

# FSSA Asian Equity Plus Fund

-The Fund invests primarily in equity securities or equity-related securities of companies that are listed, or have their registered offices in, or conduct a majority of their economic activity in the Asia Pacific region excluding Japan. The Fund's investments may be concentrated in a single sector, country, specific region or small numbers of companies/countries which may have higher volatility or greater loss of capital than more diversified portfolios. Investing in securities of small/mid-capitalisation companies may have lower liquidity and more volatile prices to adverse economic developments.

-The Fund invests in emerging markets which may have increased risks than developed markets including liquidity risk, currency risk/control, political and economic uncertainties, high degree of volatility, settlement risk and custody risk. The Fund may expose to China market risk including repatriation risk, uncertainties to PRC taxation policies and risks associated with StockConnects, QFI, the ChiNext market and/or the STAR board. The Fund may also expose to RMB currency and conversion risk. The Fund may use FDIs for hedging and efficient portfolio management purposes, which may subject the Fund to additional liquidity, valuation, counterparty and over the counter transaction risks.

-For certain share classes, the Fund may at its discretion pay dividend out of capital or pay fees and expenses out of capital to increase distributable income and effectively a distribution out of capital. This amounts to a return or withdrawal of your original investment or from any capital gains attributable to that, and may result in an immediate decrease of NAV per share.

-It is possible that a part or entire value of your investment could be lost. You should not base your investment decision solely on this document. Please read the offering document including risk factors for details.

## Investment objective and strategy

The Fund invests primarily in equity or equity-related securities of companies that are listed, or have their registered offices in, or conduct a majority of their economic activity in the Asia Pacific region excluding Japan. Such companies will be selected on the basis of their potential dividend growth and long term capital appreciation. The Investment Manager will select investments which it believes offer the potential for dividend growth and price appreciation.

## Fund information

Fund size (US\$m)	5,689.0
Benchmark	MSCI AC Asia Pacific ex Japan Net Index
Number of holdings	45

## Available share classes

Share class <sup>+</sup>	Inception date	Nav/per share	Distribution frequency <sup>‡</sup>	ISIN code
Class I (GBP - Acc)	20 February 2020	£11.08	N/A	IE00B97HWB13
Class I (USD - Acc)	25 February 2005	US\$88.94	N/A	IE00B067MR52
Class I (HKD - Acc)	24 January 2020	HK\$106.18	N/A	IE00B97KM107
Class I Hedged N (AUD - Acc)	24 January 2020	A\$11.62	N/A	IE00BJBYLS83
Class I (USD - H Dist)	14 July 2003	US\$56.34	Semi-annually	IE0032834883
Class I Hedged N (CNH - H Dist)	18 January 2023	¥89.00	Semi-annually	IE000GO8UCB9

**\*Dividends are not guaranteed and may be paid out of capital.**

<sup>+</sup> Acc represents share class with dividends accumulated. H Dist represent share class with distribution of dividends every February & August.

### **About FSSA Investment Managers**

FSSA Investment Managers is an autonomous investment management team within First Sentier Investors, with dedicated investment professionals based in Hong Kong and Singapore. We are specialists in Asia Pacific and Global Emerging Markets equity strategies, managing assets on behalf of clients globally.

We are bottom-up investors, using fundamental research and analysis to construct high-conviction portfolios. We conduct more than a thousand direct company meetings a year, seeking to identify high quality companies to invest in. We look for founders and management teams that act with integrity and risk awareness; and dominant franchises that have the ability to deliver sustainable and predictable returns over the long term. As responsible, long-term shareholders, we have integrated ESG analysis into our investment process and engage extensively on environmental, labour and governance issues.

### Annual performance (% in USD) to 31 December 2024

	12 mths to 31/12/24	12 mths to 31/12/23	12 mths to 31/12/22	12 mths to 31/12/21	12 mths to 31/12/20
FSSA Asian Equity Plus Fund Class I (USD - H Dist)	8.8	-3.6	-15.9	1.0	20.7
MSCI AC Asia Pacific ex Japan Net Index	10.2	7.4	-17.5	-2.9	22.4

### Cumulative performance (% in USD) to 31 December 2024

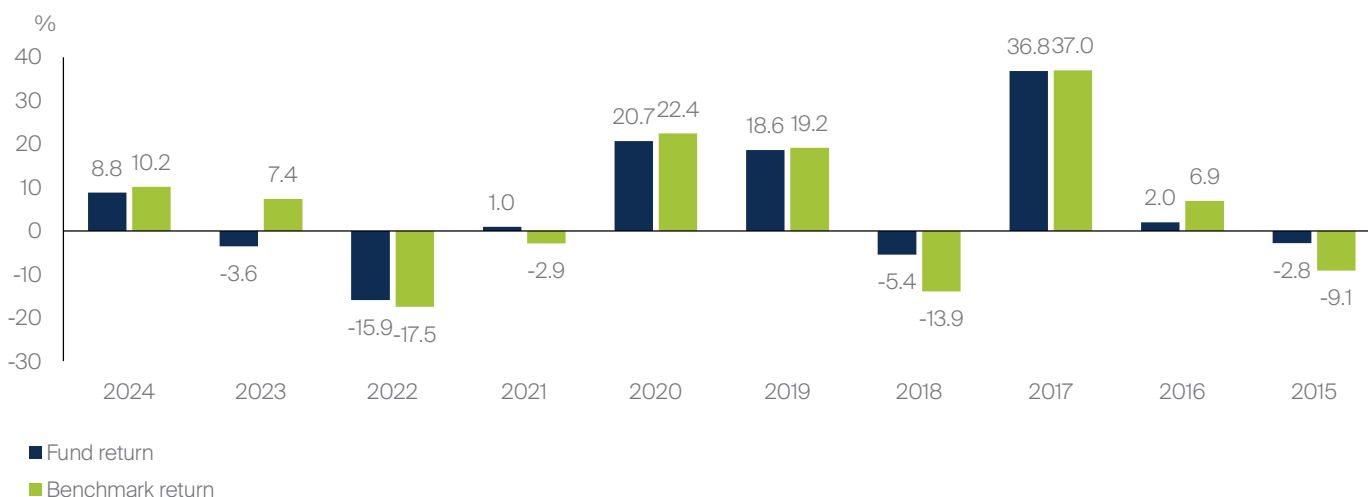
	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
FSSA Asian Equity Plus Fund Class I (USD - H Dist)	793.3	63.8	7.6	-11.7	8.8	8.8	2.9	-5.7
MSCI AC Asia Pacific ex Japan Net Index	487.3	58.4	16.0	-2.4	10.2	10.2	1.5	-8.2

### Performance review

Over the past 12 months, key contributors to performance included TSMC, as growth has remained strong at a time when demand is generally weak. Revenue and profits are expected to continue to grow this year, as management commented on the "extremely robust" AI demand. TSMC's smartphones and personal computing (PC) businesses are also expected to be resilient, as content per chip is rising due to the growing adoption of AI. Tencent also added to performance as it continued to develop new functions within WeChat (such as Video Accounts and Mini Shops) to slowly improve monetisation and enhance the quality of the franchise. Tencent has proven its ability to deliver decent growth despite the weak environment – for example, its Video Accounts grew by 60% in 9M24 and contributed to a high double-digit percentage of its total advertisements' revenue.

On the negative side, Samsung Electronics declined after media reports suggested that the company would continue shutting its foundry production lines as part of its efforts to reduce operational costs. Samsung has struggled to win new orders from large technology companies and utilisation rates have been low – the company has already shut down a number of production lines to reduce electricity costs. China Resources Beer (CRB) fell as weak demand led to a decrease in beer sales volumes. Although we underestimated the growth slowdown, CR Beer's execution operationally has been decent amid a difficult environment. The premium beer segment is still growing faster than the overall portfolio (albeit at a slower pace than before).

### Calendar year performance (% in USD) to 31 December 2024



Source: Lipper and First Sentier Investors, Nav-Nav (USD total return) data as at 31 December 2024. This Fund is a sub fund of Ireland domiciled First Sentier Investors Global Umbrella Fund Plc. Class I (USD-H Dist) is the semi-annually dividend distribution class of the fund, the performance quoted are based on USD total return (with dividend reinvested). Gross of tax benchmark performance is shown before 1 July 2016 and net of tax benchmark performance is shown after the aforementioned date. Unless otherwise specified, all information contained in this document is as at 31 December 2024. Investment involves risks, past performance is not a guide to future performance. On 22 September 2020, First State Asian Equity Plus Fund was rebranded as FSSA Asian Equity Plus Fund.

## Portfolio review

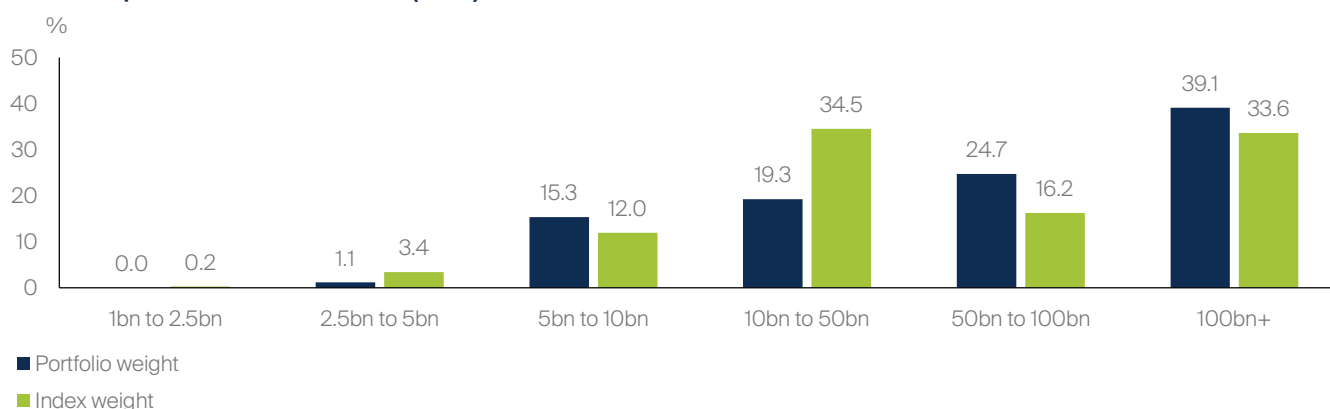
New purchases over the quarter included Jardine Matheson (JM) on attractive valuations. We have owned the shares previously and reinitiated a position after noting positive changes in its subsidiaries, Hongkong Land and Dairy Farm. We believe there is a group-wide urgency to improve, given the poor performance over the last decade. Hongkong Land will exit development property, recycle capital, including buybacks (at the right valuation) and is aiming to double profits and dividends per share in the next decade. Dairy Farm, with its new CEO, is focused on cleaning up mistakes, cutting costs/improving profits, and paying dividends. We believe the risk-reward for the JM group looks attractive with these changes.

We sold Avia Avian on concerns about weak growth and whether there is sufficient long-term compounding potential for us to continue to hold.

## Stock spotlight

We have been shareholders of **HDFC Bank**, India's largest private sector bank, for close to two decades. Thanks to its conservative and risk-aware lending, it has consistently gained market share at the expense of state-owned banks, which are plagued by asset quality and capital adequacy issues. The management team is highly experienced, with CEO Sashidhar Jagdishan at the helm. State-owned banks make up nearly 60% of the Indian banking system. Industry growth continues to be led by greater penetration of banking services and financialisation of savings among a large under-banked population. HDFC Bank has delivered industry-leading returns over the last two decades, while consistently focusing on risk management. Earnings per share (EPS) has grown at 22% compound annual growth rate (CAGR) over this period, while its loan book has grown at 28% CAGR. This has been underpinned by investments in the branch network, as well as a focus on digital channels. Finally, we believe the recent merger with HDFC Limited will lead to a stronger financial conglomerate, benefiting from significant synergies across business lines which should be accretive to their returns over time.

## Market capitalisation breakdown (USD)



Data source: First Sentier Investors. For illustration purposes only. Portfolio weights may not add up to 100% as cash holdings are excluded and full coverage of stocks is not always available. Past performance is not indicative of future performance. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of First Sentier Investors' portfolios at a certain point in time, and the holdings may change over time. The index refers to MSCI AC Asia Pacific ex Japan Net Index.

## Outlook

The uncertainty that was prevalent across Asian and global markets in 2024 looks set to continue into the new year. With Mr Trump's election win in the United States, the general consensus is that US policy will be negative for emerging markets – particularly as the president-elect has already raised the spectre of more protectionism and higher trade tariffs. But instead of trying to second-guess geopolitics or macro policy, we continue to focus our efforts on finding high-quality companies to invest in for the long term.

Overall, we remain constructive on our portfolio holdings and our ability to generate value in a difficult market environment. We expect there may be volatility in the near term as companies – and investors – recalibrate to the new norm. But we believe there are still pockets of growth to be found and that by investing in high-quality companies we can deliver decent returns for our clients in the long run.

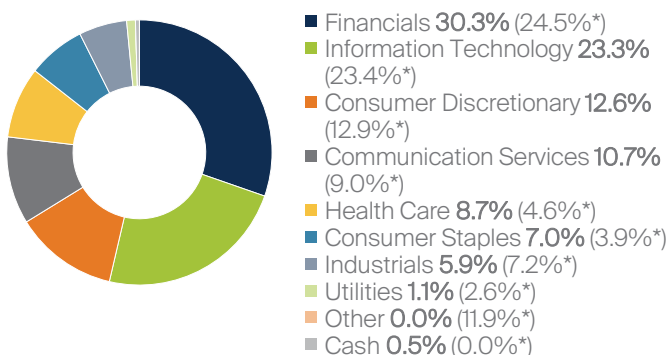
## Our long-term investment themes:

- Dominant consumer franchises which have an edge in brand, distribution and innovation.
- High quality financials, supported by a strong deposit franchise or a specific loan niche.
- The rise in healthcare spending, due to increasing incomes and healthy consumer choices.
- Beneficiaries of a smarter, more connected world.
- An ageing population and the growing trend of automation.

## Ten largest company holdings as at 31 December 2024

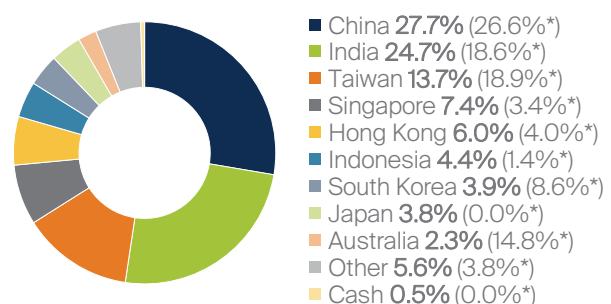
Stock name	Geography	Sector	Portfolio weight (%)
HDFC Bank	India	Financials	8.9
Tencent Holdings Ltd.	China	Communication Services	8.2
Taiwan Semiconductor (TSMC)	Taiwan	Information Technology	8.1
ICICI Bank Limited	India	Financials	4.8
Oversea-Chinese Banking Corporation	Singapore	Financials	4.4
Midea Group	China	Consumer Discretionary	3.8
PT Bank Central Asia Tbk	Indonesia	Financials	3.3
China Mengniu Dairy Co., Ltd.	China	Consumer Staples	3.2
Sony Group Corporation	Japan	Consumer Discretionary	3.0
Tata Consultancy Serv. Ltd	India	Information Technology	2.8

## Sector breakdown



\*Index weight

## Geographic breakdown



\*Index weight

Sector and Country classifications provided by Factset and First Sentier Investors. The Fund may hold multiple equity securities in the same company, which have been combined to provide the Fund's total position in that company. Index weights, if any, typically include only the main domestic-listed security. The above Fund weightings may or may not include reference to multiple securities. Allocation percentage is rounded to the nearest one decimal place and the total allocation percentage may not add up to 100%.

Past performance is not indicative of future performance. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of First Sentier Investors' portfolios at a certain point in time, and the holdings may change over time.

The index refers to MSCI AC Asia Pacific ex Japan Net Index.

## Top 5 contributors to absolute performance

### 3 months to 31 December 2024

Stock name	Geography	Sector	Value added (bps*)
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	61
MediaTek Inc	Taiwan	Information Technology	34
Sony Group Corporation	Japan	Consumer Discretionary	29
DBS Group Holdings Ltd	Singapore	Financials	18
Oversea-Chinese Banking Corporation Limited	Singapore	Financials	16

### 12 months to 31 December 2024

Stock name	Geography	Sector	Value added (bps*)
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	489
Tencent Holdings Ltd.	China	Communication Services	250
Midea Group Co. Ltd. Class A	China	Consumer Discretionary	151
Mahindra & Mahindra Ltd.	India	Consumer Discretionary	118
Oversea-Chinese Banking Corporation Limited	Singapore	Financials	110

## Bottom 5 contributors to absolute performance

### 3 months to 31 December 2024

Stock name	Geography	Sector	Value added (bps*)
Samsung Electronics Co Ltd Pfd Non-Voting	South Korea	Information Technology	-69
Colgate-Palmolive (India) Limited	India	Consumer Staples	-57
AIA Group Limited	Hong Kong	Financials	-57
Tencent Holdings Ltd.	China	Communication Services	-49
China Resources Beer (Holdings) Co. Ltd.	China	Consumer Staples	-45

### 12 months to 31 December 2024

Stock name	Geography	Sector	Value added (bps*)
Samsung Electronics Co Ltd Pfd Non-Voting	South Korea	Information Technology	-153
CSPC Pharmaceutical Group Limited	China	Health Care	-58
PT Unilever Indonesia Tbk	Indonesia	Consumer Staples	-53
China Mengniu Dairy Co., Ltd.	China	Consumer Staples	-45
China Resources Beer (Holdings) Co. Ltd.	China	Consumer Staples	-33

Stock contributions show the impact of the individual stock's performance to the total fund performance. These stock contributions show the top 5 and bottom 5 contributors to the fund and are not representative of the performance of the fund as a whole.

Past performance is not indicative of future performance. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of First Sentier Investors' portfolios at a certain point in time, and the holdings may change over time.

This stock information does not constitute any offer or inducement to enter into investment activity.

Contributions are calculated at the investee company level before the deduction of any fees incurred at fund level (e.g. the management fee and other fund expenses) but after deduction of transactional costs. Stocks held/listed in non-index countries have economic activity > 50% from developing economies.

\* A basis point is a unit of measure used in finance to describe the percentage change in value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

Data source: This information is calculated by First Sentier Investors.

### Important information

Investment involves risks, past performance is not a guide to future performance. Refer to the offering documents of the respective funds for details, including risk factors. The information contained within this document has been obtained from sources that First Sentier Investors ("FSI") believes to be reliable and accurate at the time of issue but no representation or warranty, expressed or implied, is made as to the fairness, accuracy or completeness of the information. To the extent permitted by law, neither FSI, nor any of its associates, nor any director, officer or employee accepts any liability whatsoever for any loss arising directly or indirectly from any use of this. It does not constitute investment advice and should not be used as the basis of any investment decision, nor should it be treated as a recommendation for any investment.

The information in this document may not be edited and/or reproduced in whole or in part without the prior consent of FSI.

Past performance is not indicative of future performance. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of First Sentier Investors' portfolios at a certain point in time, and the holdings may change over time.

This document is issued by First Sentier Investors (Hong Kong) Limited and has not been reviewed by the Securities and Futures Commission in Hong Kong. First Sentier Investors and FSSA Investment Managers are business names of First Sentier Investors (Hong Kong) Limited. The FSSA Investment Managers logo is a trademark of the MUFG (as defined below) or an affiliate thereof.

First Sentier Investors (Hong Kong) Limited is part of the investment management business of First Sentier Investors, which is ultimately owned by Mitsubishi UFJ Financial Group, Inc. ("MUFG"), a global financial group. First Sentier Investors includes a number of entities in different jurisdictions. To the extent permitted by law, MUFG and its subsidiaries are not responsible for any statement or information contained in this material. Neither MUFG nor any of its subsidiaries guarantee the performance of any investment or entity referred to in this material or the repayment of capital. Any investments referred to are not deposits or other liabilities of MUFG or its subsidiaries, and are subject to investment risk, including loss of income and capital invested.