

FSSA Dividend Advantage Fund

Investment objective and strategy

The Fund aims to provide investors with regular distributions and long term growth, and invests all or substantially all of its assets in FSSA Asian Equity Plus 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 the Asia Pacific region (excluding Japan). Such companies will be selected on the basis of their potential dividend growth and long term capital appreciation.

On 22 September 2020, First State Dividend Advantage was rebranded as FSSA Dividend Advantage Fund.

Fund information

Fund size (S\$m)	5,066.7
Benchmark	MSCI AC Asia Pacific ex Japan Index
Number of holdings	54

Available share classes

Share class	Inception date	Nav/per share	Distribution frequency*	ISIN code
Class A (SGD - Q Dist)	20 Dec 2004	S\$1.8787	Quarterly	SG9999002083

* Dividends are not guaranteed and may be paid out of capital.

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 and Singapore. 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 30 June 2022

	Since Inception	10yrs	5yrs	3yrs	1yr
Fund (Ex initial charges)	8.5	8.6	5.2	3.3	-17.4
Fund (Inc initial charges)	8.2	8.0	4.1	1.5	-21.6
Benchmark	6.4	6.6	3.8	3.4	-20.4

Cumulative performance in SGD (%) to 30 June 2022

	Since Inception	5yrs	3yrs	1yr	3mths
Fund (Ex initial charges)	321.0	29.0	10.1	-17.4	-8.0
Fund (Inc initial charges)	300.0	22.5	4.6	-21.6	-12.6
Benchmark	196.4	20.5	10.4	-20.4	-7.9

Performance review

Over the past 12 months, key contributors to performance included Zhejiang Chint, which benefited from strong sales growth in its established core business plus a surge in its emerging residential photovoltaic (PV) segment. Bank Central Asia (BCA) increased on expectations of a loans recovery, stable

margins and a resilient customer base. On the negative side, Tencent weakened on concerns about the regulatory environment and a slowdown in revenue growth. LG Household & Health Care posted lower-than-expected operating margins after heavy spending in the China online marketing channel.

Calendar year performance (% in SGD) to 30 June 2022



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 30 June 2022. 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

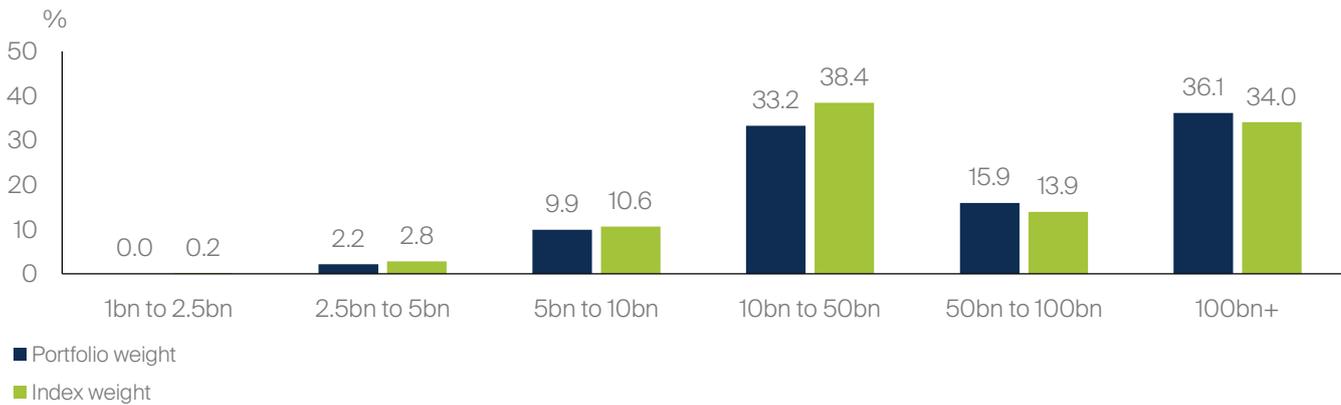
We divested Alibaba and Shanghai International Airport following their recent strength to fund better ideas elsewhere.

Stock spotlight

Nippon Paint is Asia's largest paint company, with half of profits being from China. Despite the name and geographical spread of the business, the company is now fully controlled by a Singaporean family, with the direct interest in the Asia ex-Japan businesses swapped by the Goh family for a larger holding in Nippon Paint at the Japan parent company level. The deal meant that alignment between the owners, shareholders and the business is now much clearer – and better, in our view. The business is professionally managed and is now run collectively as one group, including Japan.

While the group's results seem likely to remain under pressure for some time, paint is a business with high return characteristics and consumer-business-like metrics. We think the cash-flows are attractive and believe the company should be materially larger in a decade. Today, China's paint market is dominated by business-to-business activities, as well as new-build construction activity. But we expect that the overall China market will end up like most others, with repainting activity driven by consumers. The margin, cash-flow and profitability implications of such a shift are significant and with even just a double-digit net margin rate (in line with prior expectations), we believe there should be significant upside.

Market capitalisation breakdown (SGD)



Source: First Sentier Investors as at 30 June 2022. 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

The outlook for Asian equities remains uncertain, particularly with recent developments between Russia and Ukraine and its impact on energy and commodity prices. Persistently high inflation, monetary tightening from the US Federal Reserve and a slowdown in global growth all have the potential to weigh on financial markets. Meanwhile, Covid variants, rolling lockdowns and border closures mean that a recovery in international tourism and consumer spending will remain challenging, though we expect the situation to normalise gradually after the pandemic-related events of the last two years.

Against this backdrop, we continue to adhere to our investment philosophy, and have ensured that the portfolio is well diversified ahead of any changes in the market climate. Our conviction in the long-term growth story for Asia remains unchanged. We believe that investing in high-quality companies across the region should deliver attractive absolute returns in the long run.

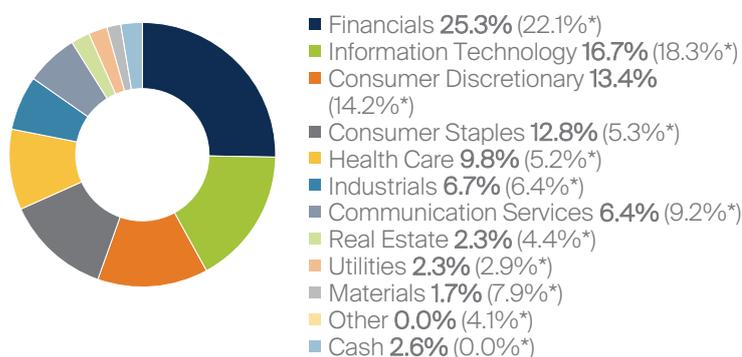
Our long-term investment themes:

- 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.

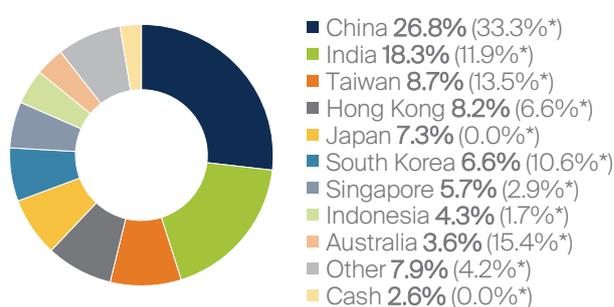
Ten largest company holdings as at 30 June 2022

Stock name	Country	Sector	Portfolio weight (%)
HDFC Bank	India	Financials	5.7
Taiwan Semiconductor (TSMC)	Taiwan	Information Technology	4.4
Tencent Holdings Ltd.	China	Communication Services	4.2
Midea Group	China	Consumer Discretionary	3.6
CSL	Australia	Health Care	3.6
AIA Group Limited	Hong Kong	Financials	3.5
JD.com, Inc. Class A	China	Consumer Discretionary	3.0
Samsung Electronics Co Ltd Pfd NV	South Korea	Information Technology	3.0
ICICI Bank	India	Financials	2.9
ResMed	USA	Health Care	2.8

Sector breakdown



Country breakdown



*Index weight

*Index weight

Source: First Sentier Investors as at 30 June 2022. 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 30 June 2022

Stock name	Country	Sector	Value added (bps*)
JD.com, Inc. Class A	China	Consumer Discretionary	29
ENN Energy Holdings Limited	China	Utilities	24
Jardine Cycle & Carriage Limited	Singapore	Industrials	20
AIA Group Limited	Hong Kong	Financials	15
Midea Group Co. Ltd	China	Consumer Discretionary	15

12 months to 30 June 2022

Stock name	Country	Sector	Value added (bps*)
Zhejiang Chint Electrics Co., Ltd Class A	China	Industrials	81
PT Bank Central Asia Tbk	Indonesia	Financials	43
Jardine Cycle & Carriage Limited	Singapore	Industrials	37
China Resources Land Limited	China	Real Estate	32
Mphasis Limited	India	Information Technology	27

Bottom 5 contributors to absolute performance

3 months to 30 June 2022

Stock name	Country	Sector	Value added (bps*)
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	-125
NAVER Corp.	South Korea	Communication Services	-105
Keyence Corporation	Japan	Information Technology	-81
Samsung Electronics Co Ltd Pfd Non-Voting	South Korea	Information Technology	-79
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	-76

12 months to 30 June 2022

Stock name	Country	Sector	Value added (bps*)
NAVER Corp.	South Korea	Communication Services	-172
Tencent Holdings Ltd.	China	Communication Services	-169
LG Household & Health Care Ltd	South Korea	Consumer Staples	-163
Samsung Electronics Co Ltd Pfd Non-Voting	South Korea	Information Technology	-149
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	-129

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.

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