First Sentier Investors

First Sentier Asian Property Securities Fund (UK OEIC)

Quarterly Investment Report

31 March 2022

Contents

Risk Factors

This document is a financial promotion for the First Sentier Asian Property Securities Fund in the UK and Switzerland and elsewhere where lawful. Investing involves certain risks including:

- **The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back substantially less than the original amount invested.**
- **Emerging market risk:** Emerging markets tend to be more sensitive to economic and political conditions than developed markets. Other factors include greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.
- **Property securities risk:** the Fund invests in the shares of companies that are involved in property (such as real estate investment trusts) rather than in property itself. The value of these investments may fluctuate more than the underlying property assets.
- **Single sector risk:** investing in a single economic sector may be riskier than investing in a number of different sectors. Investing in a larger number of sectors helps to spread risk.
- **Currency risk:** The Fund invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the Fund and could create losses. Currency control decisions made by governments could affect the value of the Fund's investments and could cause the Fund to defer or suspend redemptions of its shares.

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. Reference to the names of any company is merely to explain the investment strategy and should not be construed as investment advice or a recommendation to invest in any of those companies.

For a full description of the terms of investment and the risks please see the Prospectus and Key Investor Information Document.

If you are in any doubt as to the suitability of our funds for your investment needs, please seek investment advice.

If you are unsure of the terminology used in this report, please seek independent financial advice.

Portfolio Overview

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Investment objective and policy

The Fund aims to achieve an investment return from income and capital growth over the long term (at least five years). The Fund invests at least 70% in shares of companies that are involved in property across the Asian Region and which are listed on exchanges in the Asia Region.

The Fund does not invest directly in property.

The Fund may invest up to 10% in other funds.

The Fund may use derivatives to reduce risk or to manage the Fund more efficiently.

Fund Information

Fund Launch Date	12 September 2006
Fund Size (£m)	5.6
UK's Investment Association Sector	Property Other
Benchmark	FTSE EPRA Nareit Developed Asia Index*
Number Of Holdings	27
Fund Manager(s)	Stephen Hayes
Fund Yield	2.4%

* The benchmark changed from the UBS Global Asia Index to the above on 01/04/2015. The benchmark of the Fund changed from FTSE EPRA/NAREIT Developed Asia Gross to FTSE EPRA/NAREIT Developed Asia Net with effect from 1 July 2016. This change has been reflected in the calculation of the benchmark performance. The benchmark and IA sector for this Fund have been identified as a means by which investors can compare the performance of the Fund and have been chosen because their constituents most closely represent the scope of the investable assets. The benchmark and sector are not used to limit or constrain how the portfolio is constructed nor are they part of a target set for Fund performance.

Available Share Classes

ISIN	Sedol	Share Class
GB00B1F76G03	B1F76G0	First Sentier Asian Property Securities Fund GBP Class A (Accumulation)
GB00B1F76H10	B1F76H1	First Sentier Asian Property Securities Fund GBP Class A (Income)
GB00B1F76J34	B1F76J3	First Sentier Asian Property Securities Fund GBP Class B (Accumulation)
GB00B1F76K49	B1F76K4	First Sentier Asian Property Securities Fund GBP Class B (Income)
GB00B2PDSS18	B2PDSS1	First Sentier Asian Property Securities Fund EUR Class A (Accumulation)
GB00B2PDT993	B2PDT99	First Sentier Asian Property Securities Fund EUR Class A (Income)

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Performance

31 March 2022

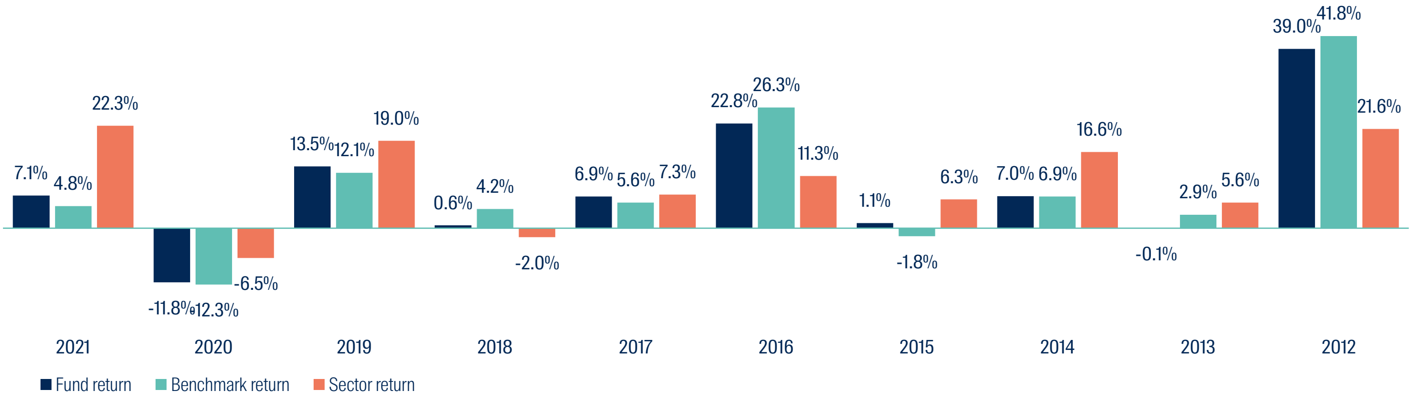
Annual Performance (% in GBP) to 31 March 2022

	12 mths to 31/03/22	12 mths to 31/03/21	12 mths to 31/03/20	12 mths to 31/03/19	12 mths to 31/03/18
First Sentier Asian Property Securities Fund	3.3	17.6	-21.1	17.7	-3.1
FTSE EPRA Nareit Developed Asia Index	1.4	18.3	-21.8	21.1	-3.0
Sector return	17.5	18.3	-12.4	14.3	1.2

Cumulative Performance (% in GBP) to 31 March 2022

	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
First Sentier Asian Property Securities Fund	114.4	90.0	9.3	-4.1	3.3	-0.1	-0.8	-0.1
FTSE EPRA Nareit Developed Asia Index	134.2	97.7	10.3	-6.1	1.4	1.8	-0.4	1.8
Sector return	157.8	153.2	40.9	21.5	17.5	-1.0	5.8	-1.0

Calendar Year Performance (% in GBP) to 31 March 2022



These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than GBP, the return may increase or decrease as a result of currency fluctuations. Since inception performance figures have been calculated from 12 September 2006. All performance data for the First Sentier Asian Property Securities Fund Class B (Accumulation) GBP as at 31 March 2022. Source for fund - Lipper IM / First Sentier Investors (UK) Funds Limited. Performance data is calculated on a net basis by deducting fees incurred at fund level (e.g. the management fee and other fund expenses), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis. Source for benchmark - FTSE, income reinvested net of tax.

Sector returns calculated by Lipper and denote the arithmetic mean performance of funds in the relevant UK's Investment Association Sector.
On 22 September 2020, First State Asian Property Securities Fund was rebranded as First Sentier Asian Property Securities Fund.

Commentary

31 March 2022

Market Review

The FTSE EPRA/NAREIT Developed Asia Index increased 1.82% (in GBP terms) in the March quarter.

The best performing listed market in the Asia Pacific was Australia (+4.8%), whilst Japan underperformed (-4.1%), in local currency terms.

Throughout Asia, Hong Kong property was largely supported by the first easing of Covid-measure by the government, reducing mandatory travel quarantine to 7 days. Lockdowns throughout China have led to subdued performance for many Hang Seng listed property companies which will continue to be impacted on read throughs from the shutdowns.

Singapore REITs performed well in the quarter, due to positive news relating to the further easing of Covid policy by the Singapore Government, who are focused on the full reopening of the economy and its international border. Property fundamentals are on a steady recovery trend, we anticipate a steady upward trend to the REITs' earnings and their dividends in 2022 and onwards.

REITs (-7.1%) underperformed the ASX 200 (+2.2%) by 930bp in the March quarter, however on a year rolling basis, AREITs (17.7%) have outperformed by 270bp. Several key economic data relevant to the AREIT sector were released in March including:

- New housing loan approvals rose 2.6% in January, well above expectations of a 0.3% increase. The strong print was driven by a 6.1% increase in investor loan approvals and a smaller 1.0% rise in owner-occupier. The level of investor approvals are now at a new record high, although at 32.6% of total approvals are still below their long-run average share of 36.0%.

- Residential building approvals fell 27.9% month on month in January, a much sharper fall than the -3.0% consensus. The headline was driven by sharp declines in both detached houses (-17.5% m/m) and the volatile apartment series (-43.6% m/m). Importantly the level of detached approvals has now fallen back to pre-stimulus levels and approvals are broadly back to where they were prior to the pandemic in February 2020.

- Retail sales for February were much stronger than expected at 1.8% month on month. The details suggest activity surged on fading Omicron fears with spending on cafes, restaurants and takeaway food up 9.7% (m/m). Other sectors with strong increases included clothing, footwear and personal accessory retailing' (+11.2% m/m) and department stores (+11.1% m/m). Two sectors saw falls with food retailing -2.6% (m/m) and other retailing -1.1% (m/m).

Performance Review

The Fund returned -0.1% in the quarter , underperforming its benchmark by 174bps.

In Japan, the rapidly spreading Omicron coronavirus variant peaked in mid-February but remained at elevated case levels at quarter-end. The effect of this local headwind was surpassed by the continued resurgent themes of rising global inflation and bond yields. The Fund benefitted from the value-oriented Japanese property companies exposures with the tailwind from rising inflation expectations. The Fund's Japanese logistics REIT's exposures detracted from performance as capital rotated into value oriented stocks.

In Australia, the self-storage sector continues to be driven by a strong residential market. The sector globally has proved to be a resilient asset class with National Storage's performance reflecting similar attributes with rental rates, occupancy levels and Revenue Per Available Unit growth across the board. Our positions in the sector aided performance in the quarter.

Our retail exposures in Australia benefitted the Fund's performance in the quarter as the sector reported sales numbers stronger than expectations, whilst the lifestyle and holiday parks and logistics exposures detracted from performance.

Across Asia, Cheung Kong Property Holdings added to the Fund's relative performance post its announcement of new investment strategy by completely exit its aircraft leasing segment for a disposal gain as well. The Fund's holdings in a selective few of the logistics Reits, lodging Reits, and a datacentre Reit in Singapore significantly added to its relative performance for the quarter.

Outlook

Our overall strategy in Asia is to have a balanced portfolio with a focus on having a low risk balance sheet and strong earnings and dividend growth potential in the region.

In Hong Kong, local consumption has been disrupted again since the Omicron wave hit at the beginning of the year which imposed stricter policy. Overall, property fundamentals remain challenged for the office and retail sector while the Hong Kong international border remains under strict border and quarantine control. The Hong Kong retail sector relies heavily on tourism, especially from mainland China where we see muted improvements as the Chinese Government maintains its strong view on a zero coronavirus case policy. We have turned caution on the residential sector amidst interest rates rising environment and worsening consumers' confidence. The Fund maintains its strategy of selected exposure to the Hong Kong property sector with an expectation that property fundamentals will remain weak in the short and medium term.

In Singapore, we anticipate a good recovery in the property sector in 2022 as the country's healthcare system has been able to cope with the latest wave of Omicron, and the Government's pro-active stance and initiatives have been successful to date to be the first Asian countries that can live with Covid and started a re-opening trade. Singapore met its vaccine immunity rate earlier than planned and are looking to stimulate tourism inflows in the near future.

In Australia, we remain well positioned in the logistics sector due to a continuation of strong tenant demand for booth for both existing product reflected in market rent growth ranging from 6%-10% depending on the sub-market as well as a material take-up in demand for newly completed product evidenced in speculative product being fully leased either prior to or at completion. The sector is also demonstrating strong offshore institutional interest who are looking to partner with domestic groups to gain exposure to Australian logistics assets. Despite the positive momentum in valuations sourced from market evidence there is an expectation of still room for capitalisation rates to tighten albeit at a more modest rate than we have seen in the past 2-3 years.

Although mall landlords reported an improvement in cash collections (ex Covid impacted sectors) which resulted in a reduction in the carrying value of the Expected Credit Charges (ECC) their development activity is muted reflecting the broader retail environment. Current development activity is concentrated on backfilling underperforming tenants such as Department Stores and Discount Department Stores. Although shopping malls remain affected by structural tailwinds we remain invested in the sector through positions demonstrating unwarranted valuation differential.

Non-discretionary retail landlords reported a moderation of supermarket sales growth rolling off the over-trading reported during the Covid trading period. Operating conditions improved to the extent that Expected Credit Charges (ECC) were written back as rent collections from tenants improved. Leasing spreads were also marginally better than those reported in the previous corresponding period. Recent acquisition activity was also pronounced as assets came to market. Grocery anchored centres are being supported by recent market activity and transaction activity has been supportive of December 2021 valuations. We expect that non-discretionary retail will benefit from structural tailwinds although remain cautious of any reported decreases in household discretionary spend.

AREITs with office portfolios commented on the fall in net effective rents despite an increase in net face rents as incentives increased above the preceding period in response to patchy demand. Office incentives are expected to moderate in Sydney as workers return to the office. Physical office occupancies are improving from a low base although are expected to remain affected by increases in remote working flexibility.

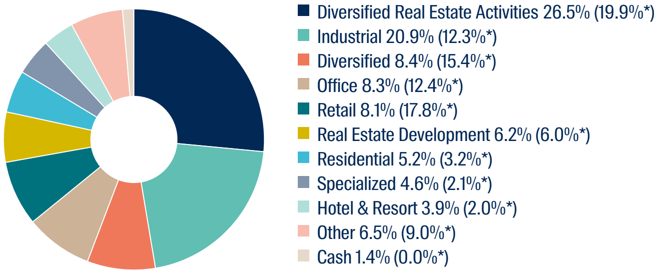
Portfolio Allocation and Stock Holdings

31 March 2022

Ten Largest Holdings as at 31 March 2022

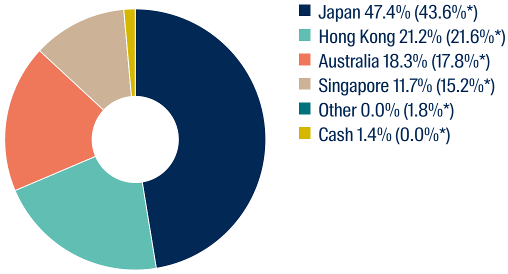
Stock Name	Country	Sector	Portfolio Weight (%)	Index Weight (%)
Mitsui Fudosan Co Ltd	Japan	Diversified Real Estate Activities	9.4	4.8
Mitsubishi Estate Co Ltd	Japan	Diversified Real Estate Activities	7.9	4.1
LaSalle LOGIPORT REIT	Japan	Industrial	7.7	0.6
Cheung Kong Property Holdings Limited	Hong Kong	Real Estate Development	6.2	3.3
Sun Hung Kai Properties Ltd	Hong Kong	Diversified Real Estate Activities	5.7	4.1
Stockland	Australia	Diversified	5.0	1.8
Goodman Group	Australia	Industrial	4.4	0.0
Ingenia Communities Group	Australia	Residential	4.2	0.3
ESR-REIT NPV (REIT)	Singapore	Industrial	4.0	0.2
Ascott Residence Trust	Singapore	Hotel & Resort	3.9	0.4

Sector Breakdown



*Index Weight

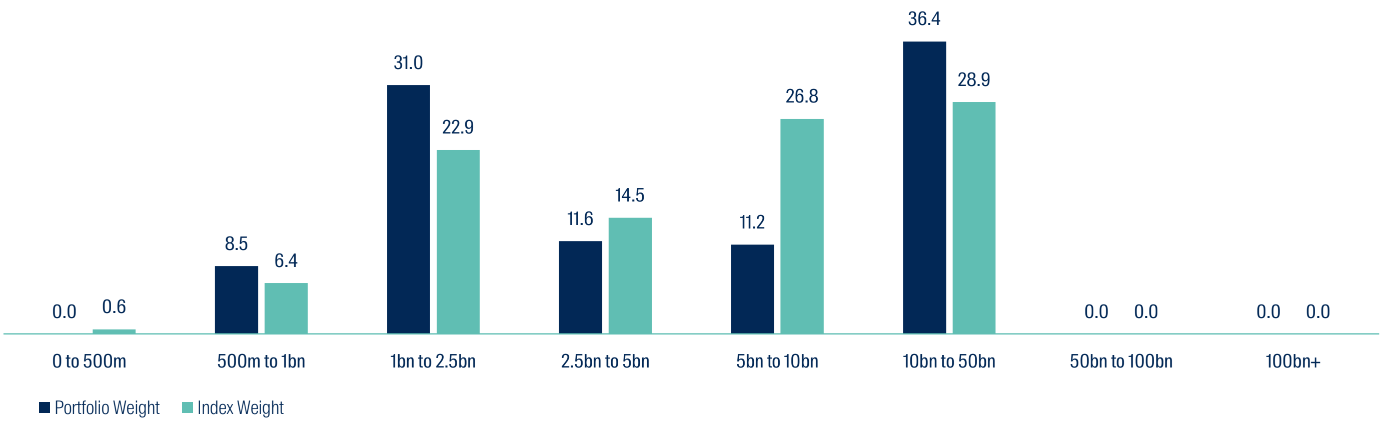
Country Breakdown



*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.

Market Capitalisation Breakdown (GBP)



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

Stock Contribution

31 March 2022

Top 5 contributors to absolute performance

3 months to 31 March 2022

Stock Name	Country	Sector	Value added (bps*)
Mitsui Fudosan Co Ltd	Japan	Diversified Real Estate Activities	123
Mitsubishi Estate Co Ltd	Japan	Diversified Real Estate Activities	89
Cheung Kong Property Holdings Limited	Hong Kong	Real Estate Development	74
Ascott Residence Trust	Singapore	Hotel & Resort REITs	47
Stockland	Australia	Diversified REITs	32

12 months to 31 March 2022

Stock Name	Country	Sector	Value added (bps*)
National Storage REIT	Australia	Specialized REITs	145
Cheung Kong Property Holdings Limited	Hong Kong	Real Estate Development	136
Goodman Group	Australia	Industrial REITs	118
Growthpoint Properties Australia	Australia	Diversified REITs	89
Sosila Logistics R REIT	Japan	Specialized REITs	85

Bottom 5 contributors to absolute performance

3 months to 31 March 2022

Stock Name	Country	Sector	Value added (bps*)
LaSalle LOGIPORT REIT	Japan	Industrial REITs	-131
Ingenia Communities Group	Australia	Residential REITs	-61
Goodman Group	Australia	Industrial REITs	-37
Global One Real Estate Investment Corporation	Japan	Office REITs	-36
ESR-REIT NPV (REIT)	Singapore	Industrial REITs	-36

12 months to 31 March 2022

Stock Name	Country	Sector	Value added (bps*)
GDS Holdings LTD	Hong Kong	Internet Services & Infrastructure	-108
Sun Hung Kai Properties Limited	Hong Kong	Diversified Real Estate Activities	-92
Mitsubishi Estate Co Ltd	Japan	Diversified Real Estate Activities	-82
Shangri-La Asia Limited	Hong Kong	Hotels Resorts & Cruise Lines	-58
Japan Excellent, Inc.	Japan	Office REITs	-48

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.

These figures refer to the past. Past Performance is not a reliable indicator of future results. For investors based in countries with currencies other than GBP, the return may increase or decrease as a result of currency fluctuation.

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 the 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.

Risk Analysis

31 March 2022

Portfolio Risk Analysis - Ex-Post 3 Years Annualised to 31 March 2022

Risk Measure	Value	Risk Description
Beta	0.96	Beta is a measure of volatility relative to the market. A beta of 1 would indicate that the fund tended to move in line with the market; a beta greater than 1 would indicate that the fund has been more volatile than the market; whereas a beta less than 1 would indicate that the fund has been less volatile than the market.
Information Ratio	0.37	The fund's excess return divided by its tracking error. It is designed to assess a portfolio's performance relative to its level of benchmark risk. The higher the fund's information ratio, the more excess return it generates for each unit of tracking error.
Portfolio Standard Deviation	14.98%	A measure of how much the returns of the fund vary relative to the arithmetical average. The higher the fund's standard deviation, the more its returns tend to deviate from the mean.
Benchmark Standard Deviation	15.08%	A measure of how much the returns of the index vary relative to the arithmetical average. The higher the index's standard deviation, the more its returns tend to deviate from the mean.
Tracking Error	4.14%	The standard deviation of the difference between the fund's returns and those of the index. The higher the fund's tracking error, the more its performance relative to the benchmark may vary.

Portfolio Risk Analysis - Ex-Ante at 31 March 2022

Risk Measure	Value	Risk Description
Dividend Yield (Fund)	3.47%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Dividend Yield (Index)	4.04%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Price to Book (Fund)	0.94	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Book (Index)	0.90	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Earnings (Fund)	14.12	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.
Price to Earnings (Index)	12.85	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.

Data source: Ex-Post information is calculated by First Sentier Investors, Ex-Ante information is provided by FactSet.

Disclaimer

31 March 2022

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References to "we" or "us" are references to First Sentier Investors.

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