

FSSA Hong Kong Growth Fund (Irish VCC)

Investment objective and policy

The Fund aims to grow your investment.

The Fund invests at least 70% of its assets in shares of companies which have the potential for long term growth and are based in, or are closely associated with, Hong Kong. The Fund may invest up to 100% of its assets in companies of any size or industry.

The Fund will not invest more than 30% of its assets in China A Shares. The Fund may use derivatives with the aim of risk reduction or efficient management.

Fund information

Fund launch date	30 July 1999
Fund size (US\$m)	117.8
Benchmark	MSCI Hong Kong Net Index*
Number of holdings	45
Fund manager(s)	Martin Lau/Tianyi Tang

* The benchmark of the Fund changed from MSCI Hong Kong Gross to MSCI Hong Kong Net with effect from 1 July 2016. This change has been reflected in the calculation of the benchmark performance.

Available share classes

Share class	Sedol	ISIN
FSSA Hong Kong Growth Fund USD Class I (Accumulation)	0178446	IE0008369823
FSSA Hong Kong Growth Fund USD Class III (Accumulation)	0843528	IE0008375762

About FSSA Investment Managers

FSSA Investment Managers is an autonomous investment management team within First Sentier Group, 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.

Risk factors

This document is a financial promotion for the FSSA Hong Kong Growth Fund in the EEA 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.**
- **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.
- **Single country / specific region risk:** investing in a single country or specific region may be riskier than investing in a number of different countries or regions. Investing in a larger number of countries or regions helps spread risk.
- **China market risk:** Although China has seen rapid economic and structural development, investing there may still involve increased risks of political and governmental intervention, potentially limitations on the allocation of the Fund's capital, and legal, regulatory, economic and other risks including greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.

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 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.

Annual performance in USD (%) to 31 March 2026

	12 mths to 31/03/26	12 mths to 31/03/25	12 mths to 31/03/24	12 mths to 31/03/23	12 mths to 31/03/22
FSSA Hong Kong Growth Fund	17.2	19.2	-20.3	-0.9	-17.4
MSCI Hong Kong Net Index	36.3	18.3	-22.9	-5.3	-12.0

Cumulative performance in USD (%) to 31 March 2026

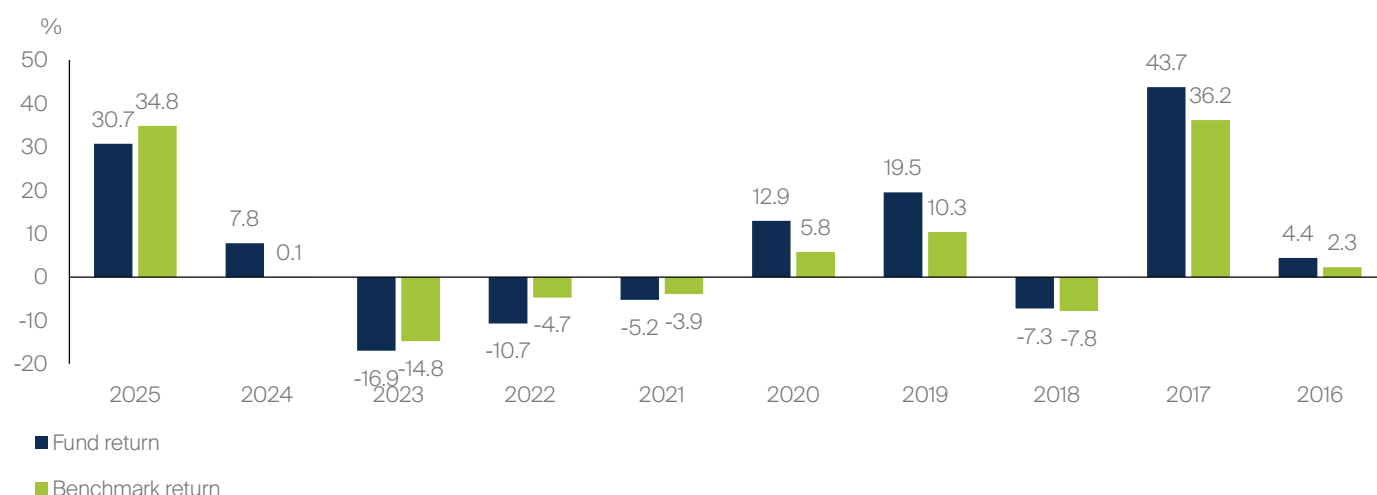
	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
FSSA Hong Kong Growth Fund	1483.4	87.7	-8.9	11.3	17.2	-3.7	-4.0	-3.7
MSCI Hong Kong Net Index	394.1	67.5	3.6	24.4	36.3	5.5	7.9	5.5

Performance review

Key contributors to performance over the past 12 months included **Wasion**, which enjoyed strong earnings growth from its domestic smart meters business (it is one of the main suppliers to China's State Grid), as well as a growing revenue stream from overseas AI datacentres. **Impro Precision**, which makes high-precision and highly complex components for a wide range of end users, also added to performance. The company benefitted from strong growth in its High Horsepower Engines, which are used as back-up power sources for AI datacentres.

On the negative side, **Trip.com** fell after it announced that the State Administration for Market Regulations (SAMR) had initiated an anti-monopoly investigation into the company. While it is fully cooperating with the regulators, share price volatility may continue until the case is closed. **Sunny Optical** declined due to concerns about ongoing weakness in the smartphones segment (although 2025 earnings results were largely in line with consensus). This year is the third year of its recovery, and management appear to be more optimistic about the outlook for the business.

Calendar year performance (% in USD) to 31 March 2026



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 USD, the return may increase or decrease as a result of currency fluctuations. Since inception performance figures have been calculated from 30 July 1999. All performance data for the FSSA Hong Kong Growth Fund Class III (Accumulation) USD as at 31 March 2026. Source for fund - Lipper IM / First Sentier Group. 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 - MSCI, income reinvested net of tax.

▲ On 22 September 2020, First State Hong Kong Growth Fund was rebranded as FSSA Hong Kong Growth Fund.

Portfolio review

New purchases over the quarter included **XCMG Construction Machinery**, a leading construction equipment maker with market-leading positions across its comprehensive product portfolio. Due to legacy state ownership, lack of alignment and core businesses being kept outside of the ListCo, XCMG had not performed well in the past, but the recent mixed shareholding reforms (in 2022) provided a positive catalyst for change. XCMG has introduced an employee share ownership plan (ESOP) and is focused on improving its operational efficiency and shareholder returns. We believe XCMG can become a much stronger company in time, which could drive meaningful earnings growth.

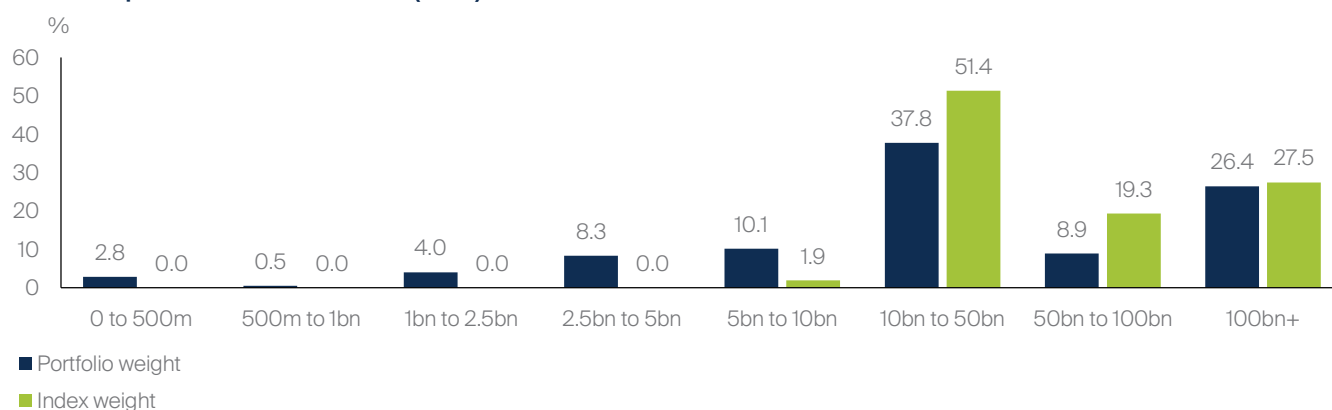
We trimmed our position in **CR MixC** and used the proceeds to re-initiate a position in **CR Land**, as the latter was trading on more attractive valuations. CR Land's market capitalisation is twice the size of CR MixC, but its profit is more than seven times over. Additionally, CR Land's share price has held up well despite the earnings downturn, indicating its resilience amid a challenging environment.

We divested **JD.com** to consolidate the portfolio into higher conviction holdings and sold **JNBY Design** to raise cash for other ideas.

Stock spotlight

Tencent is the largest social media network and online gaming company in China, with growing businesses in online advertising, cloud services and e-payments/e-commerce. It is, in our view, one of the best companies to own in the Chinese internet space. Tencent has created an ecosystem of businesses which are unrivalled and should continue growing over the medium term. It has continued to develop new functions within WeChat (such as Video Accounts and Mini Shops), which should slowly improve monetisation and enhance the quality of the franchise. Tencent has been a major beneficiary of the rise in AI technology and 'smart' devices. It continues to deliver high rates of growth on top of an already substantial base. Its focus on evergreen games and the deployment of artificial intelligence (AI) internally has helped drive productivity gains and better advertising outcomes. Meanwhile, the rollout of various "user-friendly" AI capabilities within its ecosystem will further cement usage of its WeChat app while creating new avenues of growth. Tencent's Yuanbao AI assistant is already ranked top 3 in China (by daily active users), with integrated search, translation, writing and summarising tools.

Market capitalisation breakdown (USD)



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 Group. 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 Group' portfolios at a certain point in time, and the holdings may change over time. 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 USD, the return may increase or decrease as a result of currency fluctuations.

Outlook

As bottom-up investors, our focus remains on selecting well-run companies with capable leaders, strong franchises, attractive earnings growth and sound balance sheets. Our portfolio is aligned with the structural trends shaping China's economy, and our holdings in market-leading businesses, led by secular growth trends and underpinned by rising incomes, are likely to remain resilient under different macro conditions.

Domestically, the prolonged weakness in the economy is changing the way Chinese consumers spend. While we still believe in consumption upgrading, we see people spending more on experiences – such as leisure, travel and tourism services. To support this growth, the government is continuing its targeted efforts to boost the demand side, with policies to support employment growth and higher minimum wages. We also expect further actions to stabilise the property sector which should bode well for consumer confidence.

On the manufacturing front, innovation and technological self-sufficiency remains among the key areas of focus for Chinese companies, and thanks to multi-year investments in R&D and supply chains, they are becoming increasingly competitive on the global stage. From electric vehicles to medical devices, Chinese companies are growing their overseas businesses, while the government's "anti-involution" policy should help curb overcapacity and destructive price competition in key market sectors.

Looking ahead, we are optimistic about China's future, despite the occasional bumps in the road ahead. Meanwhile, the risk-reward looks favourable as many of our portfolio companies are trading at attractive valuations.

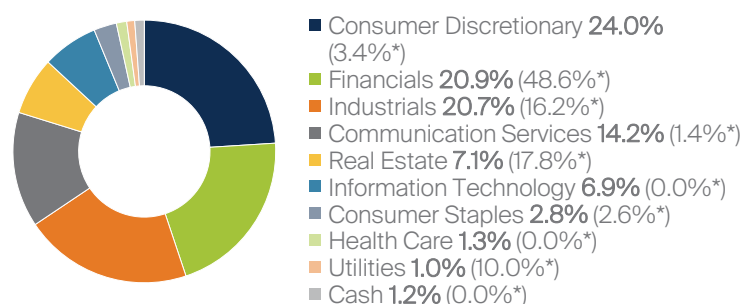
Our long-term investment themes:

- Dominant consumer franchises which have an edge in brand, distribution and innovation.
- 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.
- Globally competitive exporters with a growing international business.

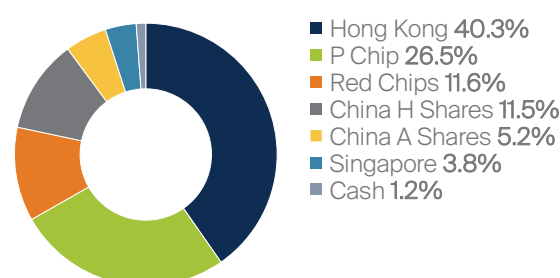
Ten largest company holdings as at 31 March 2026

Stock name	Country	Sector	Portfolio weight (%)
Tencent Holdings Ltd	China	Communication Services	8.8
AIA Group Limited	Hong Kong	Financials	7.9
Huazhu Group Ltd	China	Consumer Discretionary	4.4
Netease Inc	China	Communication Services	4.2
Wasion Holdings, Ltd.	China	Information Technology	3.9
Jardine Matheson Holdings Limited	Hong Kong	Industrials	3.8
HSBC Holdings Plc	Hong Kong	Financials	3.4
CK Asset Holdings Limited	Hong Kong	Real Estate	3.3
Impro Precision Industries Limited	Hong Kong	Industrials	2.9
ANTA Sports Products Ltd.	China	Consumer Discretionary	2.8

Sector breakdown



Share class breakdown



*Index weight

Sector and Country classifications provided by Factset and First Sentier Group. 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. 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 USD, the return may increase or decrease as a result of currency fluctuations.

Top 5 contributors to absolute performance

3 months to 31 March 2026

Stock name	Country	Sector	Value added (bps*)
Wasion Holdings, Ltd.	China	Information Technology	169
Impro Precision Industries Limited	Hong Kong	Industrials	115
AIA Group Limited	Hong Kong	Financials	38
Jardine Matheson Holdings Limited	Hong Kong	Industrials	36
CK Asset Holdings Limited	Hong Kong	Real Estate	31

12 months to 31 March 2026

Stock name	Country	Sector	Value added (bps*)
Wasion Holdings, Ltd.	China	Information Technology	465
AIA Group Limited	Hong Kong	Financials	281
Jardine Matheson Holdings Limited	Hong Kong	Industrials	244
Impro Precision Industries Limited	Hong Kong	Industrials	191
Huazhu Group Ltd USD0.00001	China	Consumer Discretionary	153

Bottom 5 contributors to absolute performance

3 months to 31 March 2026

Stock name	Country	Sector	Value added (bps*)
Tencent Holdings Ltd	China	Communication Services	-190
Netease Inc	China	Communication Services	-99
Trip.com Group Ltd.	China	Consumer Discretionary	-98
Shenzhou International Group Holdings Limited	China	Consumer Discretionary	-62
Haier Smart Home Co., Ltd. Class H	China	Consumer Discretionary	-48

12 months to 31 March 2026

Stock name	Country	Sector	Value added (bps*)
Meituan Class B	China	Consumer Discretionary	-184
JD.com, Inc. Class A	China	Consumer Discretionary	-68
Trip.com Group Ltd.	China	Consumer Discretionary	-66
Sunny Optical Technology (Group) Co., Ltd.	China	Information Technology	-48
Haier Smart Home Co., Ltd. Class H	China	Consumer Discretionary	-44

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 USD, 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 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 Group.

Portfolio risk analysis - ex-post 3 years annualised to 31 March 2026

Risk measure	Value	Risk description
Beta	0.91	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	-0.26	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	20.71%	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	19.90%	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	10.02%	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 2026

Risk measure	Value	Risk description
Dividend Yield (Fund)	3.48%	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)	3.42%	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)	1.58	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)	1.23	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)	14.41	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)	18.04	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 Group, ex-ante information is provided by FactSet.

Important information

This document has been prepared for informational purposes only and is only intended to provide a summary of the subject matter covered and does not purport to be comprehensive. The views expressed are the views of the writer at the time of issue and may change over time. It does not constitute investment advice and/or a recommendation and should not be used as the basis of any investment decision.

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Further information is contained in the Prospectus and the relevant key information documents which are available free of charge by writing to: 2nd Floor, Block A, City East Plaza, Towlerton, Ballysimon, Limerick, V94 X2N9, Ireland or by telephoning +353 1 434 5018 between 9am and 5pm (Dublin time) Monday to Friday or by visiting www.firstsentierinvestors.com Telephone calls may be recorded.

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