



FSSA Hong Kong Growth Fund

Fund snapshot

- High-conviction portfolio with bottom-up stock selection
- Aims to provide long-term capital appreciation
- Managed by a team of Asia and Global Emerging Markets specialists with a long track record



Minimum market cap
All cap



Geographical sector
Hong Kong

- The Fund invests primarily in equity securities or equity-related securities listed on HKEx or issued by companies which in Investment Manager's opinion have significant assets, business, production activities, trading or other business interests in Hong Kong.
- The Fund's investments will be concentrated in Hong Kong or may be concentrated in 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 expose to China market risk including repatriation risk, uncertainties to PRC taxation policies and risks associated with StockConnects, the ChiNext market and/or the STAR board. The Fund may also expose to RMB currency and conversion risk.
- 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
Martin Lau	40 - 50	MSCI Hong Kong Net Index	10%	All cap

Minimum initial investment	US\$1,000	Initial charge	5.0%
Minimum subsequent investment	US\$500	Management fee	1.5% p.a.
Share class	Class I (USD - Acc)	NAV/share	US\$67.56
Inception date	22 February 2000	ISIN code	IE0008369823

Source: First Sentier Investors, as at 31 December 2024. The Fund is a sub fund of Ireland domiciled First Sentier Investors Global Umbrella Fund Plc.

Why invest in the FSSA Hong Kong Growth Fund?

1. An opportunity to invest in high quality companies listed in Hong Kong

- An investment universe of more than 2,000 companies listed on the Hong Kong Stock Exchange (HKEX)
- Includes high-quality Hong Kong and China companies
- Invest in the beneficiaries of these long-term structural megatrends:



Dominant consumer franchises



Beneficiaries of the rise in healthcare spending



High-quality financials



A more connected and automated world

2. A differentiated, high-conviction portfolio constructed from the bottom up

- High-conviction portfolio built from the bottom up with a focus on quality management, strong financials and sustainable growth drivers

Portfolio characteristics	
Differentiated (high active share)	83.1%
High conviction (# holdings)	41
Concentrated (top 20 holdings)	71.2%
Cash generative, asset light companies (ROCE#)	24.7%
Profitability (ROE*)	14.9%
P/E ratio (next 24 month)†	10.5x

Source: First Sentier Investors, FactSet, MSCI as at 31 December 2024.

Weighted Average Post-Tax ROCE run excluding values below zero or above 200% (GICS financial companies are excluded).

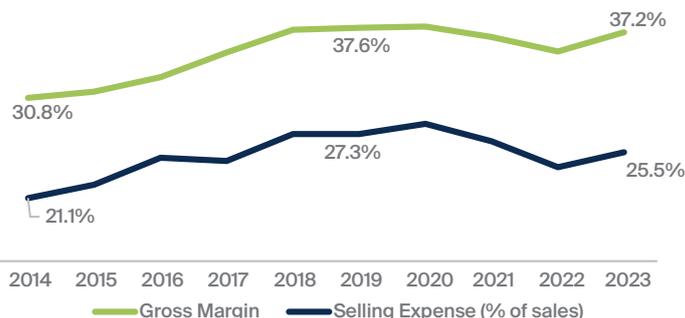
* Weighted Average Return on Equity run excluding values below zero.

† Weighted Harmonic Average P/E ratio.

3. China Mengniu Dairy: Focus shifting from volume growth to value creation

- China's dairy industry is consolidated. Mengniu and Yili dominate with 44% market share due to their control over domestic milk supply, which provides a strong barrier to entry. Competition has been disciplined in recent years
- Per capita dairy consumption in China is 1/4th the average of developed economies. There is an ongoing shift towards more premium dairy products such as cheese and yoghurt
- Pricing discipline and premiumisation have led to a significant improvement in Gross Margins. Mengniu was investing aggressively in brand building which has normalized. The company expects to consistently improve its operating margins going forward

Improving Profitability through Premiumisation



Source: FactSet and Annual Reports as at 30 June 2024.

Cumulative performance in USD %

	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
FSSA Hong Kong Growth Fund	-7.2	7.3	7.3	-21.2	-16.5	32.4	575.6
MSCI Hong Kong Net Index	-9.8	0.1	0.1	-18.7	-17.4	16.4	192.8

Calendar year performance in USD %

	2024	2023	2022	2021	2020
FSSA Hong Kong Growth Fund	7.3	-17.4	-11.1	-5.7	12.3
MSCI Hong Kong Net Index	0.1	-14.8	-4.7	-3.9	5.8

Source: Lipper, Nav-Nav (USD total return, non-dividend distributing), as at 31 December 2024. Since inception: 22 February 2000. FSSA Hong Kong Growth Fund refers to Class I (USD - Acc), the non-dividend distributing share class. Gross of tax benchmark performance is shown before 1 July 2016 and net of tax benchmark performance is shown after the aforementioned date.

Why FSSA Investment Managers?

FSSA Investment Managers are specialists in Asia and Global Emerging Markets. Operating as an autonomous investment team within First Sentier Investors Group, we are a team of dedicated investment professionals based in Hong Kong, Singapore and London. Established in 1988, we are bottom-up investors with a different perspective, using fundamental research and analysis to construct high-conviction portfolios.



Quality focused



Absolute return mind-set



Benchmark indifference



ESG fully integrated

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. To the extent permitted by law, 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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