

# FSSA ASEAN All Cap Fund (Irish VCC)

## Investment objective and policy

The Fund aims to grow your investment. The Fund invests at least 70% of its assets in shares of companies which have the potential for long term growth and are based in the ASEAN region or having significant operations in the ASEAN region and are listed, traded or dealt in on Regulated Markets worldwide.

ASEAN means the Association of South East Asian Nations. The member countries of ASEAN currently include Singapore, Malaysia, Thailand, Indonesia, the Philippines, Vietnam, Brunei, Cambodia, Laos and Myanmar. The Fund will not invest more than 30% of its assets outside of the ASEAN region.

The Fund may invest up to 100% of its assets in companies of any size or industry. The Fund may use derivatives with the aim of risk reduction or efficient management.

## Fund information

Fund launch date	18 October 2002
Fund size (US\$m)	40.5
Benchmark	MSCI AC ASEAN Net Index*
Number of holdings	39
Fund manager(s)	Rizi Mohanty/Richard Jones
Research rating ^	Morningstar@:Bronze

\* The benchmark of the Fund was MSCI Singapore & Malaysia Net with effect from 1 May 2017. Prior to 1 May 2017 the benchmark was Market Cap Weighted of MSCI Malaysia/MSCI Singapore Indices which was calculated internally. The change was made to adopt the official benchmark. The benchmark of the Fund changed from MSCI Singapore & Malaysia Net Index to MSCI AC ASEAN Net Index with effect from 9 December 2021. This change has been reflected in the calculation of the benchmark performance.

^ This does not constitute an investment recommendation and is not indicative of future results. Methodology available on rating provider's website.

## Risk factors

This document is a financial promotion for the FSSA ASEAN All Cap Fund in the EEA and elsewhere where lawful. Investing involves certain risks including:

- **The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back substantially less than the original amount invested.**
- **Emerging market risk:** Emerging markets tend to be more sensitive to economic and political conditions than developed markets. Other factors include greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.
- **Currency risk:** The Fund invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the Fund and could create losses. Currency control decisions made by governments could affect the value of the Fund's investments and could cause the Fund to defer or suspend redemptions of its shares.
- **Single country / specific region risk:** investing in a single country or specific region may be riskier than investing in a number of different countries or regions. Investing in a larger number of countries or regions helps spread risk.
- **Smaller companies risk:** investments in smaller companies may be riskier and more difficult to buy and sell than investments in larger companies.

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. Reference to the names of any company is merely to explain the investment strategy and should not be construed as investment advice or a recommendation to invest in any of those companies.

For a full description of the terms of investment and the risks please see the Prospectus and Key Information Document.

If you are in any doubt as to the suitability of our funds for your investment needs, please seek investment advice.

If you are unsure of the terminology used in this report, please seek independent financial advice.

### Available share classes

Share class	Sedol	ISIN
FSSA ASEAN All Cap Fund USD Class I (Accumulation)	3214239	IE0031814969
FSSA ASEAN All Cap Fund USD Class III (Accumulation)	B96TQB6	IE00B96TQB67

### 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.

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### Annual performance in USD (%) to 31 December 2023

	12 mths to 31/12/23	12 mths to 31/12/22	12 mths to 31/12/21	12 mths to 31/12/20	12 mths to 31/12/19
FSSA ASEAN All Cap Fund	0.4	-1.1	4.3	0.2	3.8
MSCI AC ASEAN Net Index	0.5	-4.3	0.5	-3.5	8.1

### Cumulative performance in USD (%) to 31 December 2023

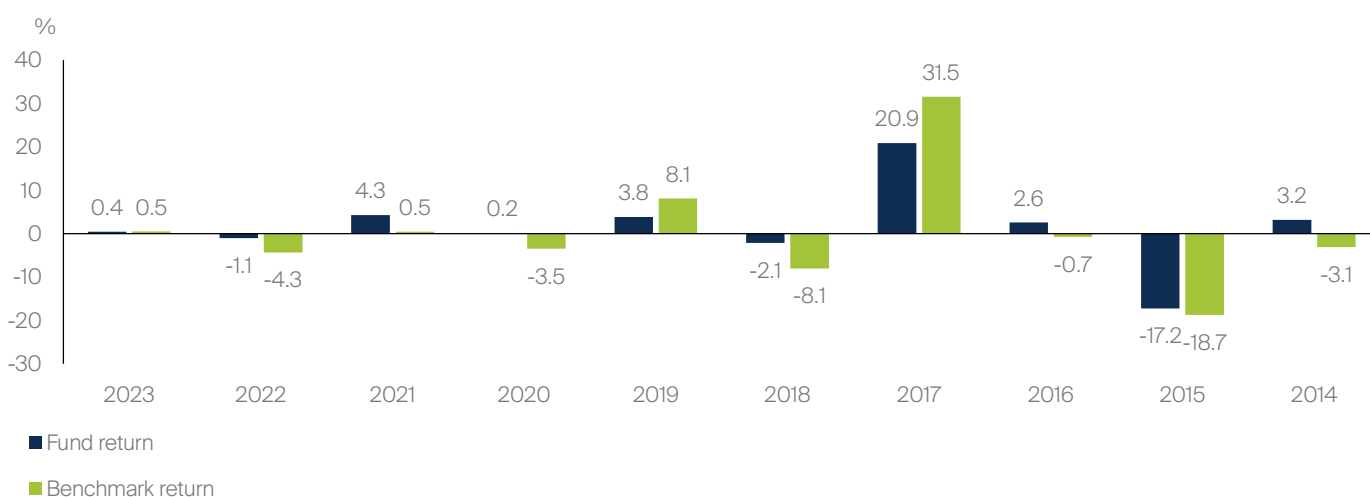
	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
FSSA ASEAN All Cap Fund	512.7	11.7	7.8	3.6	0.4	0.4	-1.9	-0.5
MSCI AC ASEAN Net Index	310.7	-4.7	0.8	-3.4	0.5	0.5	2.5	4.0

### Performance review

Over the past 12 months, key contributors to performance included Selamat Sempurna, which reported strong financial performance. This was driven by robust demand in Indonesia and a recovery in some international markets such as Europe. Oversea-Chinese Banking Corp (OCBC) rose on the back of its robust profitability and higher dividend payout policy, with scope for further increases given robust capital generation.

On the negative side, Carlsberg Malaysia reported a drop in profits due to lower volume as well as higher input costs and marketing expenses. Unilever Indonesia faced headwinds from ongoing competition and excess inventory, while the management-led turnaround needs more time to play out.

### Calendar year performance (% in USD) to 31 December 2023



These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than USD, the return may increase or decrease as a result of currency fluctuations. Since inception performance figures have been calculated from 18 October 2002. All performance data for the FSSA ASEAN All Cap Fund Class I (Accumulation) USD as at 31 December 2023. Source for fund - Lipper IM / First Sentier Investors (UK) Funds Limited. Performance data is calculated on a net basis by deducting fees incurred at fund level (e.g. the management fee and other fund expenses), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis. Source for benchmark - MSCI, income reinvested net of tax.

\*On 22 September 2020, First State Singapore and Malaysia Growth Fund was rebranded as FSSA Singapore and Malaysia Growth Fund. On 9 December 2021, the fund name was changed from FSSA Singapore and Malaysia Growth Fund to FSSA ASEAN All Cap Fund.

### Portfolio review

There were no significant new purchases during the period.

We sold Hartalega after a sharp bounce in the share price made it appear fully valued, and Mynews to consolidate into higher-conviction holdings.

### Stock spotlight

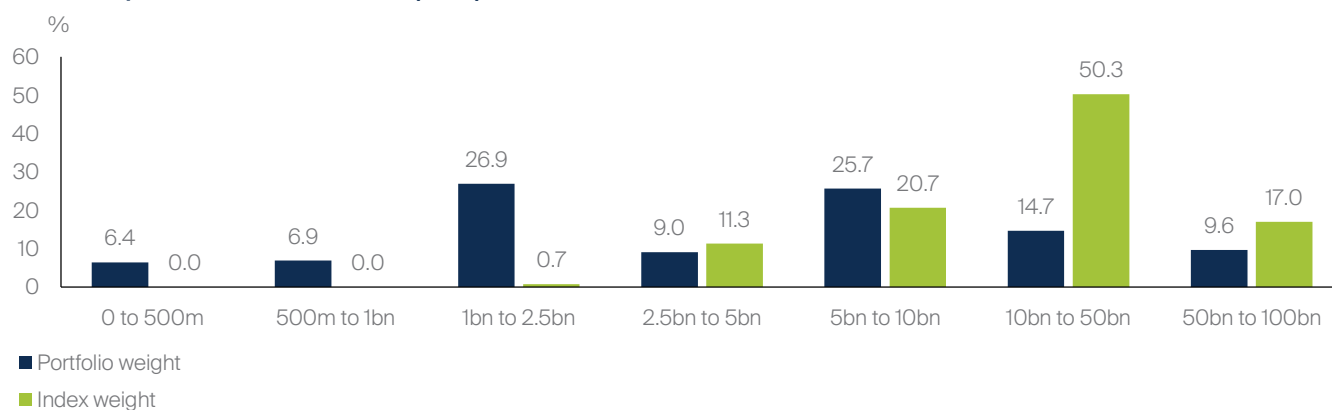
Oversea-Chinese Banking Corporation (OCBC) was formed in 1932 through the merger of three banks. Headquartered in Singapore, it now has significant operations in Malaysia, Indonesia and Greater China.

Backed by the prominent Lee and Tan families in Singapore (the Lee family still owns around 25%), OCBC is a high quality, conservatively-managed bank with a sensible attitude to risk. It has a strong base in two regional hubs: Singapore – to capture growth in Southeast Asia; and Hong Kong – for the Greater China region. Despite the shorter-term weakness, by 2021 its net profit has recovered to its pre-Covid level.

The bank is fundamentally sound, but innately conservative – there is much to be done in terms of maximising returns with existing customers and investing more into digital, for example. The current CEO, Helen Wong, joined at the beginning of 2021; and while there has been no big-bang transformation, there have been more concrete targets set (14% ROE and 50% payout). Her mandate is to grow the bank within the bounds of their usual conservatism and familiar customers.

Its wealth management business is undergoing platform upgrades and should benefit from the growing wealth of Asia's middle classes over the longer term. Meanwhile, the well-diversified ASEAN business has further room to grow from the "China + 1" trend.

### Market capitalisation breakdown (USD)



Data source: For illustration purposes only. 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. These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than USD, the return may increase or decrease as a result of currency fluctuations.

## Outlook

Whilst we believe there are long-term tailwinds for the ASEAN region, we don't profess to know which way macroeconomics and overall investor sentiment will swing in the near term. We don't know when global interest rates will peak, for example, nor how high they might still have to go to tame inflationary pressures that have been building over the last few years.

As bottom-up stock pickers and long-term investors, we have instead focused on and draw comfort from the quality of our holdings and their largely inexpensive valuations. The companies owned in the strategy have long-term owners (or managers who act like long-term owners) as stewards of the business. We believe this often correlates with good capital allocation and operating decisions, and decent shareholder returns by extension.

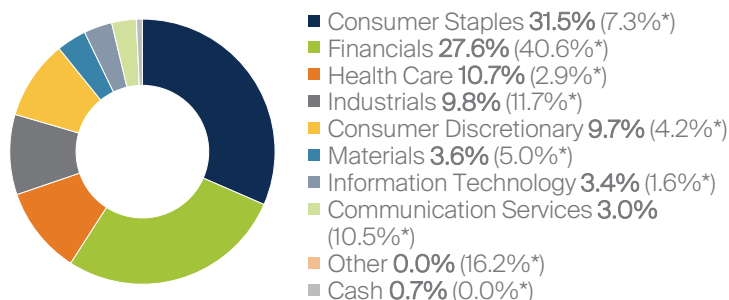
## Our long-term investment themes:

- 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.

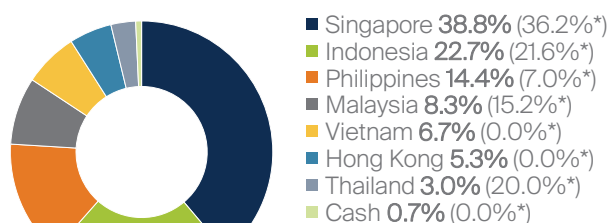
## Ten largest company holdings as at 31 December 2023

Stock name	Country	Sector	Portfolio weight (%)
Oversea-Chinese Banking Corporation	Singapore	Financials	6.4
Haw Par Corporation Limited	Singapore	Health Care	6.1
Jardine Cycle & Carriage Limited	Singapore	Industrials	5.4
DBS Group Holdings Ltd	Singapore	Financials	5.1
PT Bank Central Asia Tbk	Indonesia	Financials	4.5
Heineken Malaysia Bhd.	Malaysia	Consumer Staples	4.1
Philippine Seven Corporation	Philippines	Consumer Staples	3.8
Carlsberg Brewery Malaysia Bhd.	Malaysia	Consumer Staples	3.7
FPT Corp.	Vietnam	Information Technology	3.4
PT Selamat Sempurna Tbk	Indonesia	Consumer Discretionary	3.4

## Sector breakdown



## Country breakdown



\*Index weight

\*Index weight

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 31 December 2023

Stock name	Country	Sector	Value added (bps*)
Kasikornbank Public Co. Ltd.	Thailand	Financials	31
PT Bank Central Asia Tbk	Indonesia	Financials	31
Oversea-Chinese Banking Corporation Limited	Singapore	Financials	31
Century Pacific Food, Inc.	Philippines	Consumer Staples	21
DBS Group Holdings Ltd	Singapore	Financials	19

### 12 months to 31 December 2023

Stock name	Country	Sector	Value added (bps*)
PT Selamat Sempurna Tbk	Indonesia	Consumer Discretionary	142
FPT Corp.	Vietnam	Information Technology	99
Delfi Limited	Singapore	Consumer Staples	91
Oversea-Chinese Banking Corporation Limited	Singapore	Financials	84
Jardine Cycle & Carriage Limited	Singapore	Industrials	57

## Bottom 5 contributors to absolute performance

### 3 months to 31 December 2023

Stock name	Country	Sector	Value added (bps*)
PT Uni-Charm Indonesia Tbk	Indonesia	Consumer Staples	-36
DFI Retail Group Holdings Limited	Hong Kong	Consumer Staples	-33
Mobile World Investment Corp	Vietnam	Consumer Discretionary	-25
PT Kalbe Farma Tbk	Indonesia	Health Care	-25
Jardine Matheson Holdings Limited	Hong Kong	Industrials	-25

### 12 months to 31 December 2023

Stock name	Country	Sector	Value added (bps*)
ADR TDCX Inc ADS	Singapore	Industrials	-98
Carlsberg Brewery Malaysia Bhd.	Malaysia	Consumer Staples	-65
PT Unilever Indonesia Tbk	Indonesia	Consumer Staples	-63
DFI Retail Group Holdings Limited	Hong Kong	Consumer Staples	-62
SEA Ltd	Singapore	Communication Services	-56

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.

### Portfolio risk analysis - ex-post 3 years annualised to 31 December 2023

Risk measure	Value	Risk description
Beta	0.72	Beta is a measure of volatility relative to the market. A beta of 1 would indicate that the fund tended to move in line with the market; a beta greater than 1 would indicate that the fund has been more volatile than the market; whereas a beta less than 1 would indicate that the fund has been less volatile than the market.
Information Ratio	0.63	The fund's excess return divided by its tracking error. It is designed to assess a portfolio's performance relative to its level of benchmark risk. The higher the fund's information ratio, the more excess return it generates for each unit of tracking error.
Portfolio Standard Deviation	11.22%	A measure of how much the returns of the fund vary relative to the arithmetical average. The higher the fund's standard deviation, the more its returns tend to deviate from the mean.
Benchmark Standard Deviation	13.64%	A measure of how much the returns of the index vary relative to the arithmetical average. The higher the index's standard deviation, the more its returns tend to deviate from the mean.
Tracking Error	6.57%	The standard deviation of the difference between the fund's returns and those of the index. The higher the fund's tracking error, the more its performance relative to the benchmark may vary.

### Portfolio risk analysis - ex-ante at 31 December 2023

Risk measure	Value	Risk description
Dividend Yield (Fund)	3.49%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Dividend Yield (Index)	3.88%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Price to Book (Fund)	1.86	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Book (Index)	1.73	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Earnings (Fund)	14.41	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.
Price to Earnings (Index)	12.92	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.

Data source: Ex-post information is calculated by First Sentier Investors, ex-ante information is provided by FactSet.

### Important information

This document has been prepared for informational purposes only and is only intended to provide a summary of the subject matter covered and does not purport to be comprehensive. The views expressed are the views of the writer at the time of issue and may change over time. It does not constitute investment advice and/or a recommendation and should not be used as the basis of any investment decision. This document is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares, units or other interests or to enter into an investment agreement. No person should rely on the content and/or act on the basis of any material contained in this document.

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References to "we" or "us" are references to First Sentier Investors.

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