FSSA Investment Managers



FSSA China Focus 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 large and mid sized companies that are based in, or closely associated with, mainland China that are listed on exchanges worldwide. These companies generally have a total stock market value of at least US $1 billion. The Fund may invest up to 100% of its assets in any industry. The Fund will not invest more than 100% 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 January 2008
Fund size (US$m)	82.2
Benchmark	MSCI China Net Index*
Number of holdings	48
Fund manager(s)	Helen Chen/Qimin Fei

* The benchmark of the Fund changed from MSCI China Gross to MSCI China 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 China Focus Fund USD Class III (Accumulation)	B29SXJ8	IE00B29SXJ89
FSSA China Focus Fund USD Class I (Accumulation)	B29SXG5	IE00B29SXG58

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 China Focus 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.
- **Concentration risk:** The Fund invests in a relatively small number of companies which may be riskier than a Fund that invests in a large number of companies.
- **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 30 September 2026

	12 mths to 30/09/26	12 mths to 30/09/25	12 mths to 30/09/24	12 mths to 30/09/23	12 mths to 30/09/22
FSSA China Focus Fund	-6.3	7.2	12.9	-2.8	-30.4
MSCI China Net Index	-18.4	30.8	23.9	5.2	-35.4

Cumulative performance in USD (%) to 30 September 2026

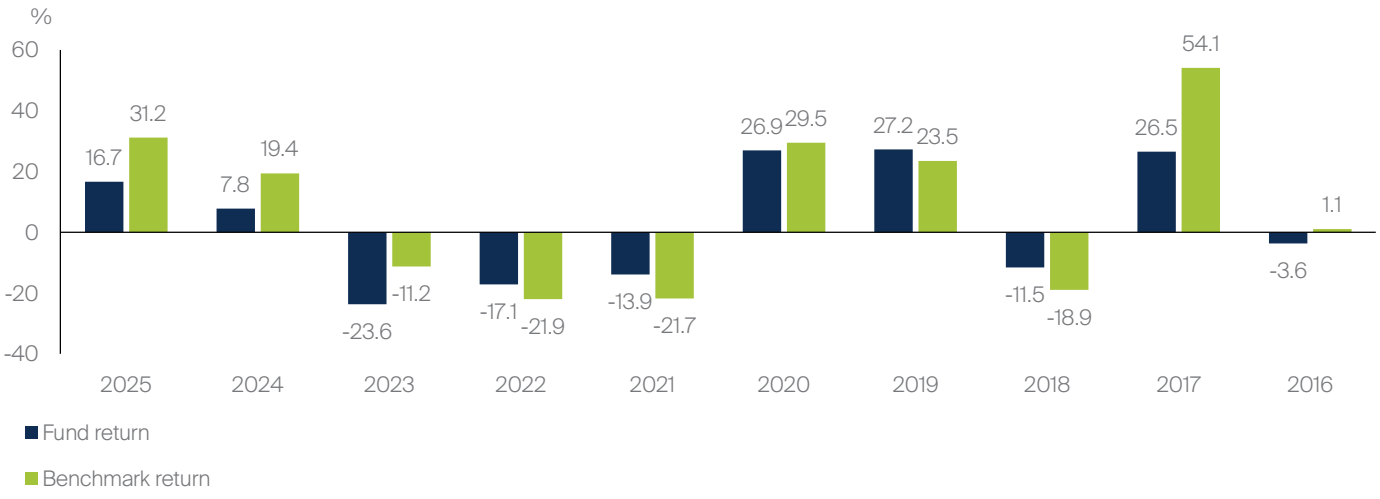
	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
FSSA China Focus Fund	43.0	20.5	-23.3	13.4	-6.3	-3.1	2.4	-3.0
MSCI China Net Index	68.0	39.1	-10.1	32.2	-18.4	-11.9	-3.2	3.7

Performance review

Key contributors to performance over the past 12 months included **MediaTek**, which rose amid growing optimism around its AI application-specific integrated circuit (ASIC) business and strong sales growth momentum. In addition, MediaTek announced it would deepen its relationship with US chip giant NVIDIA across AI data-centre infrastructure, with NVIDIA investing US$3.5bn in MediaTek's convertible bonds. **Bank of Ningbo** also rose following better-than-expected earnings results. The bank posted robust corporate loan growth and strong wealth-management fee income, and also showed good cost control. The results supported our view that the bank will continue to gain market share while maintaining a disciplined approach to growth.

On the negative side, **Meituan** fell as rising competition in food delivery led the company to increase subsidies to defend its leading market position, weighing on near-term profitability. However, the industry's competitive intensity has started to ease and the company is now eyeing overseas opportunities and new growth initiatives in grocery retail. **Shenzhen Mindray** also fell as its domestic business continued to face pricing pressure due to the government's centralised procurement policies. However, the company's latest results showed improvements, with solid revenue growth, especially from its overseas business, alongside domestic market share gains. The revenue mix has improved, with consumable products now accounting for a greater proportion of its earnings, opening the potential for more recurring revenue streams.

Calendar year performance (% in USD) to 30 September 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 January 2008. All performance data for the FSSA China Focus Fund Class I (Accumulation) USD as at 30 September 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 China Focus Fund was rebranded as FSSA China Focus Fund.

Portfolio review

New purchases over the quarter included **Zijin Mining**, China's largest copper and gold mining firm. The company's broad international presence marks it out from many competitors – it operates in 19 countries – and it has a good track record of delivering production growth thanks to its technical expertise. Zijin Mining has a stable management team with a history of countercyclical capital allocation, often acquiring assets during commodity downturns when valuations were depressed. The company has listed Zijin Gold International while retaining a majority stake, providing an additional funding vehicle for overseas expansion.

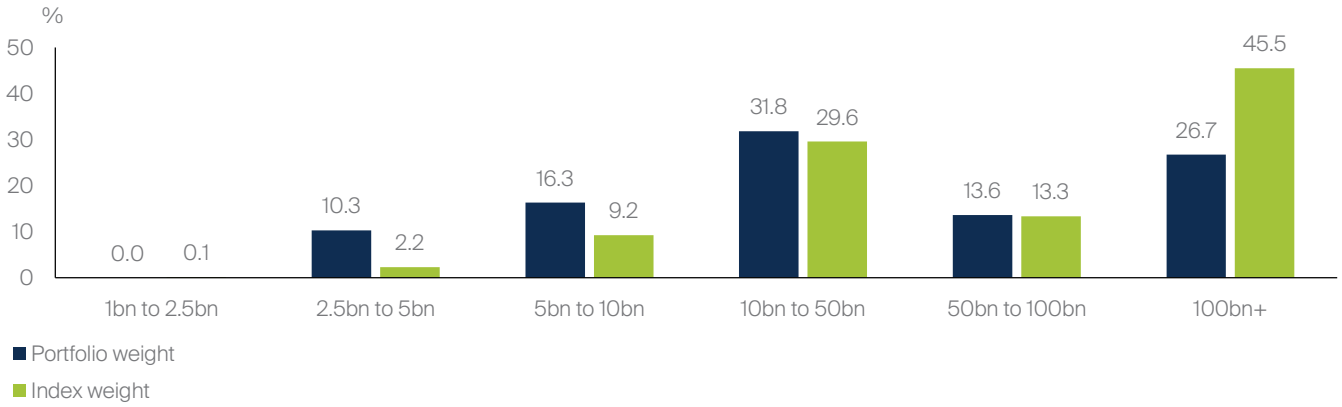
We also participated in the secondary listing of **Luxhare Precision** in Hong Kong (we were already holders of the company's A-shares). An electronics contract manufacturer that counts Apple as its largest client, the company has been diversifying its business away from smartphone assembly towards automotive components and segments related to AI data centre infrastructure, such as connection components, optical components and cooling systems. Luxshare's disciplined management and track record of scaling new businesses give us confidence in its prospects.

We sold small positions in **Shenzhou International** and **Changzhou Xingyu Automotive Lighting Systems** to raise cash for higher-conviction opportunities.

Stock spotlight

Shenzhen Mindray is the leading medical device manufacturer in China. We believe it is well positioned to benefit from the world's ageing population and increased healthcare spending. Founded in Shenzhen in 1991, the company has demonstrated a strong track record of new product innovation, mergers and acquisitions, and expansion into new geographies. It has grown successfully beyond patient monitoring systems into more advanced areas such as medical imaging and in vitro diagnostics. Key to these results is their core competency in research and development (R&D). As sales grew, Mindray maintained R&D spending at 9-10% of revenue, creating a self-perpetuating cycle of new products and sales growth, along with cost savings to customers. Among the most important elements driving Mindray's success are its people and culture; and in Mindray's case this comes from the co-founder and chairman, Li Xiting. We believe his risk-aware approach has been integral to the company's strong growth and execution.

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

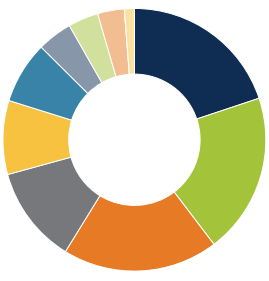
Our long-term investment themes:

- 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 30 September 2026

Stock name	Country	Sector	Portfolio weight (%)
Tencent Holdings Ltd	China	Communication Services	8.3
PDD Holdings Inc. Sponsored ADR Class A	China	Consumer Discretionary	4.3
H World Group Limited	China	Consumer Discretionary	3.9
Shenzhen Mindray Bio-Medic-A	China	Health Care	3.7
Netease Inc	China	Communication Services	3.7
Meituan Class B	China	Consumer Discretionary	3.6
Centre Testing International Group Co., Ltd. Class A	China	Industrials	3.3
Bank of Ningbo	China	Financials	3.2
Contemporary Amperex Technology Co., Limited Class A	China	Industrials	3.1
Ping An Insurance (Group) Company of China, Ltd. Class H	China	Financials	3.1

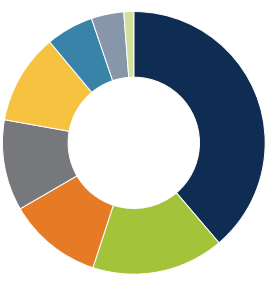
Sector breakdown



- Industrials **19.9%** (5.4%*)
- Consumer Discretionary **19.8%** (22.6%*)
- Information Technology **19.1%** (11.5%*)
- Communication Services **11.9%** (17.9%*)
- Financials **9.1%** (21.0%*)
- Consumer Staples **7.6%** (2.8%*)
- Real Estate **4.3%** (1.5%*)
- Health Care **3.7%** (6.4%*)
- Materials **3.3%** (5.5%*)
- Other **0.0%** (5.5%*)

*Index weight

Share class breakdown



- China A Shares **38.8%**
- P Chip **16.3%**
- Hong Kong **11.6%**
- Red Chips **11.2%**
- China H Shares **11.1%**
- Taiwan **5.8%**
- US Listed **4.0%**
- Cash **1.2%**

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%.

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Top 5 contributors to absolute performance

3 months to 30 September 2026

Stock name	Country	Sector	Value added (bps*)
Shenzhen Mindray Bio-Medic-A	China	Health Care	56
Yifeng Pharmacy Chain Co Ltd Class A	China	Consumer Staples	54
Bank of Ningbo Co., Ltd. Class A	China	Financials	53
MediaTek Inc	Taiwan	Information Technology	38
Kanzhun A ADR	China	Industrials	36

12 months to 30 September 2026

Stock name	Country	Sector	Value added (bps*)
MediaTek Inc	Taiwan	Information Technology	287
Shengyi Technology Co., Ltd. Class A	China	Information Technology	214
Silergy Corp.	Taiwan	Information Technology	156
Hongfa Technology Co., Ltd. Class A	China	Industrials	102
Bank of Ningbo Co., Ltd. Class A	China	Financials	86

Bottom 5 contributors to absolute performance

3 months to 30 September 2026

Stock name	Country	Sector	Value added (bps*)
Silergy Corp.	Taiwan	Information Technology	-131
Shengyi Technology Co., Ltd. Class A	China	Information Technology	-92
Contemporary Amperex Technology Co., Limited Class A	China	Industrials	-84
Luxshare Precision Industry Co., Ltd. Class A	China	Information Technology	-66
Sungrow Power Supply Co., Ltd. Class A	China	Industrials	-52

12 months to 30 September 2026

Stock name	Country	Sector	Value added (bps*)
Tencent Holdings Ltd	China	Communication Services	-360
PDD Holdings Inc. Sponsored ADR Class A	China	Consumer Discretionary	-193
Meituan Class B	China	Consumer Discretionary	-119
Shenzhen Mindray Bio-Medic-A	China	Health Care	-106
Kanzhun A ADR	China	Industrials	-90

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 30 September 2026

Risk measure	Value	Risk description
Beta	0.95	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	-0.34	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	23.43%	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	22.40%	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	9.79%	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 September 2026

Risk measure	Value	Risk description
Dividend Yield (Fund)	2.35%	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)	2.38%	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)	2.39	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)	1.83	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)	14.44	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)	11.67	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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