

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)	4,672.4
Benchmark	MSCI AC Asia Pacific ex Japan Index
Number of holdings	50

Available share classes

Share class	Inception date	Nav/per share	Distribution frequency*	ISIN code
Class A (SGD - Q Dist)	20 Dec 2004	S\$1.7637	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 31 March 2025

	Since Inception	10yrs	5yrs	3yrs	1yr
Fund (Ex initial charges)	7.6	4.1	5.0	-1.2	10.2
Fund (Inc initial charges)	7.3	3.6	4.0	-2.9	4.7
Benchmark	6.2	4.4	7.3	1.7	9.1

Cumulative performance in SGD (%) to 31 March 2025

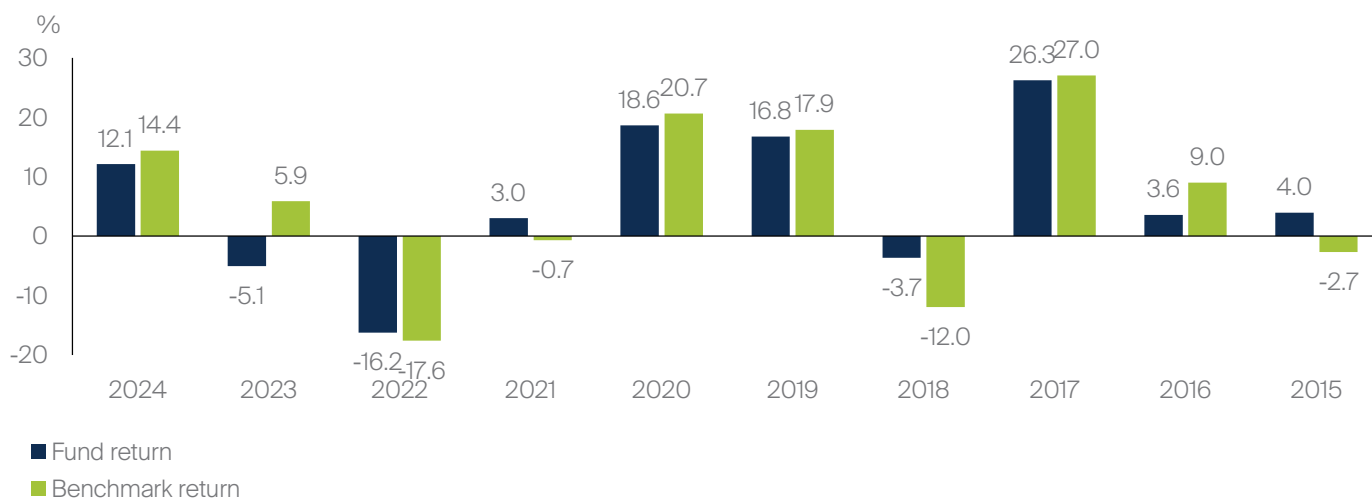
	Since Inception	5yrs	3yrs	1yr	3mths
Fund (Ex initial charges)	341.6	27.8	-3.5	10.2	-0.4
Fund (Inc initial charges)	319.5	21.4	-8.4	4.7	-5.3
Benchmark	238.3	42.0	5.1	9.1	-0.3

Performance review

Over the past 12 months, key contributors to performance included **Tencent**, amid a rebound in its core gaming business and improved regulatory conditions in China. Meanwhile the company's profitability has improved, driven by the shift in its business mix with newer businesses (such as video account ads and e-commerce) contributing higher gross margins. **Oversea-Chinese Banking Corp (OCBC)** reported better-than-expected earnings growth, driven by non-interest income and increased activity in wealth management.

On the negative side, **Shenzhou** fell as Nike's cautious outlook hurt sentiment towards apparel makers. In the longer term, we believe Shenzhou could gain market share as brands become more conscious about their supply chain and consolidate in favour of the best quality operators. **Unilever Indonesia** also fell amid consumer down-trading and increased competition. Progress on the group's turnaround has been slower than expected, and underlying sales are still decidedly weak.

Calendar year performance (% in SGD) to 31 March 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 31 March 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 included **H World** (formerly Huazhu), a multi-brand hotel group in China. The company has scale, strong brands, advanced IT systems and good cost control. As China's economy continues to shift towards domestic consumption, branded hotels should gain market share and benefit from the growing spend on travel and leisure activities.

We bought back **Kotak Mahindra Bank (KMB)**, one of India's leading financial services companies, after the valuations became more attractive. The bank has consistently improved the strength of its deposit franchise and maintained better asset quality than its peers across the business cycle. We expect to see a growing trend of formalised financial savings, benefiting KMB's insurance, mutual funds and asset management businesses.

We sold **Mphasis** as its valuations appeared expensive.

Stock spotlight

We believe **Taiwan Semiconductor (TSMC)** is one of the best ways to capture the rising trend of artificial intelligence (AI), smart devices and the Internet of Things (IoT). Established in 1987, TSMC was the pioneer of the foundry model, which separated semiconductor chip designs (produced by fabless companies) from the fabrication or manufacturing process (outsourced to a foundry).

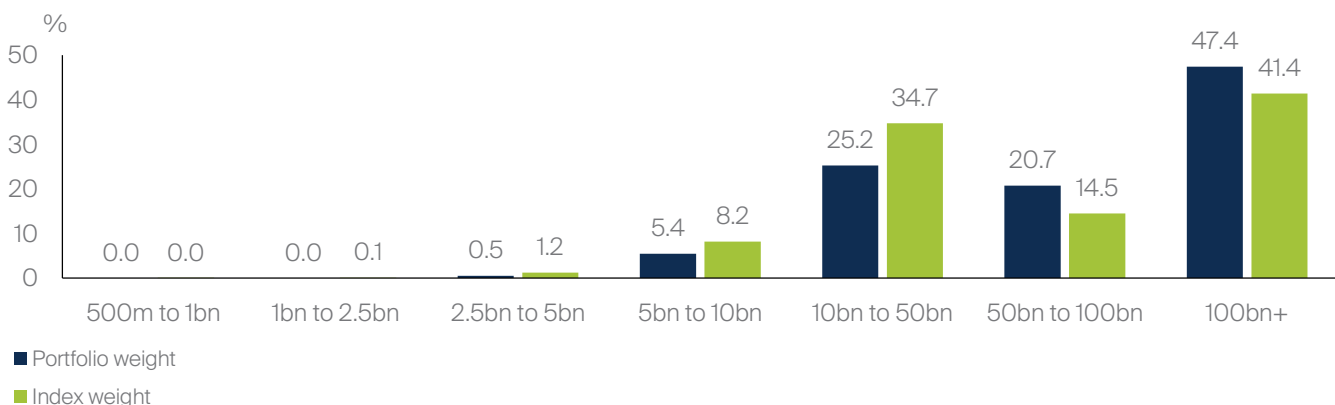
TSMC has become the world's largest dedicated contract chip manufacturer, with more than 50% market share. Growth has remained strong due to its advanced technology and strategy of partnering with, instead of competing with, its customers. The benefits of this are twofold – its customers don't have to worry about intellectual property transfer, while TSMC gains exposure to the latest technology trends and doesn't have to worry about tech obsolescence. This strengthens TSMC's economic resilience and reinforces its leading position within the ecosystem.

Although its growth will eventually taper off due to the law of large numbers (it is now among the 10 largest companies in the world), for now it should continue to gain market share and outpace the overall industry. It has demonstrated pricing power amid strong customer demand, which can in turn drive more investments in a virtuous cycle.

Despite its asset intensive nature, TSMC has maintained attractive returns on equity, while profitability is near record highs driven by operating leverage and higher utilisation rates. But while the management are still very confident, we worry that the industry is getting carried away with the AI-hype.

A recent risk is the added complexity from geopolitics and de-globalisation. As TSMC diversifies geographically and capital expenditure increases, there are grounds for expecting lower marginal returns on capital. For example, TSMC's expansion into the US is turning out to be harder than expected, due to issues around recruitment and training. Having plants outside Taiwan is likely going to dilute returns.

Market capitalisation breakdown (SGD)



Source: First Sentier Investors as at 31 March 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

News about US reciprocal tariffs have rocked global markets, as President Trump announced sweeping import taxes that were far higher and affected a much broader swathe of countries than expected. The situation is still fluid, but our broad take is that the tariffs are being used primarily as a negotiation tool – an attempt to drive more manufacturing back into the US. If high tariffs do remain in place, it's clearly negative for the global economy.

From a portfolio perspective, even in a more adverse scenario, we remain confident in our holdings' ability to navigate the environment, as they have done in the past. Our companies are characterised by strong competitive advantages – whether in brand strength, distribution, or cost leadership – and have historically managed to preserve margins and profitability across cycles, despite headwinds. Most of our portfolio holdings have strong balance sheets (net-cash) which should allow them to weather a difficult period and invest counter-cyclically to gain market share.

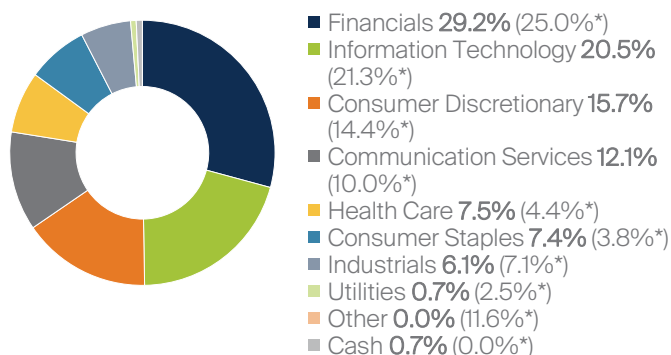
Our long-term investment themes:

- 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.

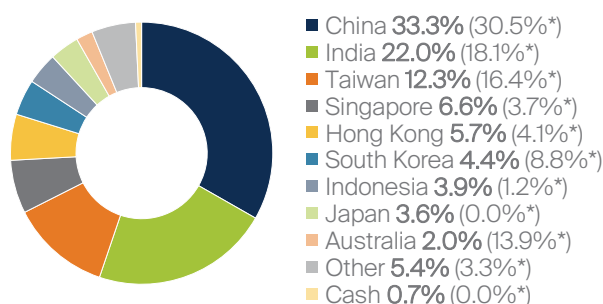
Ten largest company holdings as at 31 March 2025

Stock name	Geography	Sector	Portfolio weight (%)
Tencent Holdings Ltd.	China	Communication Services	9.0
HDFC Bank	India	Financials	6.5
Taiwan Semiconductor (TSMC)	Taiwan	Information Technology	6.2
ICICI Bank Limited	India	Financials	5.2
Oversea-Chinese Banking Corporation	Singapore	Financials	4.6
Midea Group	China	Consumer Discretionary	3.9
China Mengniu Dairy Co., Ltd.	China	Consumer Staples	3.5
PT Bank Central Asia Tbk	Indonesia	Financials	3.4
Netease Inc	China	Communication Services	3.1
AIA Group Limited	Hong Kong	Financials	3.0

Sector breakdown



Geographic breakdown



*Index weight

*Index weight

Source: First Sentier Investors as at 31 March 2025. 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 March 2025

Stock name	Geography	Sector	Value added (bps*)
Tencent Holdings Ltd.	China	Communication Services	180
Sony Group Corporation	Japan	Consumer Discretionary	49
Netease Inc	China	Communication Services	38
China Mengniu Dairy Co., Ltd.	China	Consumer Staples	30
ICICI Bank Limited	India	Financials	26

12 months to 31 March 2025

Stock name	Geography	Sector	Value added (bps*)
Tencent Holdings Ltd.	China	Communication Services	420
HDFC Bank INR1	India	Financials	185
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	150
Oversea-Chinese Banking Corporation Limited	Singapore	Financials	128
Sony Group Corporation	Japan	Consumer Discretionary	115

Bottom 5 contributors to absolute performance

3 months to 31 March 2025

Stock name	Geography	Sector	Value added (bps*)
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	-124
PT Bank Central Asia Tbk	Indonesia	Financials	-41
FPT Corp.	Vietnam	Information Technology	-36
Tata Consultancy Services Limited	India	Information Technology	-33
CSL	Australia	Health Care	-22

12 months to 31 March 2025

Stock name	Geography	Sector	Value added (bps*)
Samsung Electronics Co Ltd Pfd Non-Voting	South Korea	Information Technology	-156
PT Bank Central Asia Tbk	Indonesia	Financials	-61
Shenzhen International Group Holdings Limited	China	Consumer Discretionary	-43
PT Unilever Indonesia Tbk	Indonesia	Consumer Staples	-43
CSL	Australia	Health Care	-38

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.

Important information

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. To the extent permitted by law, 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.