

FSSA Asian Growth Fund

Investment objective and strategy

The Fund aims to achieve long term capital appreciation and invests all or substantially all of its assets in the FSSA Asian Growth Fund (the “Underlying Sub-Fund”), under the Dublin registered First Sentier Investors Global Umbrella Fund plc.

The Underlying Sub-Fund invests primarily (at least 70% of its net asset value) in equity securities or equity-related securities of companies that are listed, or have their registered offices in, or conduct a majority of their economic activity in Asia (excluding Australia, Japan and New Zealand).

On 22 September 2020, First State Asian Growth Fund was rebranded as FSSA Asian Growth Fund.

Fund information

Fund Size (\$m)	62.0
Benchmark	MSCI AC Asia ex Japan Index▲
Number Of Holdings	42

Available share classes

Share Class	Inception Date	Nav/Per Share	ISIN Code
Class A (SGD - Acc)	10 Oct 1984	S\$3.5054	SG9999000210

▲Inception - 1 Nov 05 : MSCI All Country Far East ex Japan Index.
From 2 Nov 05 : MSCI AC Asia ex Japan Index.

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.



Annualised Performance in SGD (%) to 31 December 2020 ^

	Since Inception	10yrs	5yrs	3yrs	1yr
Fund (Ex initial charges)	7.6	6.8	8.1	8.5	15.4
Fund (Inc initial charges)	7.4	6.2	7.0	6.6	9.7
Benchmark	N/A	7.1	12.3	8.1	23.2

Cumulative Performance in SGD (%) to 31 December 2020 ^

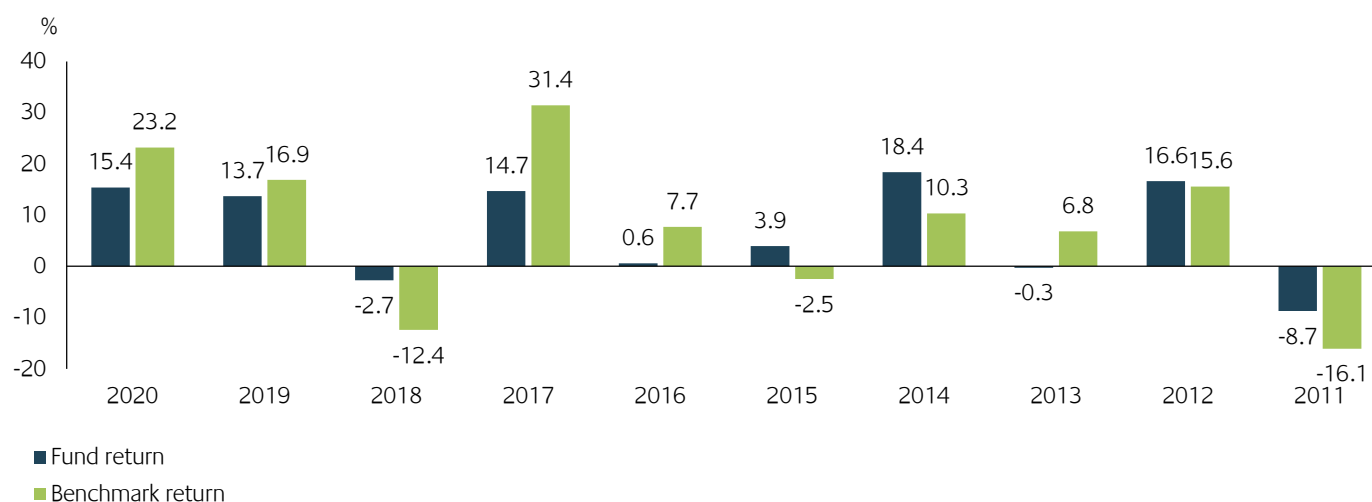
	Since Inception	5yrs	3yrs	1yr	3mths
Fund (Ex initial charges)	1,317.6	47.3	27.7	15.4	16.4
Fund (Inc initial charges)	1,246.7	39.9	21.3	9.7	10.6
Benchmark	N/A	78.6	26.2	23.2	14.9

^ The performance prior to 18 Oct 02 is in relation to the Fund before its conversion to a feeder fund.

Performance Review

Over the past 12 months, the top contributors to performance included Taiwan Semiconductor (TSMC), driven by improved profitability and solid sales growth guidance. The company has increased capital expenditure and added capacity as it continues to see strong customer demand. Mediatek outperformed, with strong earnings and a solid forecast of 5G smartphone shipments over the course of the year. On the negative side, Dairy Farm International continued to underperform, as coronavirus-lockdowns and reduced tourist arrivals affected its 7-11 convenience stores, Health & Beauty businesses, and Maxim's restaurant group. Largan was lower on concerns about US restrictions on Huawei (which represents 25-30% of Largan's revenue).

Calendar Year Performance (% in SGD) to 31 December 2020



Source: Lipper and First Sentier Investors, single pricing basis with net income reinvested. Unless otherwise specified, all information contained in this document is as at 31 December 2020. Investment involves risks, past performance is not a guide to future performance. 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.



Portfolio Review

New positions over the quarter included Voltas, India's largest air-conditioning company. Air-conditioner penetration in India is around 6% compared to 65% in China, which highlights the potential for future growth. As India grows richer, demand for air-conditioning is likely to enjoy strong tailwinds, and the company believes that growth should be able to compound at 12-15% for the next few years. Additionally, the group is moving into white goods (washing machines and refrigerators) in a joint venture with Turkey's Arcelik. We believe that this is a sensible diversification given their strong brand reputation, as well as existing distribution channels.

We also repurchased Shanghai International Airport (SIA), having sold it on an earlier substantial re-rating. SIA is positively exposed to a resumption of international travel, with the segment accounting for 50% of revenues. The new satellite terminal has doubled retail space, and capacity at the Pudong airport has increased to 80m passengers a year. With the new capacity, as well as revised revenue-sharing terms with duty-free operators, we expect earnings to rebound quickly.

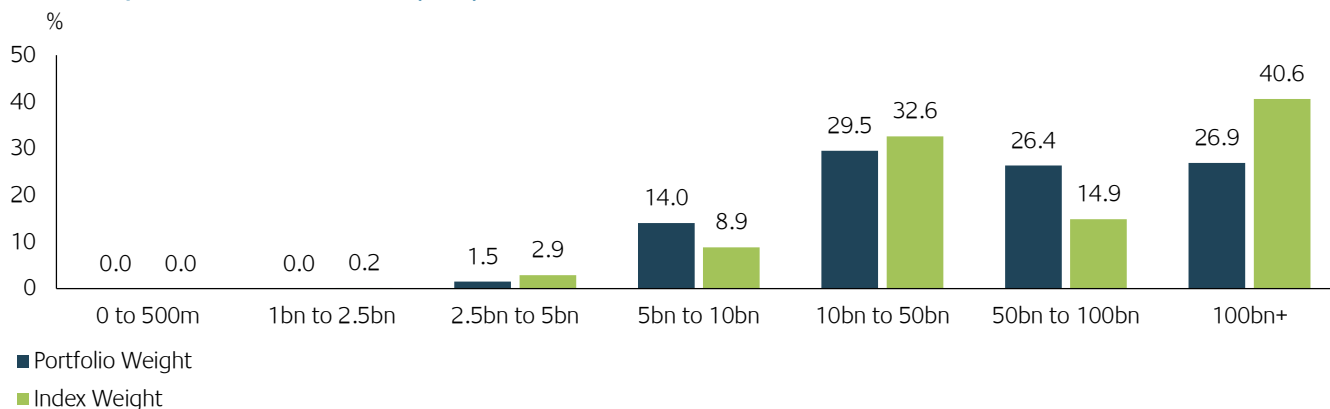
We divested Zhejiang Supor on concerns about high valuations and increased competition.

Stock Spotlight

Midea Group is China's largest home appliances company, with a comprehensive product portfolio that includes air conditioners, refrigerators, washing machines and small home appliances. We believe Midea is well-positioned to benefit from rising income levels and the "premium-isation" trend in China (as incomes rise, consumers demand better quality and more expensive products).

Midea's strong emphasis on research and development have improved its product quality over the years; and its market share in most home appliance categories in China ranks it among the top three. Meanwhile, its acquisitions of Kuka (top 4 industrial robot company) and Toshiba (Japanese premium brand home appliances) add new areas of growth, especially in areas such as logistics and industrials.

Market Capitalisation Breakdown (SGD)



Source: First Sentier Investors as at 31 December 2020. 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.



Outlook

Amid the general uncertainty and market volatility, we remain comfortable with our Asia portfolio holdings and the quality of the underlying businesses. Broadly, Asian corporate balance sheets are strong; and most of our portfolio companies are in a net cash position, which should help to cushion shorter-term cash flows. We cannot predict when normalisation might happen; instead, we continue to focus on our bottom-up investment approach, seeking high quality companies to invest in for the long term.

Indeed, there are opportunities to be found amongst the weakness, as we believe that prices for our company holdings have fallen far more than their longer-term business prospects have been stunted. As quality growth stocks have become cheaper, we have taken the opportunity to consolidate our portfolios into higher-conviction names and buy companies on our watch-list that have become more reasonably priced.

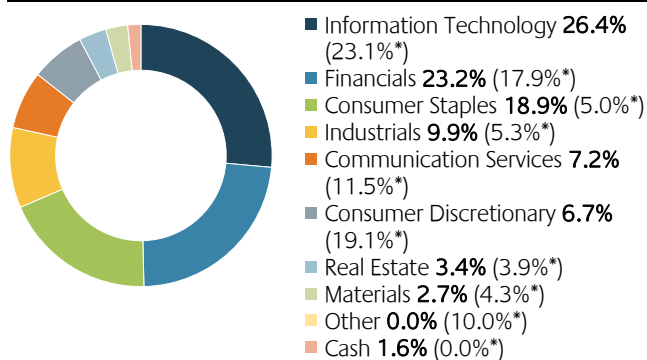
Our long-term investment themes:

- Dominant consumer franchises which have an edge in brand, distribution and innovation.
- High quality financials, supported by a strong deposit franchise or a specific loan niche.
- 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.

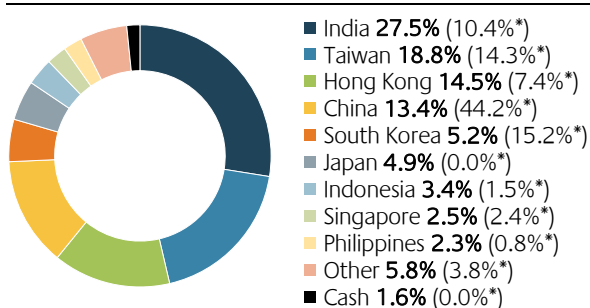
Ten Largest Company Holdings as at 31 December 2020

Stock Name	Country	Sector	Portfolio Weight (%)	Index Weight (%)
Taiwan Semiconductor (TSMC)	Taiwan	Information Technology	6.6	6.7
HDFC Bank	India	Financials	5.5	0.0
MediaTek Inc	Taiwan	Information Technology	5.2	0.6
Tata Consultancy Serv. Ltd	India	Information Technology	4.8	0.5
Housing Development Finance Corporation Limited	India	Financials	4.8	0.9
Kotak Mahindra Bank Limited	India	Financials	3.9	0.2
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	3.7	0.3
NAVER Corp.	South Korea	Communication Services	3.7	0.5
Dairy Farm International Holdings	Hong Kong	Consumer Staples	3.4	0.0
Midea Group	China	Consumer Discretionary	3.1	0.0

Sector Breakdown



Country Breakdown



*Index Weight

*Index Weight

Source: First Sentier Investors as at 31 December 2020. 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.



Top 5 contributors to absolute performance

3 months to 31 December 2020

Stock Name	Country	Sector	Value added (bps*)
Housing Development Finance Corporation Limited	India	Financials	191
Kotak Mahindra Bank Limited	India	Financials	174
HDFC Bank INR1	India	Financials	174
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	165
MediaTek Inc	Taiwan	Information Technology	133

12 months to 31 December 2020

Stock Name	Country	Sector	Value added (bps*)
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	377
MediaTek Inc	Taiwan	Information Technology	323
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	246
Midea Group Co. Ltd	China	Consumer Discretionary	211
NAVER Corp.	South Korea	Communication Services	199

Bottom 5 contributors to absolute performance

3 months to 31 December 2020

Stock name	Country	Sector	Value added (bps*)
China Resources Land Limited	China	Real Estate	-12
LARGAN Precision Co., Ltd.	Taiwan	Information Technology	-6
Zhejiang Supor Cookware Co Ltd	China	Consumer Discretionary	-2
Vietnam Dairy Products	Vietnam	Consumer Staples	0
Vitasoy International Holdings	Hong Kong	Consumer Staples	2

12 months to 31 December 2020

Stock name	Country	Sector	Value added (bps*)
Oversea-Chinese Banking Corporation Limited	Singapore	Financials	-134
Dairy Farm International Holdings Limited	Hong Kong	Consumer Staples	-86
LARGAN Precision Co., Ltd.	Taiwan	Information Technology	-74
Jardine Cycle & Carriage Limited	Singapore	Consumer Discretionary	-59
CK Hutchison Holdings Ltd	Hong Kong	Industrials	-57

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.

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.

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.



Disclaimer

This document is prepared by First Sentier Investors (Singapore) ("FSI") (Co. Reg No. 196900420D.) whose views and opinions expressed or implied in the document are subject to change without notice. FSI accepts no liability whatsoever for any loss, whether direct or indirect, arising from any use of or reliance on this document. This document is published for general information and general circulation only and does not have any regard to the specific investment objectives, financial situation and particular needs of any specific person who may receive this document. Investors may wish to seek advice from a financial adviser and should read the Prospectus, available from First Sentier Investors (Singapore) or any of our Distributors before deciding to subscribe for the Fund. In the event that the investor chooses not to seek advice from a financial adviser, he should consider carefully whether the Fund in question is suitable for him. Past performance of the Fund or the Manager, and any economic and market trends or forecast, are not indicative of the future or likely performance of the Fund or the Manager. The value of units in the Fund, and any income accruing to the units from the Fund, may fall as well as rise. Investors should note that their investment is exposed to fluctuations in exchange rates if the base currency of the Fund and/or underlying investment is different from the currency of your investment. Units are not available to US persons. Applications for units of the Fund must be made on the application forms accompanying the prospectus. Investments in unit trusts are not obligations of, deposits in, or guaranteed or insured by First Sentier Investors (Singapore), and are subject to risks, including the possible loss of the principal amount invested.

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. In the event of discrepancies between the marketing materials and the Prospectus, the Prospectus shall prevail. In Singapore, this document is issued by First Sentier Investors (Singapore) whose company registration number is 196900420D. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

First Sentier Investors (registration number 53236800B) and FSSA Investment Managers (registration number 53314080C) are business divisions of First Sentier Investors (Singapore). The FSSA Investment Managers logo is a trademark of the MUFG (as defined below) or an affiliate thereof.

First Sentier Investors (Singapore) is part of the investment management business of First Sentier Investors, which is ultimately owned by Mitsubishi UFJ Financial Group, Inc. ("MUFG"), a global financial group. First Sentier Investors includes a number of entities in different jurisdictions. MUFG and its subsidiaries are not responsible for any statement or information contained in this document. Neither MUFG nor any of its subsidiaries 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.