FSSA Investment Managers

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).

Fund information

Fund size (S$m)	50.8
Benchmark	MSCI AC Asia ex Japan Index▲
Number of holdings	38

Available share classes

Share class	Inception date	Nav/per share	ISIN code
Class A (SGD - Acc)	10 Oct 1984	S$3.6446	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 Group, 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 September 2025 ^

	Since Inception	10yrs	5yrs	3yrs	1yr
Fund (Ex initial charges)	6.8	4.4	3.9	6.5	6.6
Fund (Inc initial charges)	6.6	3.8	2.8	4.7	1.3
Benchmark	N/A	7.8	5.7	15.2	18.7

Cumulative performance in SGD (%) to 30 September 2025 ^

	Since Inception	5yrs	3yrs	1yr	3mths
Fund (Ex initial charges)	1,373.9	21.1	20.9	6.6	7.9
Fund (Inc initial charges)	1,300.2	15.0	14.9	1.3	2.5
Benchmark	N/A	31.7	52.7	18.7	12.4

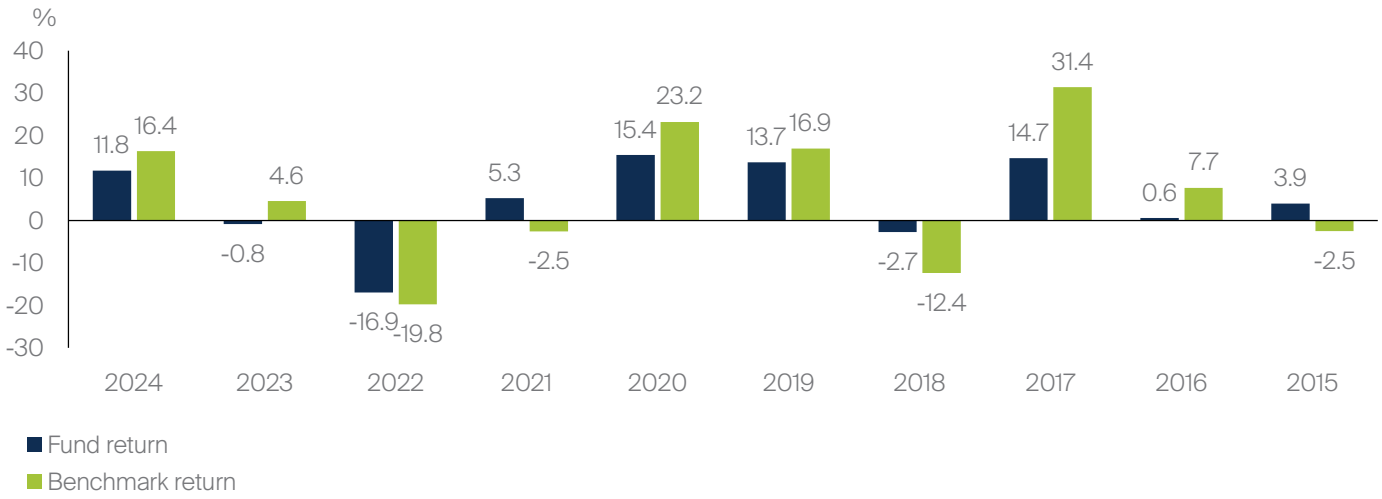
^ The performance prior to 18 Oct 02 is in relation to the Fund before its conversion to a feeder fund.

Performance review

Over the past 12 months, key contributors to performance included **Taiwan Semiconductor Manufacturing (TSMC)**, which continued to benefit from strong demand for its advanced semiconductor chips. Global technology capex remains high, and a supply shortage for its most advanced chips should drive prices up in 2026. Tencent rose after announcing strong results across segments. A focus back on evergreen games and deployment of artificial intelligence (AI) internally helped drive productivity gains and better advertising outcomes. The rollout of various "user-friendly" AI capabilities within its ecosystem will further cement usage of its WeChat app while creating new avenues of growth. Tencent's Yuanbao AI assistant is already ranked top 3 in China (by daily active users), with integrated search, translation, writing and summarising tools.

On the negative side, **Bank Central Asia (BCA)** declined as it reported softer loan growth and a mild increase in credit costs. Indonesia's economic outlook remains challenging, but BCA should fare well as it has the lowest cost of funds in the industry and is a transaction-focused franchise that is less vulnerable to credit shocks. The owners have also proven to be long term, investing in the business consistently through cycles to gain share. After a period of exceptional performance, **Colgate-Palmolive India** has suffered from greater competition and volume decline in recent quarters. However, we believe the franchise remains solid, and it enjoys some of the highest barriers to entry across consumer products globally. The company has been proactive in product innovation and its go-to-market strategy during this period, which we believe should bring some improvement in growth.

Calendar year performance (% in SGD) to 30 September 2025



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 September 2025. 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 purchases over the quarter included **Ke Holdings**, more commonly known as Beike, the largest housing transaction platform in China with over 30% market share – more than 10x its nearest competitor. Beike brings together online and in-person services relating to home sales, rentals, renovations, furnishings and other services related to the housing market. Through its Agency Cooperation Network (ACN), the entire property transaction process is streamlined, the customer experience is enhanced and agents collaborating on the transaction all benefit from the shared commission. Its differentiated service quality, platform model and strong pricing power have given it a natural monopoly in a fragmented industry. Moreover, the business is highly cash flow generative and asset-light, allowing it to generate return on capital employed (ROCE) of over 80%. We believe Beike is well positioned to gain further market share and expand margins through economies of scale.

We also bought **Astra International**, Indonesia's largest automotive conglomerate with other businesses including financial services, agriculture, information technology and heavy equipment. Valuations seemed attractive and there are signs of positive changes at the group level.

We sold **President Chain Stores**, as it is not cheap and we believe it will be difficult for it to grow. We divested **Infosys** to consolidate the portfolio into higher conviction ideas.

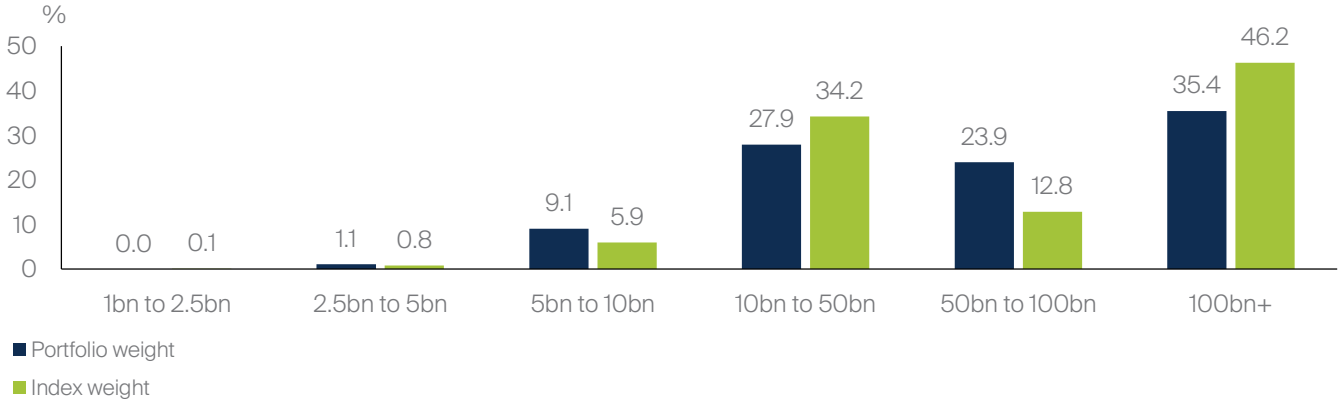
Stock spotlight

AIA Group has one of the strongest life insurance franchises in Asia. It has a high-quality agent network, and it is also one of the most profitable, with a protection-biased product portfolio and affluent customer base. The company maintains a leading position in Hong Kong, Thailand and Singapore, while China offers ample long-term opportunities.

In China, AIA differentiates itself by focusing on health protection rather than short-term deposit products. It has been gradually expanding its footprint by partnering with banks, investing in its digital capabilities and aligning its internal structure to the customer journey. The senior management team is high quality, and AIA has a strong board which protect the interests of minority shareholders.

Despite the difficult economy in Hong Kong and mainland China, the overall business remains solid. Network expansion in China accelerated in 2024 with approvals in four new provinces, while Hong Kong's new business value (NBV) growth remained strong.

Market capitalisation breakdown (SGD)



Source: First Sentier Group as at 30 September 2025. 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

We are cautiously optimistic on the outlook for Asian equities. Recent trade talks between the US and China seemed positive, and in August the two countries agreed to a 90-day pause on tariff hikes. The US also removed certain trade restrictions on China, most notably lifting the ban on Nvidia selling its high-tech chips to Mainland companies. This should help remove some of the overhanging uncertainty and potentially boost Chinese technology companies (which had already rerated on news of the DeepSeek launch). Meanwhile, the US Federal Reserve cut interest rates by 25bps at its September meeting and indicated two more to come this year. Lower US rates should increase demand for higher yielding Asian assets, while a weaker dollar should boost Asian exports as they become cheaper for US buyers.
Current portfolio valuations look attractive, and we expect earnings to compound at low double digit rates in the coming years with 19-21% average returns on equity. Free cash flow yield also stands out, with companies returning more cash to shareholders. While markets may be volatile in the near term, we remain confident in the long-term growth opportunity for our holdings.

They are characterised by strong competitive advantages – whether in brand strength, distribution, or cost leadership – and have historically managed to preserve margins and profitability through the cycles.

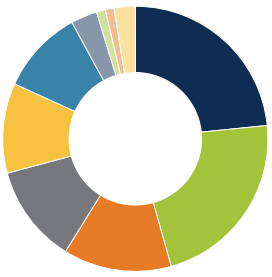
Our long-term investment themes:

- 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 September 2025

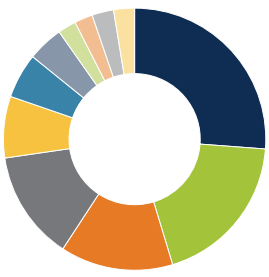
Stock name	Geography	Sector	Portfolio weight (%)
Tencent Holdings Ltd	China	Communication Services	10.0
Taiwan Semiconductor (TSMC)	Taiwan	Information Technology	9.2
HDFC Bank	India	Financials	5.0
Jardine Cycle & Carriage Limited	Singapore	Industrials	4.6
DFI Retail Group Holdings Limited	Hong Kong	Consumer Staples	4.0
Kotak Mahindra Bank Limited	India	Financials	3.9
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	3.9
AIA Group Limited	Hong Kong	Financials	3.8
Midea Group	China	Consumer Discretionary	3.7
Axis Bank Limited	India	Financials	3.5

Sector breakdown



- Financials **23.4%** (20.3%*)
- Information Technology **22.2%** (28.7%*)
- Communication Services **13.2%** (10.9%*)
- Industrials **12.0%** (7.6%*)
- Consumer Discretionary **11.0%** (15.1%*)
- Consumer Staples **10.3%** (3.2%*)
- Health Care **3.2%** (3.7%*)
- Materials **1.1%** (3.7%*)
- Real Estate **1.1%** (2.0%*)
- Other **0.0%** (4.8%*)
- Cash **2.6%** (0.0%*)

Geographic breakdown



- China **26.2%** (35.3%*)
- India **19.1%** (17.2%*)
- Taiwan **13.9%** (22.0%*)
- Hong Kong **13.5%** (4.7%*)
- Singapore **7.6%** (4.1%*)
- Indonesia **5.5%** (1.3%*)
- South Korea **4.4%** (12.4%*)
- USA **2.3%** (0.0%*)
- Vietnam **2.3%** (0.0%*)
- Other **2.7%** (2.9%*)
- Cash **2.6%** (0.0%*)

*Index weight

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Source: First Sentier Group as at 30 September 2025. Sector and Country classifications provided by FactSet and First Sentier Group. 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 Group' portfolios at a certain point in time, and the holdings may change over time.

Top 5 contributors to absolute performance

3 months to 30 September 2025

Stock name	Geography	Sector	Value added (bps*)
Tencent Holdings Ltd	China	Communication Services	285
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	149
DFI Retail Group Holdings Limited	Hong Kong	Consumer Staples	143
Jardine Cycle & Carriage Limited	Singapore	Industrials	74
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	63

12 months to 30 September 2025

Stock name	Geography	Sector	Value added (bps*)
Tencent Holdings Ltd	China	Communication Services	412
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	293
DFI Retail Group Holdings Limited	Hong Kong	Consumer Staples	261
Netease Inc	China	Communication Services	91
NAVER Corp.	South Korea	Communication Services	87

Bottom 5 contributors to absolute performance

3 months to 30 September 2025

Stock name	Geography	Sector	Value added (bps*)
Tata Consultancy Services Limited	India	Information Technology	-62
Kotak Mahindra Bank Limited	India	Financials	-50
PT Bank Central Asia Tbk	Indonesia	Financials	-45
PT Kalbe Farma Tbk	Indonesia	Health Care	-45
HDFC Bank INR1	India	Financials	-44

12 months to 30 September 2025

Stock name	Geography	Sector	Value added (bps*)
Tata Consultancy Services Limited	India	Information Technology	-146
Colgate-Palmolive (India) Limited	India	Consumer Staples	-142
PT Bank Central Asia Tbk	Indonesia	Financials	-111
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	-86
Axis Bank Limited	India	Financials	-76

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.
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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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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.

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