

FSSA Japan Equity Fund



- The Fund invests primarily in equity and equity related securities which are established or have significant operations in Japan and which are listed, traded or dealt in on regulated markets worldwide.
- The Fund's investments will be concentrated in Japan or may be concentrated a single sector which may have higher volatility or greater loss of capital than more diversified portfolios.
- Investing in small /mid-capitalisation securities may have lower liquidity and their prices are more volatile to adverse economic developments.
- 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
Sophia Li	40 - 60	MSCI Japan 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\$22.54
Inception date	6 September 2016	ISIN code	IEOBSJWPN04

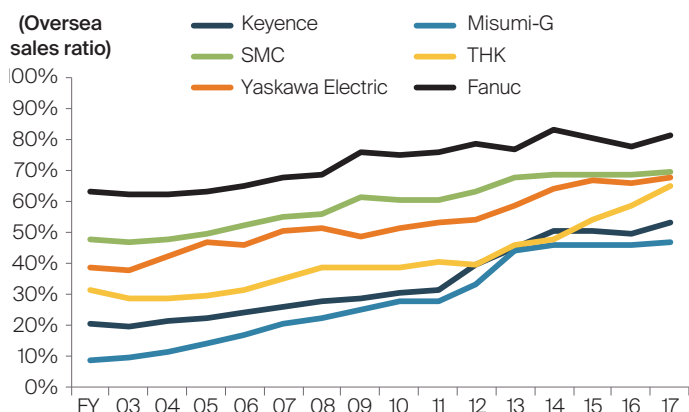
Source: First Sentier Investors, as at 31 December 2020. The Fund is a sub fund of Ireland domiciled First Sentier Investors Global Umbrella Fund Plc.

What does the FSSA Japan Equity Fund invest in?

1. An opportunity to invest in global factory automation and robotics leaders

- Keyence is one of the leading factory automation companies globally, focused in machine vision, laser technology and measurement systems. It is referred to as "Apple of the manufacturing industry," thanks to its superior integration capabilities of hardware & software and user-friendly operating system
- The company operates in an unique business model - fables and direct sales model contributing to its superior return and strong balance sheet
- Its engineering consultants proactively advise on product solutions wherever they see demand and maintain long-term relationship with clients. They also play a pivotal role of new idea generation for the internal R&D team

Keyence - sufficient room for overseas expansion



Source: Bloomberg, Alliance Bernstein & Company data

2. Tapping into Best-in-class Asian consumer franchise

- Pigeon is one of the leading baby bottle and consumable brands globally. As a pioneer in a niche market with consistent focus on R&D, Pigeon holds 80% share in its core domestic market
- As mothers want to provide the best for their children, Pigeon's trusted quality has successfully gained traction overseas. Along with its consolidated brand, Lansinoh, Pigeon holds significant share in the US, EU, and among the affluent consumer class in China (and still expanding). High exposure to e-commerce enhances profitability
- Run by a strong team of professional management; shareholder friendly with an increasing dividend payout ratio of 60%. ROE has improved consistently from 6% a decade ago to 27% in 2017, mainly driven by geographical mix and better margins. Net cash to equity continues to increase, now at 52%

Pigeon's product lineup

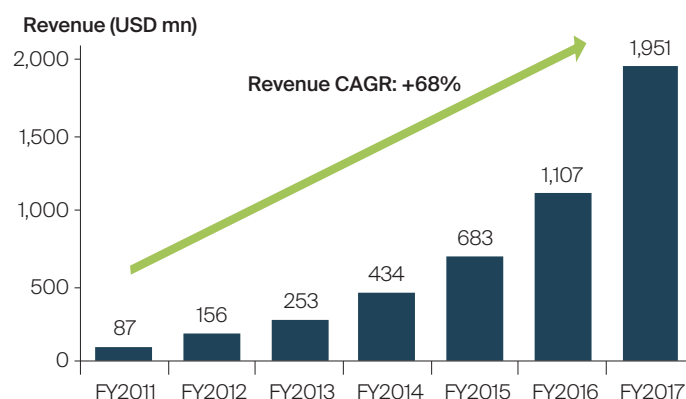




3. Invest in leading internal verticals that disrupt old-school industries

- Recruit Holdings is one of the largest HR and marketing media companies in the world. A leader in Japan, it also owns US-based Indeed, the world's largest careers-based search engine
- It is a well-balanced portfolio of cash-cow and high-growth businesses, supported by entrepreneurial corporate culture, decentralised organisational structure and prudent management execution capabilities
- It has a proven track-record of conducting overseas M&A and launching new niche-businesses that have grown into a platform with scale benefits, high ROIC and low capital intensity

Resilient growth in fringe benefit membership base



Source: Company data, FactSet

Cumulative performance in USD (%)

	3 months	YTD	1 year	3 years	Since inception
FSSA Japan Equity Fund	18.7	41.4	41.4	62.2	125.4
MSCI Japan Net Index	15.3	14.5	14.5	19.3	45.9

Source: First Sentier Investors, data as at 31 December 2020. Since inception: 6 September 2016. The FSSA Japan Equity Fund Class I (USD - Acc) 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: 41.4% (2020); 35.0% (2019); -15.0% (2018); 42.9% (2017); -2.7% (since launch to 31 December 2016). Acc represents share class with dividends accumulated. On 22 September 2020, First State Japan Equity Fund was rebranded as FSSA Japan Equity 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

Investment involves risks, past performance is not a guide to future performance. Refer to the offering documents of the respective funds for details, including risk factors. The information contained within this document has been obtained from sources that First Sentier Investors ("FSI") believes to be reliable and accurate at the time of issue but no representation or warranty, expressed or implied, is made as to the fairness, accuracy or completeness of the information. Neither FSI, nor any of its associates, nor any director, officer or employee accepts any liability whatsoever for any loss arising directly or indirectly from any use of this. It does not constitute investment advice and should not be used as the basis of any investment decision, nor should it be treated as a recommendation for any investment. The information in this document may not be edited and/or reproduced in whole or in part without the prior consent of FSI.

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