

FSSA Regional China 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 Greater China 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 issued by companies with either assets in, or revenues derived from, the People’s Republic of China, Hong Kong, and Taiwan and which are listed, traded or dealt in on regulated markets in the People’s Republic of China, Hong Kong, Taiwan, the U.S., Singapore, Korea, Thailand and Malaysia or in a member state of the OECD.

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

Fund information

Fund size (S\$m)	598.3
Benchmark	MSCI Golden Dragon Index
Number of holdings	44

Available share classes

Share class	Inception date	Nav/per share	ISIN code
Class A (SGD - Acc)	01 Nov 1993	S\$4.0734	SG9999000194

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 2024 ^

	Since Inception	10yrs	5yrs	3yrs	1yr
Fund (Ex initial charges)	7.3	5.6	0.4	-11.5	-11.3
Fund (Inc initial charges)	7.1	5.0	-0.6	-13.0	-15.8
Benchmark	3.9	5.2	-0.3	-11.3	-3.5

Cumulative performance in SGD (%) to 31 March 2024 ^

	Since Inception	5yrs	3yrs	1yr	3mths
Fund (Ex initial charges)	744.2	2.3	-30.8	-11.3	2.9
Fund (Inc initial charges)	702.0	-2.8	-34.2	-15.8	-2.3
Benchmark	217.7	-1.4	-30.2	-3.5	4.2

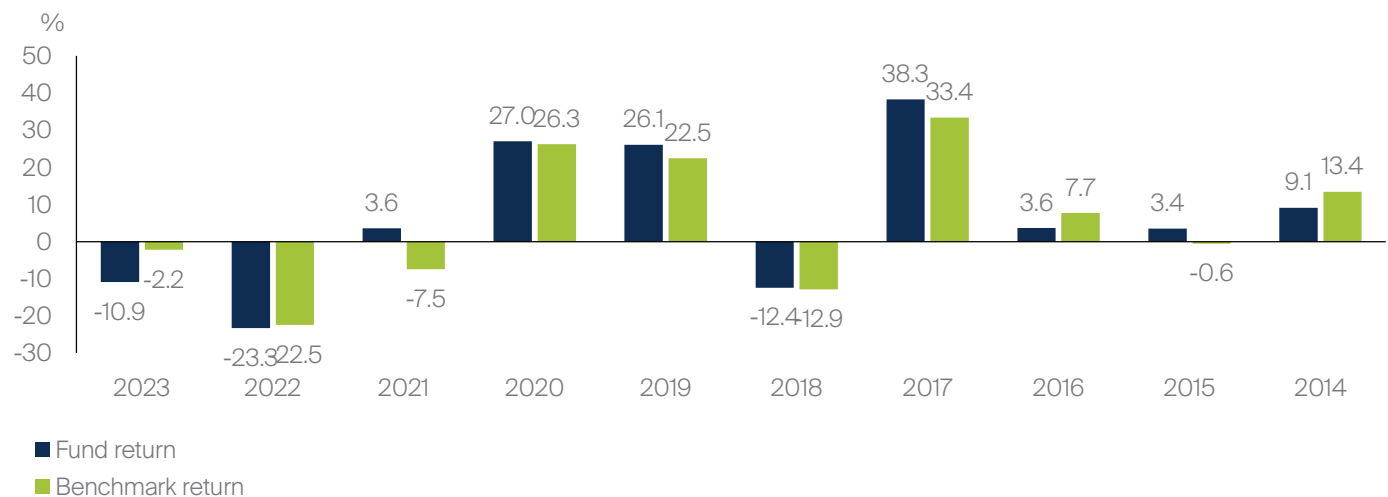
^ The performance prior to 18 Oct 02 is in relation to the Fund before its conversion to a feeder fund.

Performance review

Over the past 12 months, key contributors to performance included Taiwan Semiconductor (TSMC), which was buoyed by the positive sentiment on AI-related stocks. TSMC has maintained its cutting-edge technology leadership and continued to strengthen its competitive position. MediaTek rose on signs of recovering end-demand for smartphones and potential new business related to AI. On the negative side, China Mengniu Dairy has been affected by weak consumer demand as China's economic recovery remains

fragile. The company recently announced that Jeffrey Lu would be stepping down as CEO. The new CEO, Gao Fei, has been with the company for 25 years and had been groomed for succession in recent years. Mr Lu will stay on for the next 1-3 years as vice chairman to oversee the transition. Ping An Insurance reported weaker-than-expected earnings results, with operating profit affected by losses in its asset management business.

Calendar year performance (% in SGD) to 31 March 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 31 March 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

There were no significant new purchases during the quarter. We sold Minth and Autobio Diagnostics to consolidate into higher-conviction opportunities.

Stock spotlight

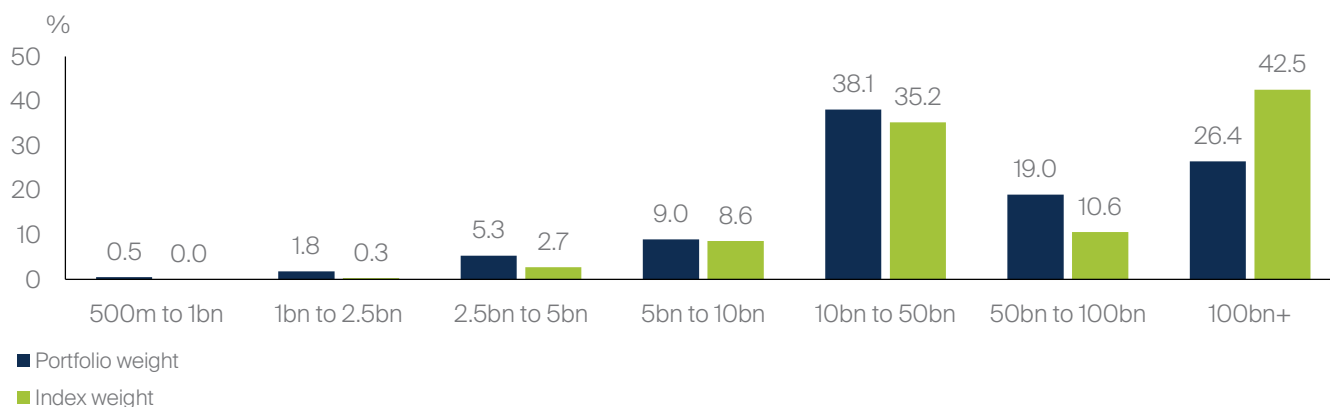
Anta Sports is China's most successful sportswear company, and one of the few Chinese companies that has proven its ability to build and run multiple strong consumer brands. Few companies know Chinese consumers better than Anta, as its direct retail sales and data- and survey-driven consumer analytics bring the company much closer to its customers. We believe the "Anta System" that enabled FILA's success can be replicated across its other brands as well.

While Anta brand's growth may be relatively slow in the coming years due to trading down in the market, the company is focused on attracting new customers, particularly in the mass market and underrepresented female segment. Potential catalysts include the introduction of new brands, further international expansion, and continued growth of the other brands within its portfolio.

More recently, the company reported impressive performance despite weak consumer demand, which indicates the management's quality and execution. Its higher-end brands like Fila, Descente, and Kolon all saw strong sales growth in China during 2023, ranging from high-teens growth for Fila to 60-65% for the other two. This contrasted with the performance of its large domestic peers, which struggled with excess inventory and discounting.

Overall we think Anta's structural growth thesis is intact, with its house of brands growing and the company entering overseas markets. And in these difficult times, it is important to back the right people.

Market capitalisation breakdown (SGD)



Source: First Sentier Investors as at 31 March 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

Despite concerns around "down-trading" in the near term, we still believe that over the long run, Chinese people will become wealthier amid increasing urbanisation and GDP per capita. As this happens, they will likely want to improve their health and lifestyle, which favours consumer companies with effective premiumisation strategies like Midea, Anta Sports, China Resources Beer and China Mengniu Dairy. We have owned these stocks for many years, and they have good track records over the longer term. To us, this reflects well on their management and franchise quality. Through our regular research trips to China, we look beyond the country's general economic weakness to find companies that are either bucking the negative trends, or are strengthening their market positions in the down-cycle. We think there are still plenty of quality companies, with strong brands and proven franchises that can achieve decent earnings growth over the long run. We continue to seek the companies that will become the long-term winners, which are typically the industry leaders of today. And the lower valuation multiples reflect reduced expectations, which makes the potential risk-reward more attractive.

Our long-term investment themes:

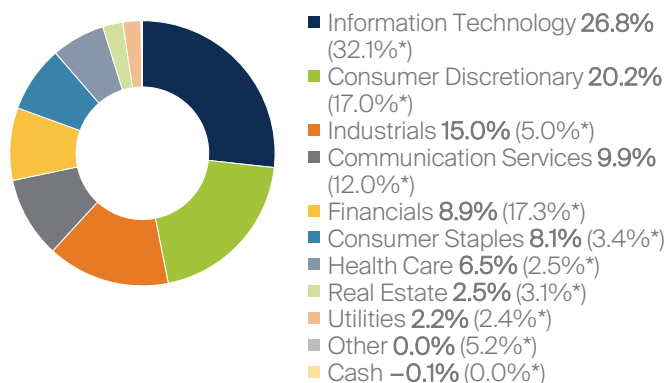
- Dominant consumer franchises which have an edge in brand, distribution and innovation.
- The rise in healthcare spending, due to increasing incomes and healthy consumer choices.
- Beneficiaries of a smarter, more connected world.
- An ageing population and the growing trend of automation.
- Globally competitive exporters with a growing international business.

Ten largest company holdings as at 31 March 2024

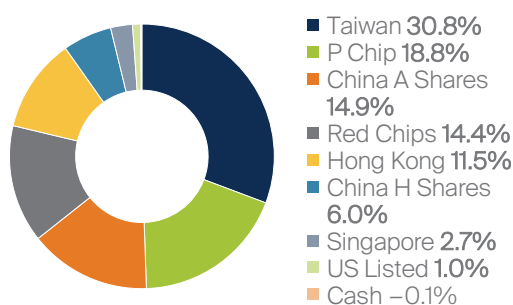
Stock name	Geography	Sector	Portfolio weight (%)
Taiwan Semiconductor (TSMC)	Taiwan	Information Technology	10.3
Tencent Holdings Ltd.	China	Communication Services	7.2
Midea Group	China	Consumer Discretionary	5.8
MediaTek Inc	Taiwan	Information Technology	4.9
China Merchants Bank Co., Ltd. Class H	China	Financials	4.0
ANTA Sports Products Ltd.	China	Consumer Discretionary	4.0
China Mengniu Dairy Co., Ltd.	China	Consumer Staples	3.3
Shenzhen Mindray Bio-Medic-A	China	Health Care	3.1
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	3.0
AIA Group Limited	Hong Kong	Financials	2.9

Source: First Sentier Investors as at 31 March 2024. Sector and Share class 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.

Sector breakdown



Share class breakdown



*Index weight

Top 5 contributors to absolute performance

3 months to 31 March 2024

Stock name	Geography	Sector	Value added (bps*)
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	247
Midea Group Co. Ltd. Class A	China	Consumer Discretionary	83
MediaTek Inc	Taiwan	Information Technology	72
China Merchants Bank Co., Ltd. Class H	China	Financials	55
Netease Inc	China	Communication Services	43

12 months to 31 March 2024

Stock name	Geography	Sector	Value added (bps*)
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	335
MediaTek Inc	Taiwan	Information Technology	134
Midea Group Co. Ltd. Class A	China	Consumer Discretionary	89
Techtronic Industries Co., Ltd.	Hong Kong	Industrials	64
Accton Technology Corp.	Taiwan	Information Technology	48

Bottom 5 contributors to absolute performance

3 months to 31 March 2024

Stock name	Geography	Sector	Value added (bps*)
AIA Group Limited	Hong Kong	Financials	-88
Silergy Corp.	Taiwan	Information Technology	-78
China Mengniu Dairy Co., Ltd.	China	Consumer Staples	-76
CSPC Pharmaceutical Group Limited	China	Health Care	-45
SINBON Electronics Co., Ltd.	Taiwan	Information Technology	-37

12 months to 31 March 2024

Stock name	Geography	Sector	Value added (bps*)
China Mengniu Dairy Co., Ltd.	China	Consumer Staples	-216
AIA Group Limited	Hong Kong	Financials	-151
Tencent Holdings Ltd.	China	Communication Services	-131
Ping An Insurance (Group) Company of China, Ltd. Class H	China	Financials	-128
ENN Energy Holdings Limited	China	Utilities	-112

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.