

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)	187.6
Benchmark	MSCI Hong Kong Net Index*
Number Of Holdings	47
Fund Manager(s)	Martin Lau/Richard Jones
Research Rating ^	Morningstar®:Gold

* 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.

^ This does not constitute an investment recommendation and is not indicative of future results. Methodology available on rating provider's website.

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 Investors, with dedicated investment professionals based in Hong Kong, Singapore and Edinburgh. 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 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.**

FSSA Hong Kong Growth Fund (Irish VCC)

Quarterly Investment Report



Annual Performance in USD (%) to 30 June 2021

	12 mths to 30/06/21	12 mths to 30/06/20	12 mths to 30/06/19	12 mths to 30/06/18	12 mths to 30/06/17
FSSA Hong Kong Growth Fund	36.1	-3.2	-2.1	30.4	26.2
MSCI Hong Kong Net Index	28.9	-14.7	10.4	9.2	23.8

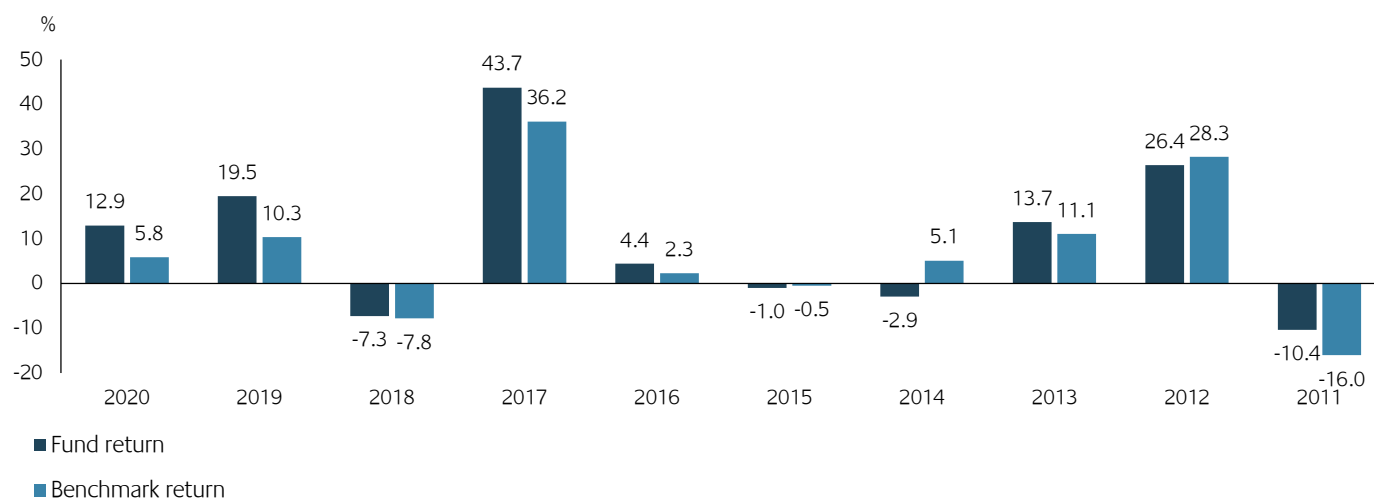
Cumulative Performance in USD (%) to 30 June 2021

	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
FSSA Hong Kong Growth Fund	1735.9	150.9	112.3	29.0	36.1	10.6	10.6	5.6
MSCI Hong Kong Net Index	388.9	109.0	64.2	21.4	28.9	10.0	10.0	2.5

Performance Review

Over the past 12 months, key contributors to performance included China Merchants Bank (CMB), which reported decent earnings results and a quality loan book. CMB continues to focus on growing its wealth management business, which has the potential to improve returns in the medium to long term. Techtronic increased after reporting better than expected earnings results for 2020. The company's sales growth outlook also looks rosy, as it should benefit from the proposed USD2trn infrastructure bill in the US. On the negative side, Sino Biopharm declined, as its legacy products have been hit by group purchase (GPO) and government price cuts on generic drugs. JD.com reported mixed earnings results, with strong revenue growth and robust customer acquisition figures, but near-term margin pressure as the company continues to invest in its long-term growth strategy.

Calendar Year Performance (% in USD) to 30 June 2021



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 30 June 2021. 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 - MSCI, income reinvested net of tax.

FSSA Hong Kong Growth Fund (Irish VCC)

Quarterly Investment Report



Portfolio Review

New additions over the quarter included Kerry Logistics, a pan-Asian logistics franchise which reported strong revenue and core operating profit growth in 2020. Covid lockdowns and the subsequent recovery has allowed freight forwarders like Kerry to increase prices – therefore strong growth seems likely in 2021 as well. With SF Holding proposing to take a majority stake in Kerry Logistics, we believe growth here could potentially accelerate.

We divested Hengan International to switch to other ideas that had fallen.

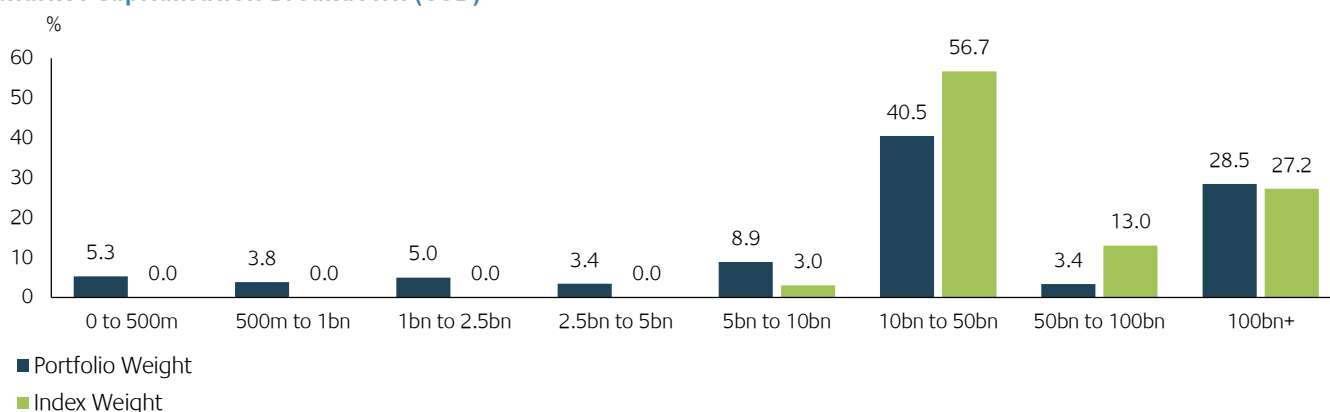
Stock Spotlight

We believe China Mengniu Dairy, one of the two largest dairy companies in China, is well-positioned to tap into China's 'premiumisation' trend. Despite being one of the largest markets in the world for dairy products, China's per capita consumption of yoghurt, ice-cream and cheese – higher margin products compared to milk – is still relatively low.

Overall dairy consumption in China is growing at mid-single-digit. Mengniu believes its outperformance will come from improving areas such as ice cream and milk powder, and developing newer products such as fresh milk and cheese. It aims to double sales in five years and improve margins.

As incomes continue to rise, we believe the growing appetite for premium yoghurts, ice-creams, beverages and other non-dairy health products, particularly with the launch of healthier versions and local flavours, should provide a structural tailwind for Mengniu.

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 Investors. 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.

FSSA Hong Kong Growth Fund (Irish VCC)

Quarterly Investment Report



Outlook

The outlook for the Hong Kong market remains uncertain and it is impossible to predict what might happen in the short term. There are reasons to be optimistic: with the rollout of a Covid-19 vaccine, travel and tourism can resume, offices and shopping malls can return to capacity, and local businesses can reopen without the disruptions of limited hours and social distancing restrictions.

Meanwhile, China is eyeing a broad-based recovery, as the country has effectively controlled Covid-19 and is recovering well from the pandemic. Exports should remain strong due to improved demand from the US and Europe, as well as manufacturing companies that have relocated their production to China. Looking forward, we expect the domestic recovery to continue, as activities normalise and the government maintains its pledge to support the economy.

As always, we continue to focus on quality companies with proven management, dominant franchises and conservative financials. Key holdings include Midea Group and China Mengniu Dairy, which should continue to benefit from the structural trend of premiumisation as disposable incomes rise. The conservative lending practices at China Merchants Bank mean that it is well positioned to benefit from the economic recovery, while AIA Group, which has been expanding its footprint in China, should gain from the rising penetration of insurance and protection products.

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.

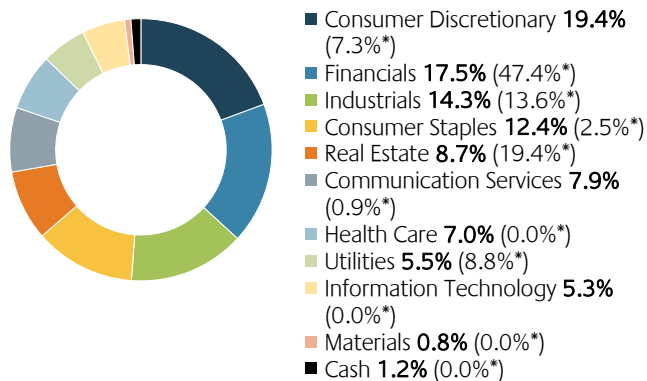
Ten Largest Company Holdings as at 30 June 2021

Stock Name	Country	Sector	Portfolio Weight (%)	Index Weight (%)
AIA Group Limited	Hong Kong	Financials	8.0	27.2
Tencent Holdings Ltd.	China	Communication Services	7.9	0.0
China Mengniu Dairy Co. Ltd.	China	Consumer Staples	4.7	0.0
China Merchants Bank Co., Ltd. Class H	China	Financials	4.5	0.0
ENN Energy Holdings Limited	China	Utilities	4.5	0.0
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	3.9	4.4
Alibaba Group Holding	China	Consumer Discretionary	3.4	0.0
CSPC Pharmaceutical Gp Ltd.	China	Health Care	3.2	0.0
JD.com, Inc. Class A	Hong Kong	Consumer Discretionary	2.9	0.0
Minth Group Limited	China	Consumer Discretionary	2.7	0.0

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%.

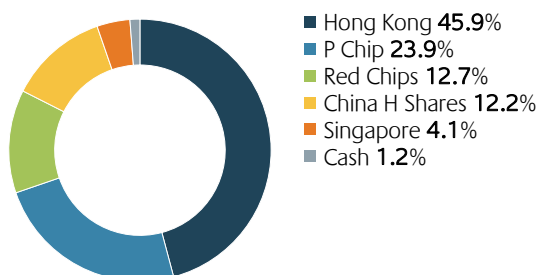
Past performance is not indicative of future performance. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of First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

Sector Breakdown



*Index Weight

Share Class Breakdown





Top 5 contributors to absolute performance

3 months to 30 June 2021

Stock Name	Country	Sector	Value added (bps*)
ENN Energy Holdings Limited	China	Utilities	85
Sunny Optical Technology Group Co Limited	China	Information Technology	78
ANTA Sports Products Ltd.	China	Consumer Discretionary	67
CSPC Pharmaceutical Group Ltd.	China	Health Care	61
China Resources Medical Holdings Company Limited	China	Health Care	57

12 months to 30 June 2021

Stock Name	Country	Sector	Value added (bps*)
China Merchants Bank Co., Ltd. Class H	China	Financials	389
AIA Group Limited	Hong Kong	Financials	302
China Mengniu Dairy Co. Ltd.	China	Consumer Staples	276
ENN Energy Holdings Limited	China	Utilities	261
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	246

Bottom 5 contributors to absolute performance

3 months to 30 June 2021

Stock name	Country	Sector	Value added (bps*)
China Resources Land Limited	China	Real Estate	-39
Tencent Holdings Ltd.	China	Communication Services	-34
China Vanke Co., Ltd Class H	China	Real Estate	-30
Ping An Insurance (Group) Company of China, Ltd. Class H	China	Financials	-28
China Taiping Insurance Holdings Co., Ltd.	China	Financials	-25

12 months to 30 June 2021

Stock name	Country	Sector	Value added (bps*)
Sino Biopharmaceutical Limited	China	Health Care	-37
Ping An Insurance (Group) Company of China, Ltd. Class H	China	Financials	-30
JD.com, Inc. Class A	Hong Kong	Consumer Discretionary	-27
Hengan International Group Co., Ltd.	China	Consumer Staples	-18
Dairy Farm International Holdings Limited	Hong Kong	Consumer Staples	-13

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 Investors.



Portfolio Risk Analysis - Ex-Post 3 Years Annualised to 30 June 2021

Risk Measure	Value	Risk Description
Beta	0.77	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	0.36	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	17.31%	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	19.81%	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	9.29%	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 30 June 2021

Risk Measure	Value	Risk Description
Dividend Yield (Fund)	1.98%	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)	2.51%	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)	1.76	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)	1.38	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)	17.60	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)	23.60	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.



Disclaimer

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. This document is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares, units or other interests or to enter into an investment agreement. No person should rely on the content and/or act on the basis of any material contained in this document.

This document is confidential and must not be copied, reproduced, circulated or transmitted, in whole or in part, and in any form or by any means without our prior written consent. The information contained within this document has been obtained from sources that we believe to be reliable and accurate at the time of issue but no representation or warranty, express or implied, is made as to the fairness, accuracy, or completeness of the information. We do not accept any liability whatsoever for any loss arising directly or indirectly from any use of this information.

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

In the UK, issued by First Sentier Investors (UK) Funds Limited which is authorised and regulated by the Financial Conduct Authority (registration number 143359). Registered office Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB number 2294743. In the EEA, issued by First Sentier Investors (Ireland) Limited which is authorised and regulated in Ireland by the Central Bank of Ireland (registered number C182306) in connection with the activity of receiving and transmitting orders. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland number 629188. Outside the UK and the EEA, issued by First Sentier Investors International IM Limited which is authorised and regulated in the UK by the Financial Conduct Authority (registered number 122512). Registered office: 23 St. Andrew Square, Edinburgh, EH2 1BB number SC079063.

Certain funds referred to in this document are identified as sub-funds of First Sentier Investors Global Umbrella Fund plc, an umbrella investment company registered in Ireland ("VCC"). Further information is contained in the Prospectus and Key Investor Information Documents of the VCC which are available free of charge by writing to: Client Services, First Sentier Investors, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland or by telephoning +353 1 635 6798 between 9am and 5pm (Dublin time) Monday to Friday or by visiting www.firstsentierinvestors.com. Telephone calls may be recorded. The distribution or purchase of shares in the funds, or entering into an investment agreement with First Sentier Investors may be restricted in certain jurisdictions.

Representative and Paying Agent in Switzerland: The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. Place where the relevant documentation may be obtained: The prospectus, key investor information documents (KIIDs), the instrument of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

First Sentier Investors entities referred to in this document are part of First Sentier Investors a member of MUFG, a global financial group. First Sentier Investors includes a number of entities in different jurisdictions. MUFG and its subsidiaries do not guarantee the performance of any investment or entity referred to in this document 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.

The FSSA Investment Managers logo is a trademark of the MUFG or an affiliate thereof.

Copyright © (2021) First Sentier Investors

All rights reserved.



For further information

Head of Distribution, UK & Europe

Graham Fox +44 (0)20 7332 6530 graham.fox@firstsentier.com

Sales Director, Europe & Third Party Distributions

Marc Bishop +44 (0)20 7332 6556 marc.bishop@firstsentier.com

Business Development Manager – Scotland, North of England & Ireland

Ross Stewart +44 (0)131 473 2482 ross.stewart@firstsentier.com

Sales Director, London, South East and Channel Islands

Tom Burton +44 (0)20 7332 6559 tom.burton@firstsentier.com

Sales Director, Midlands and South West

Carl Tomlin +44 (0)7825 935634 carl.tomlin@firstsentier.com

Institutional Client and Consultant Relationships FSSA

Fraser Wood +44 (0)131 473 2529 fraser.wood@fssaim.com

Head of Distribution, Ireland

Frank Glennon +44(0)7776 138105 frank.glennon@firstsentier.com

Sales Director, Europe

Eva von Sydow +33 (0)1 72 25 66 36 eva.vonsydow@firstsentier.com

Sales Manager, Europe

Robert Retz +49 (0) 69 710 456 304 robert.retz@firstsentier.com

Director, Nordic Business Development

Ketul Nandani +44 (0) 20 7332 9440 ketul.nandani@firstsentier.com