



FSSA Japan Equity Fund

Fund snapshot

- High-conviction portfolio with bottom-up stock selection
- Aims to provide long-term capital appreciation
- Managed by a team of Asia and Global Emerging Markets specialists with a long track record



Minimum market cap
All cap



Geographical sector
Japan

- The Fund invests primarily in equity securities and equity related securities which are established or have significant operations in Japan and which are listed, traded or dealt in on regulated markets worldwide.
- The Fund's investments will be concentrated in Japan or may be concentrated a single sector which may have higher volatility or greater loss of capital than more diversified portfolios.
- Investing in small/mid-capitalisation securities may have lower liquidity and their prices are more volatile to adverse economic developments.
- The Fund may use FDIs for hedging and efficient portfolio management purposes, which may subject the Fund to additional liquidity, valuation, counterparty and over the counter transaction risks.
- It is possible that a part or entire value of your investment could be lost. You should not base your investment decision solely on this document. Please read the offering document including risk factors for details.

Lead portfolio manager	Approx. no. of stocks	Benchmark	Maximum cash	Minimum market cap
Sophia Li	40 - 60	TOPIX Net Total Return ^A	10%	All cap
Minimum initial investment		US\$1,000	Initial charge	5.0%
Minimum subsequent investment		US\$500	Management fee	1.55% p.a.
Share class		Class I (USD - Acc)	NAV/share	US\$15.23
Inception date		6 September 2016	ISIN code	IE00BSJWPNO4

Source: First Sentier Investors, as at 31 December 2023. The Fund is a sub fund of Ireland domiciled First Sentier Investors Global Umbrella Fund Plc.

Why invest in the FSSA Japan Equity Fund?

1. Invest in hidden gems from Japan's under-researched and under-appreciated market

- More than 70% of the listed companies in Japan are covered by only one analyst or none at all, presenting a huge opportunity to uncover hidden gems in underpenetrated and emerging industries
- Invest in these long-term structural growth trends:



Hidden gems that are able to grow despite the weak macro



Growing trend of automation



Niche industries with few competitors



Dominant consumer franchises

2. A differentiated, high-conviction portfolio constructed from the bottom up

- High-conviction portfolio built from the bottom up with a focus on quality management, strong financials and sustainable growth drivers

Portfolio characteristics

Differentiated (high active share)	86.5%
High conviction (# holdings)	49
Concentrated (top 20 holdings)	63.3%
Cash generative, asset light companies (ROCE [#])	32.3%
Profitability (ROE [*])	20.8%
P/E ratio (next 24 month) [†]	22.6x

Source: First Sentier Investors, FactSet, MSCI as at 31 December 2023.

[#] Weighted Average Post-Tax ROCE run excluding values below zero or above 200% (GICS financial companies are excluded).

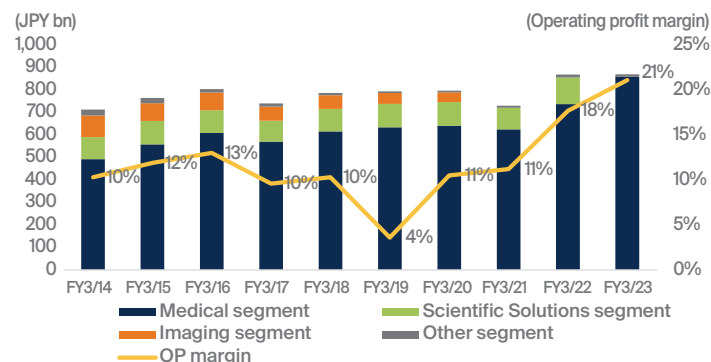
^{*} Weighted Average Return on Equity run excluding values below zero.

[†] Weighted Harmonic Average P/E ratio.

3. Olympus: Global leader in endoscopic solutions

- Leading medical equipment company based in Japan, accounting for over 70% global share in gastrointestinal endoscopes
- Visible restructuring efforts since 2018 by partnering with renowned activist ValueAct including fixed cost reduction and divestitures of noncore assets
- C-suite is consisted of capable senior managers with experience in global operations and restructuring
- Management displays strong execution, significantly improving margins from 4% in the fiscal year ending March 2019 (FY3/19) to 21% in the fiscal year ending March 2023 (FY3/23).

Successful track record since the Transformation Plan in 2019



Source: Bloomberg, Company data as at June 2023.

Cumulative performance in USD %

	3 months	YTD	1 year	3 years	5 years	Since inception
FSSA Japan Equity Fund	15.2	3.2	3.2	-32.4	29.0	52.3
TOPIX Net Total Return ^A	8.0	19.6	19.6	2.9	40.9	50.2

Calendar year performance in USD %

	2023	2022	2021	2020	2019
FSSA Japan Equity Fund	3.2	-34.3	-0.4	41.4	35.0
TOPIX Net Total Return ^A	19.6	-15.2	1.5	14.5	19.6

Source: Lipper, Nav-Nav (USD total return, non-dividend distributing), data as at 31 December 2023. Since inception: 6 September 2016. FSSA Japan Equity Fund refers to Class I (USD - Acc), the non-dividend distributing share class. ^AWith effect from 9 December 2021, the benchmark has been changed from MSCI Japan Index to TOPIX (Tokyo Stock Price Index) (NetTotal Return).

Why FSSA Investment Managers?

FSSA Investment Managers are specialists in Asia and Global Emerging Markets. Operating as an autonomous investment team within First Sentier Investors Group, we are a team of dedicated investment professionals based in Hong Kong, London and Singapore. Established in 1988, we are bottom-up investors with a different perspective, using fundamental research and analysis to construct high-conviction portfolios.



Quality focused



Absolute return mind-set



Benchmark indifference



ESG fully integrated

Important information

Investment involves risks, past performance is not a guide to future performance. Refer to the offering documents of the respective funds for details, including risk factors. The information contained within this document has been obtained from sources that First Sentier Investors ("FSI") believes to be reliable and accurate at the time of issue but no representation or warranty, expressed or implied, is made as to the fairness, accuracy or completeness of the information. To the extent permitted by law, neither FSI, nor any of its associates, nor any director, officer or employee accepts any liability whatsoever for any loss arising directly or indirectly from any use of this. It does not constitute investment advice and should not be used as the basis of any investment decision, nor should it be treated as a recommendation for any investment. The information in this document may not be edited and/or reproduced in whole or in part without the prior consent of FSI.

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