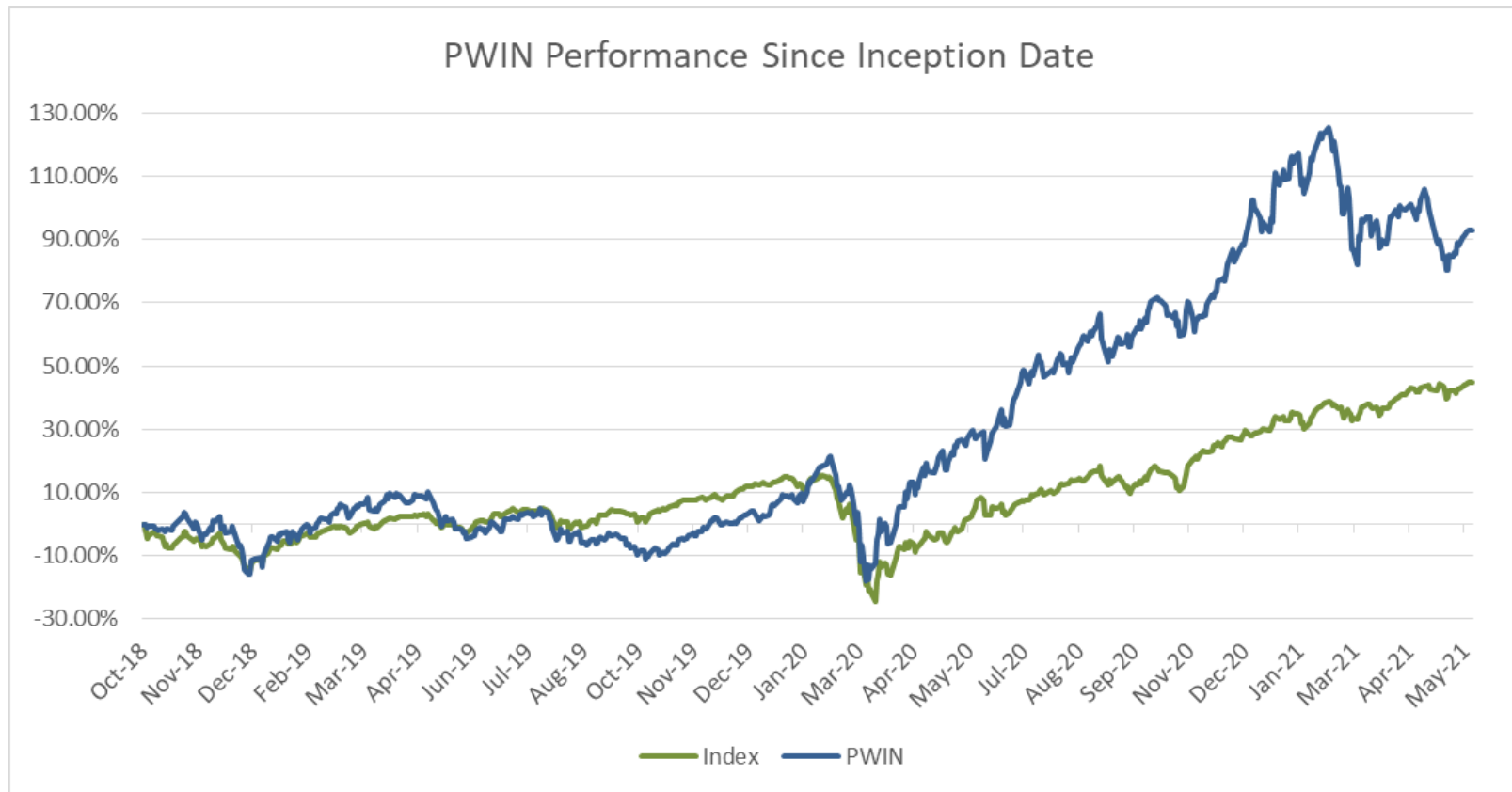


# Monthly Update

Investment News and Top Holdings

June 2021

# PWIN's performance since inception date



**PWIN + 92.90%**

**Morningstar Global  
Market Index NR USD + 44.78%**

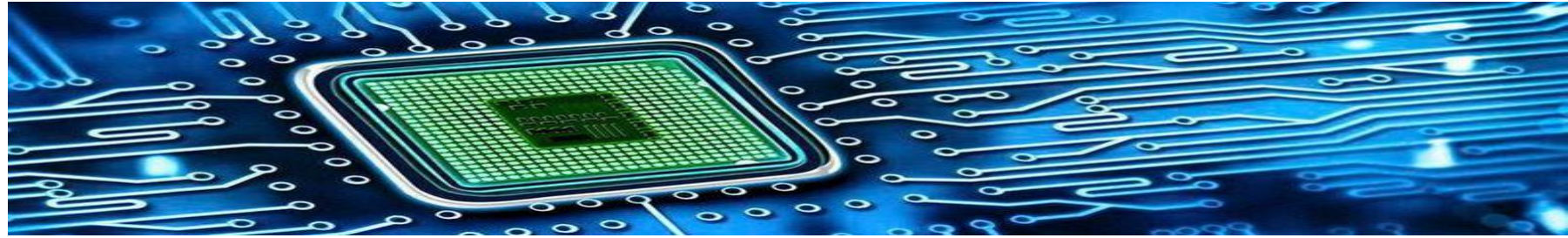
	3-month	6-month	1-year	YTD	Since Inception (8 Oct 2018)
<b>PWIN</b>	-2.64%	8.82%	52.03%	-1.40%	92.90%
<b>Benchmark</b>	6.87%	16.36%	42.82%	11.10%	44.78%

Performance as of 28 May 2021  
Past performance is no guarantee of future results

# Investment news

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

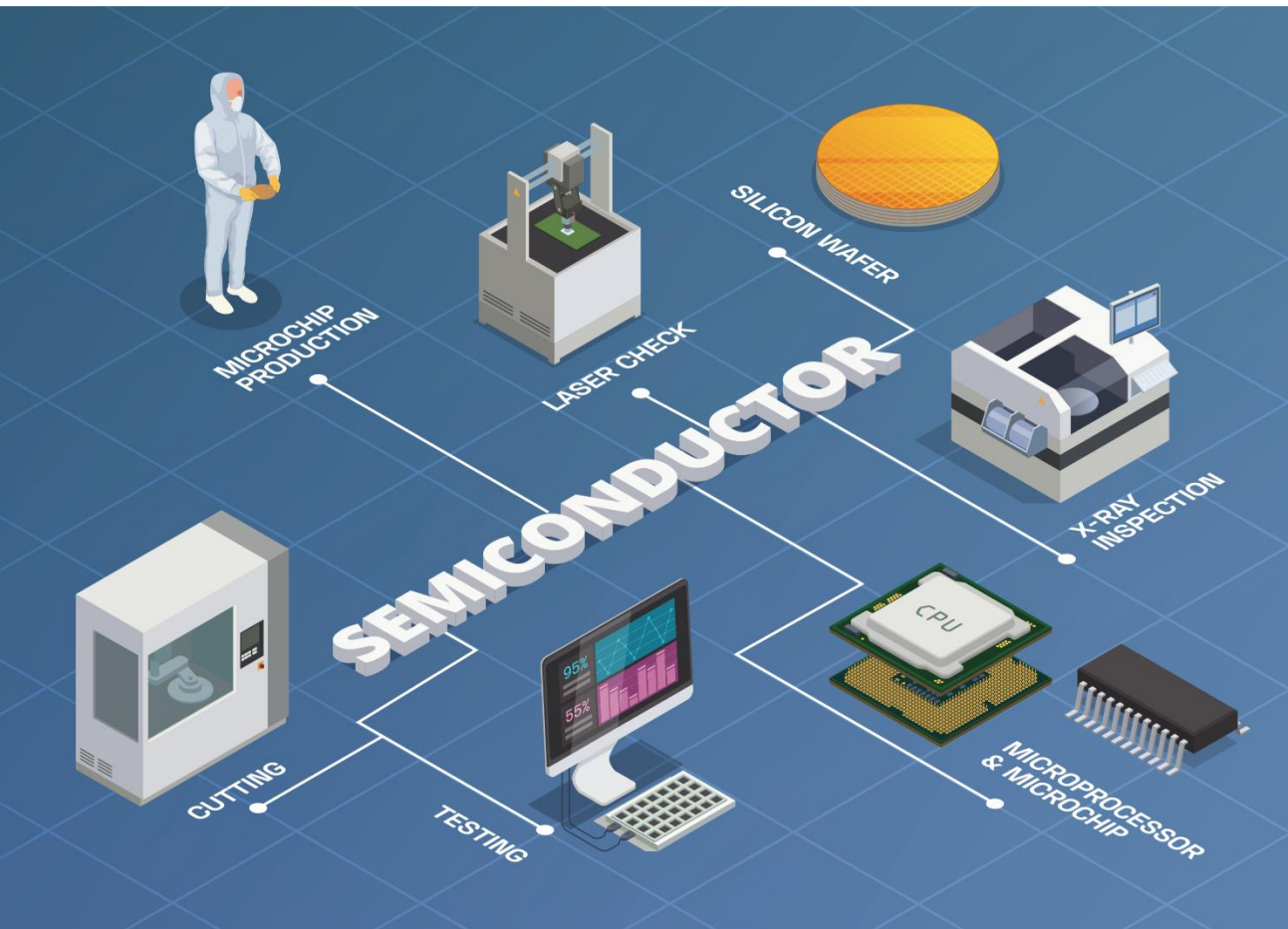
# Semiconductors in everyday life



“Semiconductors enable breakthrough technologies including artificial intelligence and machine learning”



# Semiconductors Production



Various components require strong capabilities in research, supply-chain, talent and intellectual-property



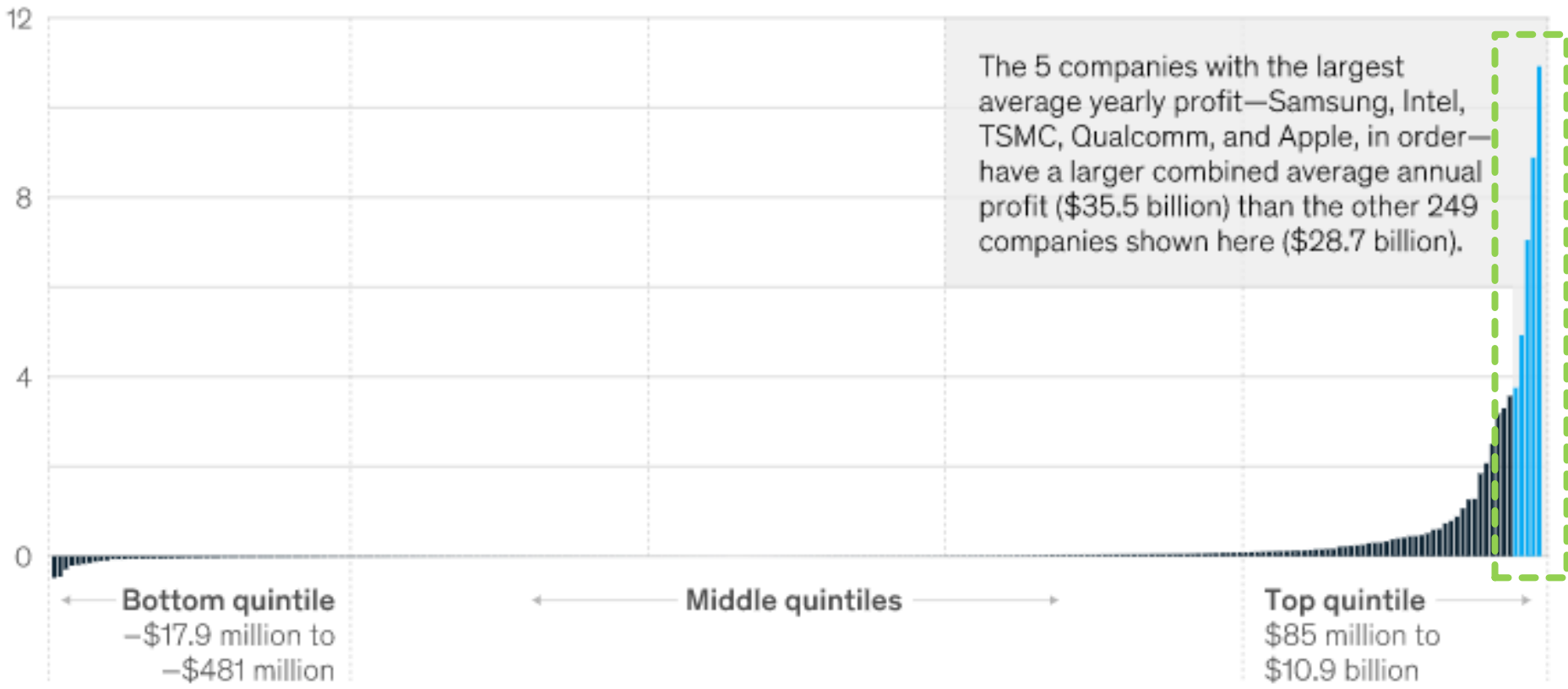
**Billions of investment are required to build new semiconductor fabrication plants (fab) and implement extensive R&D program**



While semiconductor companies may excel at some of these tasks, few have top capabilities across the board.



Average yearly profit of semiconductor companies,<sup>1</sup> 2015–19, \$ billion



**Semiconductor industry is winner takes all**

If a company’s product or service is even slightly better than a competitor’s, it typically captures the vast majority of industry revenue.

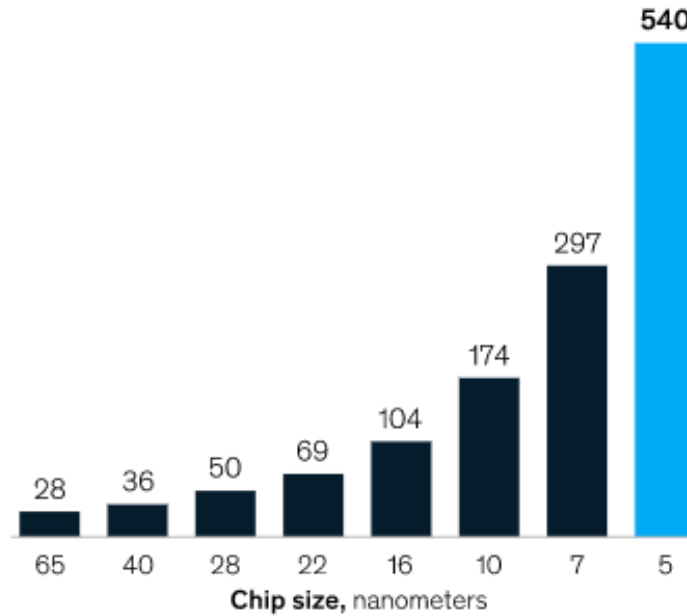
<sup>1</sup>Total sample of ~380 companies (with data available for 254 companies from 2015–19). Source: S&P, Corporate Performance Analytics by McKinsey



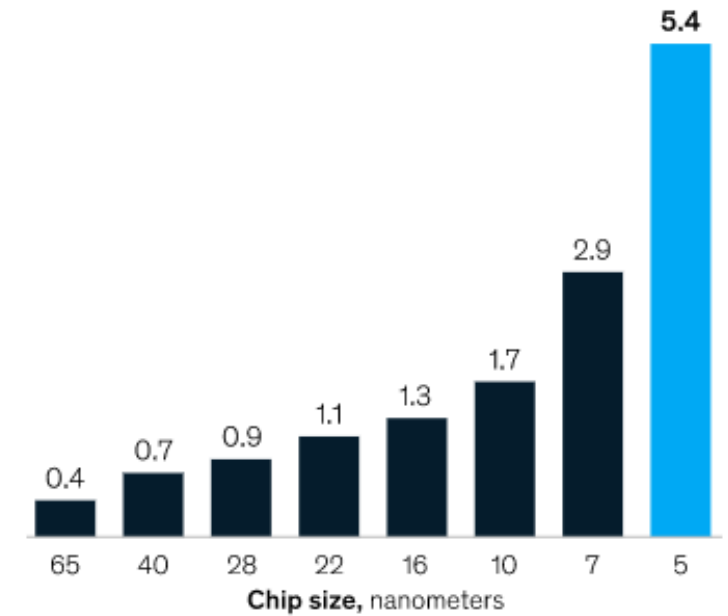
# The industry has high barrier to entry

R&D for chips and fab module construction costs are soaring.

Chip-design cost,<sup>1</sup> \$ million



Fab module construction cost, \$ billion



The smaller the chips, the higher the R&D costs



<sup>1</sup>Major components include IP qualification, architecture, verification, physical, software, prototyping, and validation.  
Source: IBS; McKinsey

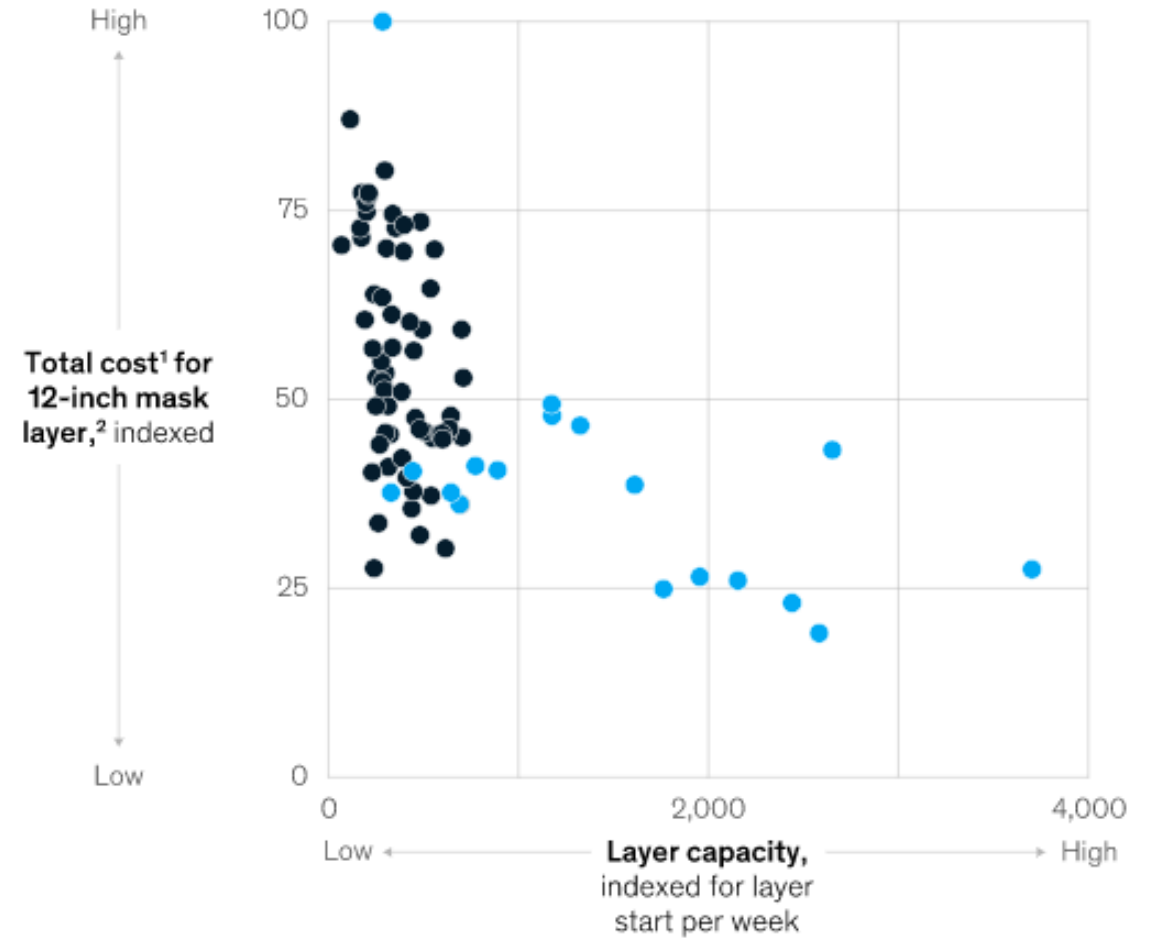
McKinsey  
& Company

# The industry has high barrier of entry

Large-scale operations can significantly reduce costs at fabs



### Total costs for 12-inch mask layer based on capacity



<sup>1</sup>Includes both operating expenditures and capital expenditures.

<sup>2</sup>For equivalent size comparison, the cost of an 8-inch mask layer is multiplied by 2.25.

Source: McKinsey analysis

● 8-inch wafer

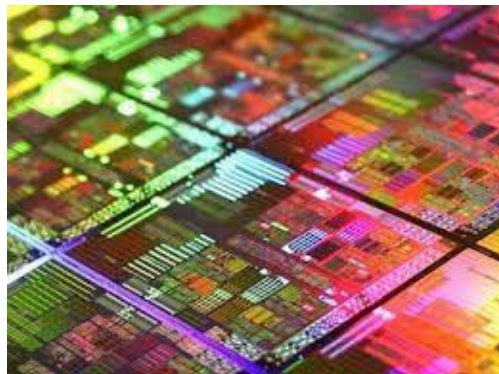
● 12-inch wafer

McKinsey & Company



# The leading players in the semiconductor industry

PWIN Holdings



TSMC is the winner in manufacturing chips at 10 nanometer (nm) or below

Qualcomm leads others in the smartphone system on a chip market

Intel specializes in desktop and laptop CPUs

NVIDIA dominates the market for graphic cards

# P-CGREEN Updates



中华人民共和国工业和信息化部  
Ministry of Industry and Information Technology of the People's Republic of China

Ministry of Industry and Information Technology (MIIT) announced that the country will push public sector vehicles to be **fully electrified by 2035** including buses, taxi, urban logistics vehicles and road sweepers

According to the HSCEI and HSI index rebalance, our following P-CGREEN's holdings will be included in these indexes from **7<sup>th</sup> June**.

**HSCEI:** BYD (at 1.43%)

**HIS:** BYD (at 0.98%) and XINYI SOLAR (at 0.46%)



恒生指數

HANG SENG INDEXES

# P-CGREEN Updates



Contemporary Amperex Technology (CATL) chairman, Zeng Yuqun, announced on 23th May that the company will launch **sodium-ion batteries (Na-ion)** around July 2021.



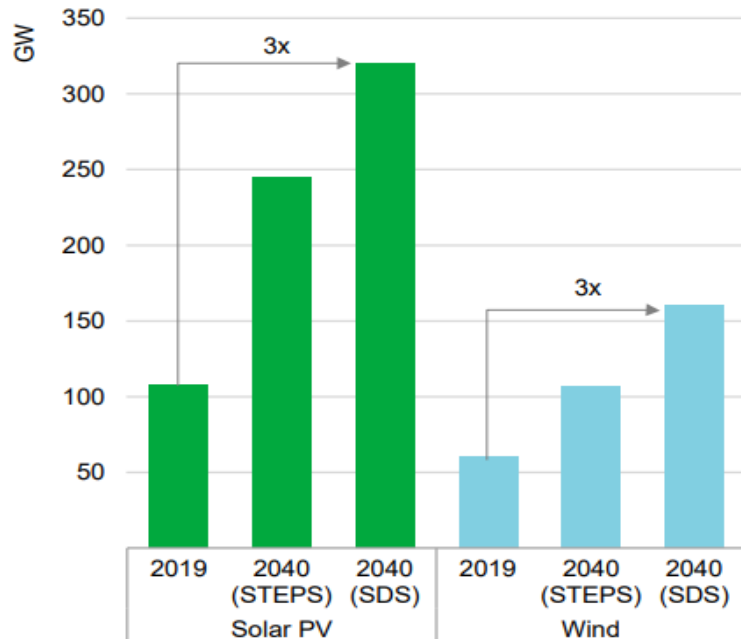
	Lithium ion battery	Sodium ion battery
Efficiency (energy storage, distribution)	Higher	Lower
Battery's weight	Lighter	Heavier
Availability	Less	More
Production cost	More expensive	Cheaper
Environmental effects during production	More	Less

- Although Na-ion battery has higher weight, these could be resolved by using it in the **“grid-scale stationary energy storage”**.
- **CATL’s revenues** from grid-scale storage have been **increasing from 0.26%** of total revenues in 2016 **to 3.86%** in 2020.

# P-CGREEN Updates

## Outstanding growth of clean energy

- Last year, renewable energy experienced **the highest** global **capacity growth rate since 1999** at 45%.
- Production capacities have grown at **90%** and **23%** for **wind** and **solar** respectively.
- **In China**, there was an **additional annual installation growth around 80%** from 2019 to 2020.



A fast growing trend in capacity of Solar and Wind energy generation in the future worldwide.

# P-CGREEN Updates

## Belt and Road Initiative (BRI): a crucial growth driver

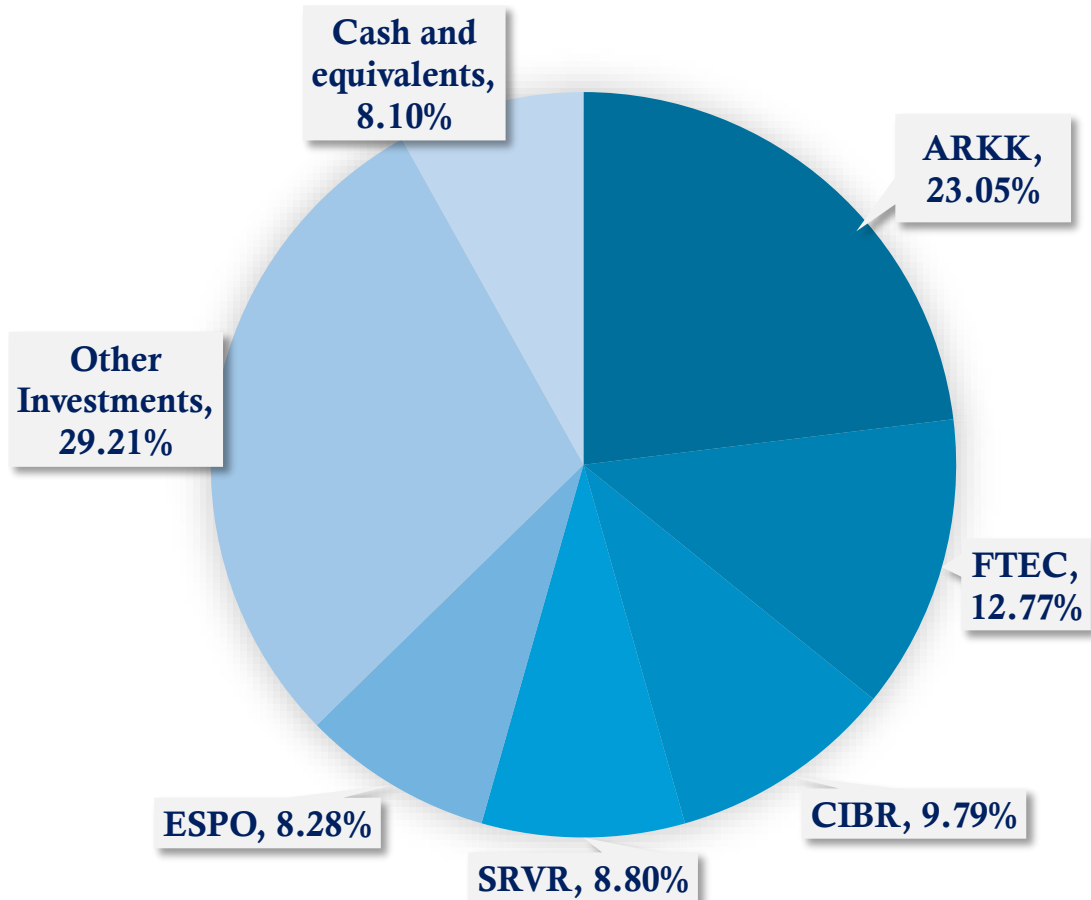


- This plan has now re-focused more on **environmentally sustainable projects**.
- The China State Council stated that the BRI **would reach \$8 trillion** when fully implemented by Xi Jinping.
- **Government sponsored projects**, including by China state owned banks are now geared towards supporting more Green Energy projects worldwide, which would have a **large impact in infrastructure development**.

# Top Holdings



# PWIN Top holdings



Holdings	Weight (%)
TESLA INC	2.59
APPLE INC	2.43
MICROSOFT CORP	2.08
NVIDIA CORP	1.96
TELADOC HEALTH INC	1.65
CROWN CASTLE INTL CORP	1.45
AMERICAN TOWER CORP	1.41
ROKU INC	1.40
EQUINIX INC	1.36
PROLOGIS INC	1.29