

First Sentier Rates and Foreign Exchange (FX) Strategy

**First Sentier
Investors**

This macro strategy seeks to deliver attractive returns with moderate volatility by investing in government bonds and FX, capturing major macro trends across market cycles

30 September 2025

For professional / institutional investors only

What sets us apart



One-stop solution for interest rate and FX products



Focused on navigating investment opportunities to uncover market efficiencies



Long track record of over 25 years



Seasoned investment team with strong expertise in Developed & Emerging markets

Strategy inception date	26 November 1999
Benchmark	FTSE World Government Bond Index
Duration	Unconstrained

Source: First Sentier Investors, as at 30 September 2025.

Credit Quality	AA
Total strategy size	USD \$287mn
Available vehicles	VCC, MPF, segregated mandate

Annualised composite performance in USD (%)

	1 year	3 years	5 years	Since inception
Composite (gross)	-0.1	3.5	-2.3	1.8
Composite (net)	-0.3	3.2	-2.5	1.5
Benchmark*	1.6	4.5	-3.0	1.7

* FTSE World Government Bond Index

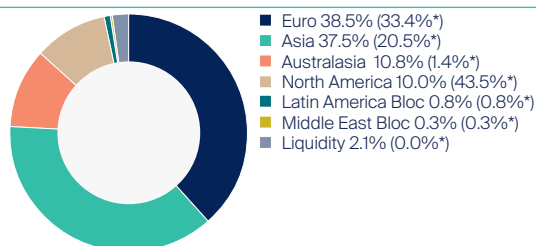
Credit rating breakdown[†]

Credit rating [#]	%	%	%
AAA	37.7	A	29.1
BBB	7.2	Not Rated	0.0
		Liquidity	2.1

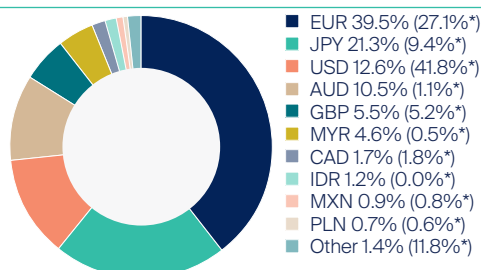
[#] Refers to fixed income investments of the strategy. Where available, the credit rating assigned by one of the three major external rating agencies (S&P, Moody's or Fitch) will be used. An internal rating assigned by First Sentier Investors will be used where the security is not externally rated.

Source: First Sentier Investors, as at 30 September 2025.

Region breakdown[†]



Currency breakdown[†]



*Index weight

[†] Allocation percentage is rounded to the nearest one decimal place and the total allocation percentage may not add up to 100%.

Why invest in Rates and FX?

1. Attractive returns from income, interest rates and foreign exchange (FX)

- Capturing income while dynamically managing interest rates and currency exposures to deliver strong risk-adjusted returns across different market cycles



2. Low correlation vs other asset classes

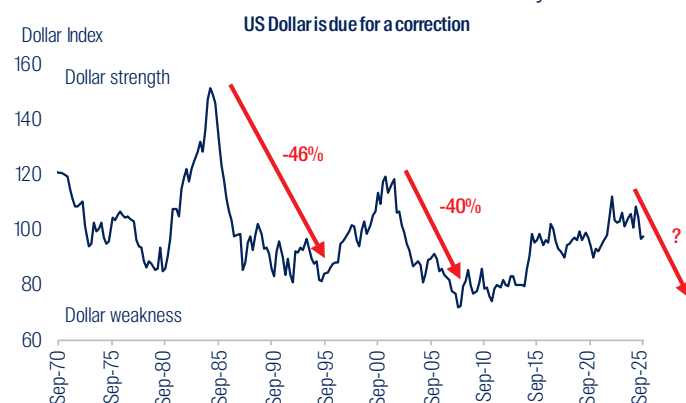
- Diversification benefits in the strategy increases resilience during periods of market stress, enhancing overall return stability

Asset Class	CMGB	MSCI World	Asia High Yield	Bitcoin	Gold
FSI Global Bond	1.00	0.23	0.26	0.09	0.39
MSCI World Equity Index	0.23	1.00	0.40	0.19	0.19
Asia High Yield	0.26	0.40	1.00	0.03	0.18
Bitcoin	0.09	0.19	0.03	1.00	0.10
Gold	0.39	0.19	0.18	0.10	1.00

Footnote: Correlation is based on weekly index return from Sep 2015 to Sep 2025. Source: For all the data, except for Asia High Yield index where the index provider is J.P. Morgan.

3. Natural hedge against a weaker USD

- Diversify away from dollar concentration by investing in broad non-USD interest rates and currency markets



Source: First Sentier Investors as at 30 September 2025

4. Independent alpha opportunities across interest rates and FX

- Generate alpha from diverse, uncorrelated sources across markets within the investment universe, ensuring balanced performance across environments

Markets	Correlation
DM vs EM interest rate	0.36
DM vs EM FX	0.39

Footnote: FX indices use spot FX and interest rate indices use the respective country's 10-year government bond. DM indices are an equal weight of US, Germany, Japan, and UK. EM indices are an equal weight of Brazil, Mexico, Indonesia, and India. Correlation is based on weekly index return from Sep 2015 to Sep 2025.

Source: Bloomberg

Important information

Source: First Sentier Investors as at 30 September 2025.

* The SFC has not reviewed the contents of this website.

The information contained within this material has been obtained from sources that First Sentier Group 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, completeness or correctness of the information. To the extent permitted by law, neither First Sentier Group, 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. This material is intended solely for distribution to professional/institutional investors as may be defined in the relevant jurisdiction and is not intended for distribution to the public. The information herein is for information purposes only; it does not constitute investment advice and/or recommendation, and should not be used as the basis of any investment decision. Some of the funds mentioned herein are not authorised for offer/sale to the public in certain jurisdiction.

The value of investments and the income from them may go down as well as up and you may not get back your original investment. Past performance is not necessarily a guide to future performance. Please refer to the offering documents for details, including the risk factors. 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's portfolios at a certain point in time, and the holdings may change over time.

This material and the information contained herein may not be reproduced in whole or in part without the prior consent of First Sentier Group. This material shall only be used and/or received in accordance with the applicable laws in the relevant jurisdiction.

In Hong Kong, this material is issued by First Sentier Investors (Hong Kong) Limited and has not been reviewed by the Securities & Futures Commission in Hong Kong. In Singapore, this material is issued by First Sentier Investors (Singapore) whose company registration number is 196900420D. This advertisement or material has not been reviewed by the Monetary Authority of Singapore. First Sentier Group, First Sentier Investors, FSSA Investment Managers, Stewart Investors, RQI Investors and Igneo Infrastructure Partners are the business names of First Sentier Investors (Hong Kong) Limited. First Sentier Group (registration number 53507290B), First Sentier Investors (registration number 53236800B), FSSA Investment Managers (registration number 53314080C), Stewart Investors (registration number 53310114W), RQI Investors (registration number 53472532E) and Igneo Infrastructure Partners (registration number 53447928J) are the business names of First Sentier Investors (Singapore).

First Sentier Investors (Hong Kong) Limited and First Sentier Investors (Singapore) are part of the investment management business of First Sentier Group, which is ultimately owned by Mitsubishi UFJ Financial Group, Inc. ("MUFG"), a global financial group. First Sentier Group includes a number of entities in different jurisdictions.

To the extent permitted by law, MUFG and its subsidiaries are not responsible for any statement or information contained in this material. Neither MUFG nor any of its subsidiaries guarantee the performance of any investment or entity referred to in this material 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.

© First Sentier Group



Scan for more information#