

FSSA Regional India 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 Indian Subcontinent 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 a diversified portfolio of equity securities or equity-related securities issued by companies of the Indian subcontinent. Countries of the Indian subcontinent include India, Pakistan, Sri Lanka and Bangladesh. The Underlying Sub-Fund concentrates on securities that are listed, traded or dealt in on regulated markets in the Indian subcontinent and offshore instruments issued by companies established or operating or have significant interests in the Indian subcontinent and listed on other regulated markets.

On 22 September 2020, First State Regional India Fund was rebranded as FSSA Regional India Fund.

Fund information

| | |
|--------------------|------------------|
| Fund size (S\$m) | 273.1 |
| Benchmark | MSCI India Index |
| Number of holdings | 43 |

Available share classes

| Share class | Inception date | Nav/per share | ISIN code |
|---------------------|----------------|---------------|--------------|
| Class A (SGD - Acc) | 22 Aug 1994 | S\$15.3274 | SG9999000186 |

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 September 2024 ^

| | Since Inception | 10yrs | 5yrs | 3yrs | 1yr |
|----------------------------|-----------------|-------|------|------|------|
| Fund (Ex initial charges) | 9.7 | 11.2 | 13.3 | 11.3 | 32.9 |
| Fund (Inc initial charges) | 9.5 | 10.6 | 12.1 | 9.4 | 26.2 |
| Benchmark | 7.9 | 10.2 | 15.1 | 10.0 | 32.3 |

Cumulative performance in SGD (%) to 30 September 2024 ^

| | Since Inception | 5yrs | 3yrs | 1yr | 3mths |
|----------------------------|-----------------|-------|------|------|-------|
| Fund (Ex initial charges) | 1,513.4 | 86.7 | 37.7 | 32.9 | 3.8 |
| Fund (Inc initial charges) | 1,432.7 | 77.4 | 30.8 | 26.2 | -1.4 |
| Benchmark | 888.2 | 102.3 | 33.1 | 32.3 | 1.6 |

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

Performance review

Key contributors over the past 12 months

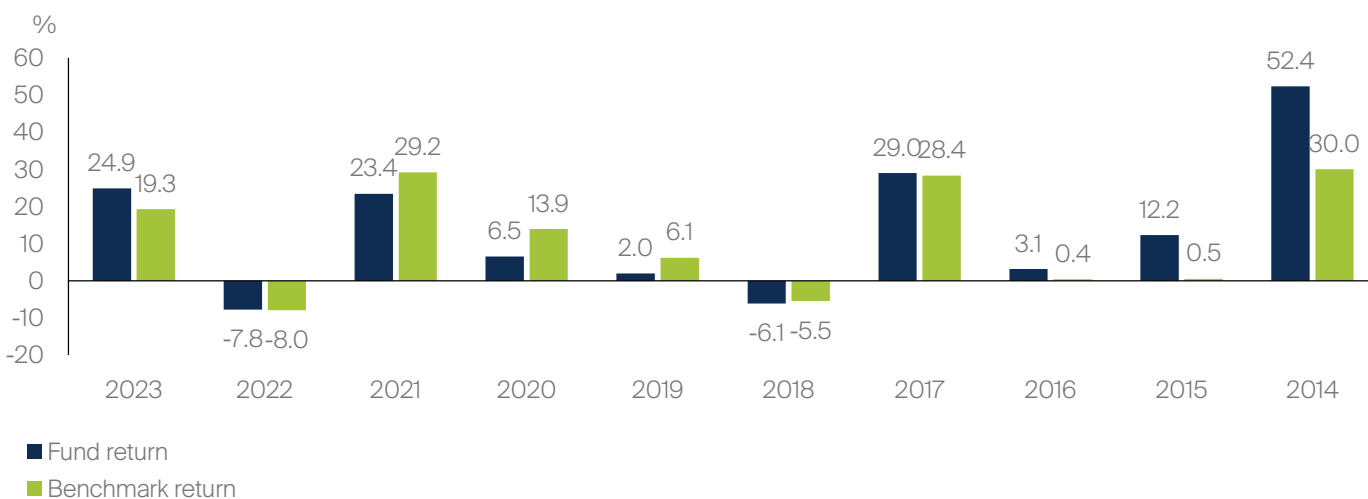
Bajaj Auto benefited from robust growth in the two-wheeler industry, along with a steady increase in their market share in electric two-wheelers.

Godrej Industries rose as it reported strong profit growth, driven by its consumer goods and real estate businesses. The large holding company discount narrowed as the wholly-owned businesses have been steadily scaling up, with attractive growth potential over the long term.

Key detractors over the past 12 months

RHI Magnesita India declined as the industry is going through a down-cycle with weak demand and increased competition from Chinese supply. Despite this, the company has found efficiencies to improve profitability, and we believe as the cycle turns, they should resume gaining market share with a better margin profile. Kansai Nerolac fell amid higher raw material costs and increased competition in the decorative paints segment. On the other hand, demand for industrial paints remains solid, driven by infrastructure spending and automotive customers, where Kansai is a market leader.

Calendar year performance (% in SGD) to 30 September 2024



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 2024. 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 bought Nestlé India, a subsidiary of Swiss multi-national Nestlé which produces food and beverage products such as baby food, noodles and chocolate. With over 100 years of history in India, it has built a strong franchise with the leading market share across most of its subcategories. It has attractive growth potential as the management focus on increasing penetration and product innovation, and consistently high return on capital employed (ROCE).

We also bought Tata Consultancy Services (TCS), the largest Indian IT services company with more than 600,000 employees. Its rich domain knowledge, built up over many years, fosters high entry barriers and customer loyalty. Demand for large deals has increased, as enterprises are under pressure to cut costs, and TCS's size and track record are advantages. We believe TCS has a long runway of growth ahead, with growing technology usage and digital transformation being positive drivers for the business. We sold 360 ONE WAM and Biocon to consolidate the portfolio into more attractive opportunities.

Stock spotlight

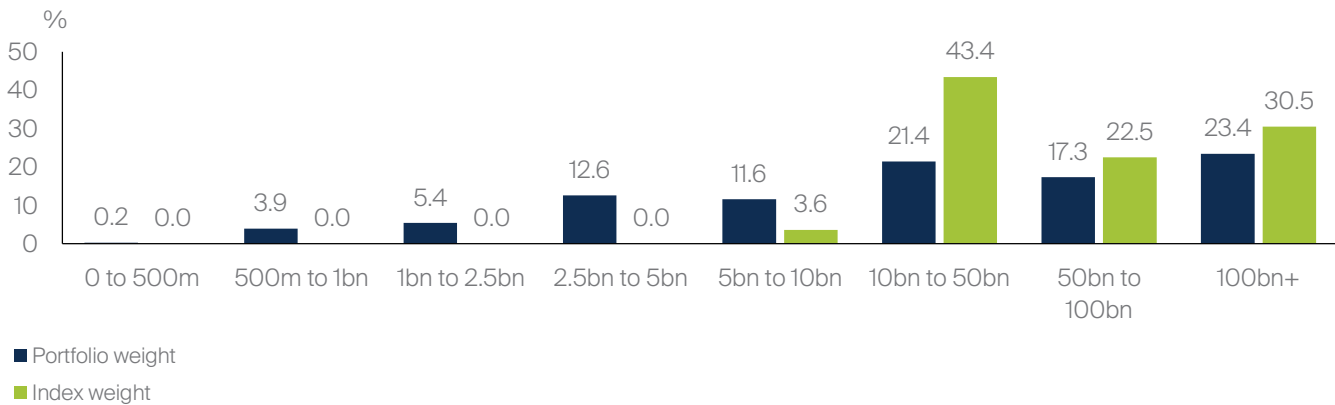
Colgate-Palmolive (India) has been in India since 1937. A relentless focus on brand building, combined with a strong distribution advantage, has cemented Colgate's dominant position of more than 50% market share – roughly 3x that of its nearest competitor. This allows it to command high levels of profitability, which it re-invests into marketing and product development. Its performance over the past decade has been solid with steady sales growth and margin expansion.

Despite this long history, oral care products are still underpenetrated in India – more than half of rural households are not brushing daily, and just 20% of urban households brush twice a day. A 2019 study showed that 80% of Indian children suffer from oral health issues, which spurred many families to start brushing twice a day.

Colgate's management is focused on increasing penetration of oral care in rural areas of India and increasing the share of premium products in urban regions. The company also has potential to expand into other product categories, such as personal care with its Palmolive brand.

Under the new CEO, Prabha Narasimhan, there has been a substantial increase in brand building investments, an acceleration of new product launches and a greater focus on emerging categories such as Palmolive. These changes are likely to spur growth and further strengthen Colgate's market share.

Market capitalisation breakdown (SGD)



Source: First Sentier Investors as at 30 September 2024. 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

When we invest in a company, we consider ourselves to be long-term owners of the business. Therefore, we want to back owners and managers with whom we feel strongly aligned and have track records of treating all stakeholders fairly, in both good and bad times. They are ambitious in growing their business, but also risk-aware in their pursuit of growth. The bedrock of our investment philosophy is to protect our clients' capital, and staying disciplined to our process means making decisions where we err on the side of caution. If our assessment of a company's owners and managers is not up to the mark, we simply will not invest, regardless of the valuation or seeming strength of the franchise. We have spent decades building relationships with high-quality owners and managers in India and have identified, in our view, some of the best compounding growth opportunities in the world. We believe that growth among India's top corporates will accelerate over the long term and our portfolio companies are well poised to capture this trend. Given the quality of our holdings, the likelihood of earnings momentum to accelerate and the reasonable valuations, we are confident about the portfolio delivering attractive returns to investors over the long term.

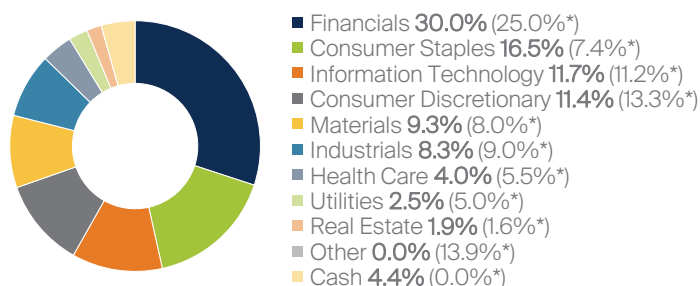
Our long-term investment themes:

- 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.
- Infrastructure companies with a strong track record and cash flow improvement.
- Globally competitive exporters with a growing international business.

Ten largest company holdings as at 30 September 2024

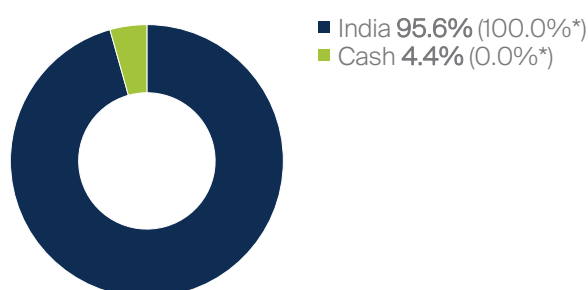
| Stock name | Geography | Sector | Portfolio weight (%) |
|--|-----------|------------------------|----------------------|
| HDFC Bank | India | Financials | 9.0 |
| ICICI Bank Limited | India | Financials | 5.9 |
| Colgate-Palmolive (India) Limited | India | Consumer Staples | 5.5 |
| Kotak Mahindra Bank Limited | India | Financials | 4.2 |
| ICICI Lombard General Insurance Co. Ltd. | India | Financials | 3.9 |
| HCL Technologies Limited | India | Information Technology | 3.7 |
| Infosys | India | Information Technology | 3.4 |
| Kansai Nerolac Paints Limited | India | Materials | 2.8 |
| Hindustan Unilever Limited | India | Consumer Staples | 2.5 |
| Tata Consultancy Serv. Ltd | India | Information Technology | 2.5 |

Sector breakdown



*Index weight

Geographic breakdown



*Index weight

Source: First Sentier Investors as at 30 September 2024. 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%.

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Top 5 contributors to absolute performance

3 months to 30 September 2024

| Stock name | Geography | Sector | Value added (bps*) |
|--|-----------|------------------------|--------------------|
| Colgate-Palmolive (India) Limited | India | Consumer Staples | 195 |
| Godrej Industries Limited | India | Industrials | 88 |
| ICICI Lombard General Insurance Co. Ltd. | India | Financials | 81 |
| HCL Technologies Limited | India | Information Technology | 77 |
| Infosys Limited | India | Information Technology | 68 |

12 months to 30 September 2024

| Stock name | Geography | Sector | Value added (bps*) |
|-----------------------------------|-----------|------------------------|--------------------|
| Colgate-Palmolive (India) Limited | India | Consumer Staples | 524 |
| Blue Star Limited | India | Industrials | 414 |
| Bajaj Auto Limited | India | Consumer Discretionary | 345 |
| Godrej Industries Limited | India | Industrials | 297 |
| Mahindra & Mahindra Ltd. | India | Consumer Discretionary | 255 |

Bottom 5 contributors to absolute performance

3 months to 30 September 2024

| Stock name | Geography | Sector | Value added (bps*) |
|--|-----------|------------------------|--------------------|
| Axis Bank Limited | India | Financials | -14 |
| Tata Consultancy Services Limited | India | Information Technology | -6 |
| RHI Magnesita India Refractories Limited | India | Materials | -5 |
| Godrej Agrovet Limited | India | Consumer Staples | -3 |
| CIE Automotive India Ltd | India | Consumer Discretionary | -1 |

12 months to 30 September 2024

| Stock name | Geography | Sector | Value added (bps*) |
|--|------------|-------------|--------------------|
| DBH Finance PLC | Bangladesh | Financials | -33 |
| Kansai Nerolac Paints Limited | India | Materials | -14 |
| RHI Magnesita India Refractories Limited | India | Materials | -12 |
| Mahindra Lifespace Developers Limited | India | Real Estate | -11 |
| Solara Active Phar Inr10 (Subs Rts 11/06/2024) | India | Health Care | -8 |

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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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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