

FSSA Indian Subcontinent Fund

- The Fund invests primarily in equity and equity related securities in Indian subcontinent which may expose to potential changes in tax, political, social and economic environment.
- 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.
- Investing in small /mid-capitalisation securities may have lower liquidity and their prices are more volatile to adverse economic developments.
- The Fund's investments may be concentrated in a single country/ sector, specific region or small numbers of countries/ companies which may have higher volatility or greater loss of capital than more diversified portfolios.
- 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.
- 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.

Lead portfolio manager	Approx. no. of stocks	Benchmark	Maximum cash	Minimum market cap
Vinay Agarwal	30 – 50	MSCI India Net Index	10%	All Cap

Minimum initial investment	US\$1,000	Initial charge	5.0%
Minimum subsequent Investment	US\$500	Management fee	1.75% p.a.
Share class	Class I (USD - Acc)	NAV/share	US\$114.24
Inception date	23 August 1999	ISIN code	IE0008369930

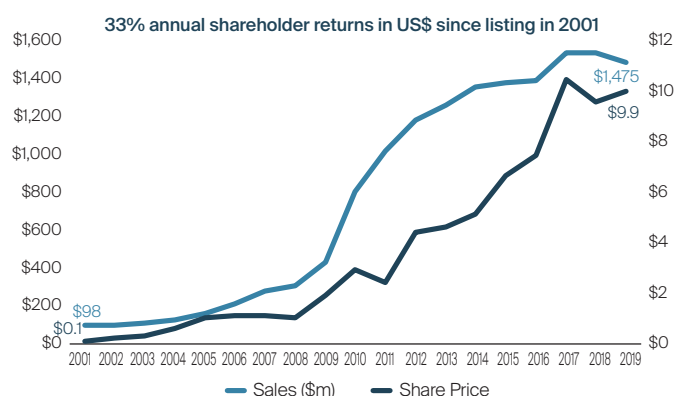
Source: First Sentier Investors, as at 31 December 2020. The Fund is a sub fund of Ireland domiciled First Sentier Investors Global Umbrella Fund Plc.

What does the FSSA Indian Subcontinent Fund invest in?

1. Dominant franchises with strong pricing power

- The Indian Rupee (INR) has depreciated by more than 40% versus the USD since 2001
- Despite currency depreciation, Godrej's sales in USD terms have grown by 15x, and EPS (Earning per share) has grown 34x between March 2002 and March 2019
- This pricing power has rewarded shareholders too, yielding them 33% annual compounded returns in USD since listing

Godrej - Consumer products

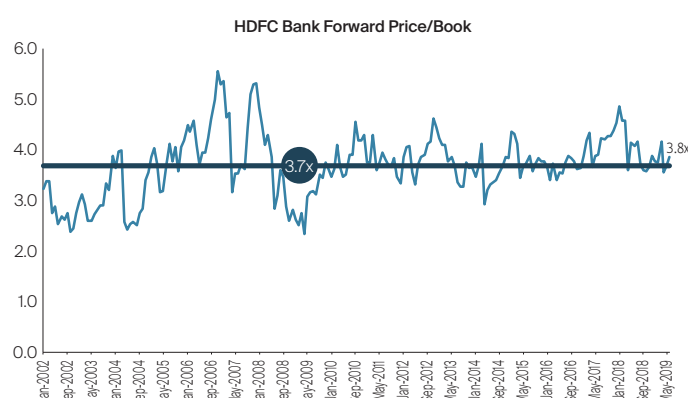


Source: Bloomberg, data as of June 2019. Fiscal Years ending March

2. Quality doesn't come cheap

- HDFC Bank is India's largest private bank, and has consistently generated good returns across cycles, with a 20 year average ROA of 1.6% and ROE of 19.2%
- 70% of India's banking industry is capital-starved and ill-run state owned banks. HDFC Bank has been consistently gaining share from them, and currently hold 7% market share, paving a long runway for growth
- Over the last 20 years, despite its sustained high valuations, total annual shareholder returns were 27% in USD

HDFC Bank - Valuation



Source: Bloomberg, data as of June 2019

FSSA Indian Subcontinent Fund

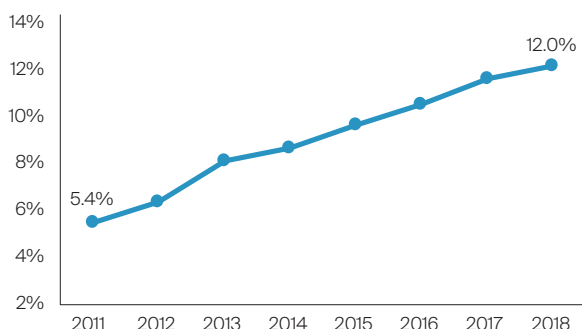
Quarterly Fund Flyer



3. A leading domestic air-conditioner manufacturer with room to grow

- Blue Star was founded in the 1940's as an Indian distributor for air-conditioning and refrigeration products manufactured by global companies. The group has recently undergone a generational change, and the management now comprises both family members and professionals
- Blue Star is still a relatively small player; however, the company has increased its market share in each of the last five years and should continue to do so with the launch of new products based on emerging technology standards which are ahead of peers
- Air-conditioner penetration is only 8% in India, vs 13% in the Philippines, 33% in Indonesia and 74% in China, which implies plenty of room to grow

Blue Star's market share has doubled

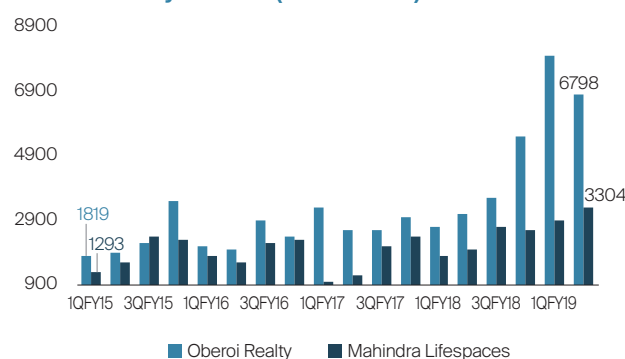


Source: Bloomberg, Annual Reports, FSSA Investment Managers, as of October 2018

4. An opportunity to invest in a high quality local developer

- Oberoi's operations are focused on a single city, Mumbai, and its surrounding areas. Therefore, management has significant knowledge of the market and its strong brand allows Oberoi to achieve prices that are 15-35% higher compared to its peers
- Unlike most other real estate developers, Oberoi has low leverage (Net Debt/Equity of just 5%) on its balance sheet. This is likely to be used to counter-cyclically acquire land or projects, when they are available at attractive valuations
- The Indian real estate industry has a poor reputation for low construction quality and significant project delays. Following new, tougher regulations which imposed penalties on such behaviour, the industry has consolidated as lower quality developers have found it difficult to operate. Consumer demand has shifted towards strong brands and quality, on-time project delivery, which has benefitted the likes of Oberoi Realty

Oberoi Realty - Sales (INR million)



Source: Bank of America Merrill Lynch, Livemint, Bloomberg, data as at 2019Q1

Cumulative performance in USD (%)

	3 months	YTD	1year	3 years	5 years	Since inception
FSSA Indian Subcontinent Fund	19.8	8.8	8.8	3.7	47.5	1,042.4
MSCI India Net Index	21.0	15.6	15.6	15.2	57.6	638.8

Source: First Sentier Investors, as at 31 December 2020. Since inception: 23 August 1999. The FSSA Indian Subcontinent Fund Class I (USD – Acc) and is the non-dividend distributing class of the fund, the performance quoted are based on USD total return (non-dividend distributing). Nav-Nav (USD total return). The Fund's calendar year performance is 8.8% (2020); 3.6% (2019); -7.9% (2018); 40.0% (2017); 1.6% (2016). Gross of tax benchmark performance is shown before 1 July 2016 and net of tax benchmark performance is shown after the aforementioned date. Acc represents share class with dividends accumulated. With effect from 1 July 2016, the management fee was adjusted to 1.75%. 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. On 22 September 2020, First State Indian Subcontinent Fund was rebranded as FSSA Indian Subcontinent Fund.

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, Tokyo 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.

Important Information

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