

# FSSA Asia Pacific 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 based in, or closely associated with, Asia Pacific region (excluding Japan). The Fund may invest up to 100% of its assets in emerging markets in the Asia Pacific region, in companies of any size or industry.

The Fund may invest less than 30% of its assets in equity securities other than those described above. Emerging markets are countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body. The Fund will not invest more than 50% of its assets in China A Shares.

The Fund may use derivatives with the aim of risk reduction or efficient management.

## Fund information

Fund launch date	25 March 2013
Fund size (US\$m)	12.0
Benchmark	MSCI AC Asia Pacific ex Japan Net Index*
Number of holdings	43
Fund manager(s)	Sreevardhan Agarwal/Martin Lau
Research rating ^	Morningstar@:Bronze

\* The benchmark of the Fund changed from MSCI AC Asia Pacific ex Japan Gross to MSCI AC Asia Pacific ex Japan Net with effect from 1 July 2016. 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 Asia Pacific 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 Asia Pacific All Cap Fund USD Class III (Accumulation)	B6RN1X3	IE00B6RN1X37
FSSA Asia Pacific All Cap Fund EUR Class VI (Accumulation)	BYXW3T0	IE00BYXW3T07

### 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.

### Risk factors

**This document is a financial promotion for the FSSA Asia Pacific 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.**

### Annual performance in USD (%) to 31 December 2024

	12 mths to 31/12/24	12 mths to 31/12/23	12 mths to 31/12/22	12 mths to 31/12/21	12 mths to 31/12/20
FSSA Asia Pacific All Cap Fund	10.5	1.1	-23.5	-5.6	20.2
MSCI AC Asia Pacific ex Japan Net Index	10.2	7.4	-17.5	-2.9	22.4

### Cumulative performance in USD (%) to 31 December 2024

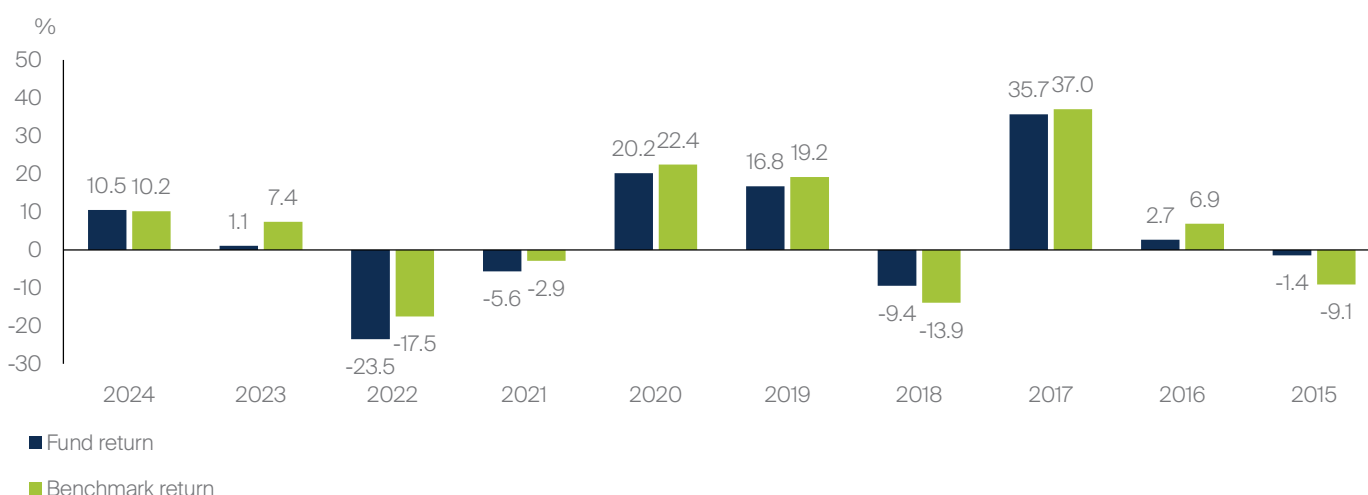
	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
FSSA Asia Pacific All Cap Fund	67.9	40.9	-3.0	-14.5	10.5	10.5	5.4	-5.5
MSCI AC Asia Pacific ex Japan Net Index	66.7	58.4	16.0	-2.4	10.2	10.2	1.5	-8.2

### Performance review

Over the past 12 months, key contributors to performance included Taiwan Semiconductor (TSMC), as growth has remained strong at a time when demand is generally weak. Revenue and profits are expected to continue to grow this year, as management commented on the "extremely robust" AI demand. TSMC's smartphones and personal computing (PC) businesses are also expected to be resilient, as content per chip is rising due to the growing adoption of AI. JNBY Design rose as the management reiterated its guidance for fiscal year 2025 despite the below-trend sales to date. JNBY's strong execution and members' stickiness have helped them perform better than peers through industry cycles, though near-term demand could remain challenging.

On the negative side, Samsung Electronics declined after media reports suggested that the company would continue shutting its foundry production lines as part of its efforts to reduce operational costs. Samsung has struggled to win new orders from large technology companies and utilisation rates have been low - the company has already shut down a number of production lines to reduce electricity costs. China Mengniu Dairy has been affected by weak consumer demand as China's economic recovery remains fragile. However, the shares rebounded recently after the government announced that it would encourage dairy consumption and explore measures to provide support to the dairy industry.

### Calendar year performance (% in USD) to 31 December 2024



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 25 March 2013. All performance data for the FSSA Asia Pacific All Cap Fund Class III (Accumulation) USD as at 31 December 2024. 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 Asia Pacific All Cap Fund was rebranded as FSSA Asia Pacific All Cap Fund.

### Portfolio review

New positions over the quarter included Niva Bupa Health Insurance at its recent initial public offering. The company is a standalone health-insurance company in India, owned by multinational parent Bupa. We believe that Niva Bupa is well positioned to tap into the rise of healthcare insurance expenditure in India. Over the past 10 years the general insurance industry has grown by around 14% compounded annually (based on gross premiums), of which the health insurance segment is the fastest growing part. The management have a good track record of industry experience, and the company has been gaining market share whilst remaining risk aware.

We sold Blue Star on expensive valuations. Whilst we still like the company and believe it is likely to be a much larger business over time, the risk-reward does not look attractive on current valuations.

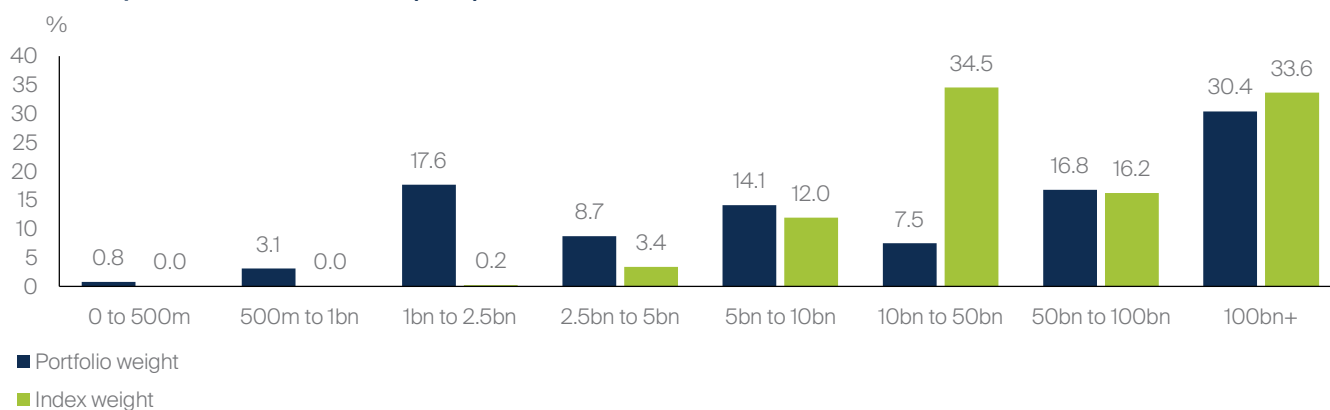
### Stock spotlight

**Midea Group** is China's largest home appliances company and a dominant consumer franchise, well-positioned to benefit from rising income levels and the premiumisation trend in China. The domestic appliances market has become an oligopoly with Midea, Gree and Haier Smart Home holding majority market share. In this mature market, Midea remains no. 1 or no. 2 in every major category, with replacement demand being the dominant driver. While China's demographic tailwinds are not as strong as before, Midea has invested substantial sums in product development to differentiate its high-end offerings in brands like Colmo, and to take the Midea brand up-market. In addition, Midea has been focusing on its B2B business, and aims to become a technology company.

The company's automation level doubled to 80% from 2019 to 2023, resulting in cost reductions every year. A small but growing part of its business is KUKA, a German robot maker which Midea acquired in 2016. It makes more than 80% of the robotics in Tesla's new Shanghai factory and the BYD auto factory. Its traction among automakers is well-aligned with China's growing leadership in this area. While the margins here are still low, we think it shows the company's forward thinking.

The company has more than 30 R&D centres and manufactures in 19 cities globally. Despite its large scale and mature growth profile, the operations are efficient, profitable and highly cash-flow generative. Even after factoring in the beleaguered property market and economic uncertainties, we believe 8-10% annual profit growth may be achievable in the coming 3 years.

### 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

The uncertainty that was prevalent across Asian and global markets in 2024 looks set to continue into the new year. With Mr Trump's election win in the United States, the general consensus is that US policy will be negative for emerging markets – particularly as the president-elect has already raised the spectre of more protectionism and higher trade tariffs. But instead of trying to second-guess geopolitics or macro policy, we continue to focus our efforts on finding high-quality companies to invest in for the long term.

Overall, we remain constructive on our portfolio holdings and our ability to generate value in a difficult market environment. We expect there may be volatility in the near term as companies – and investors – recalibrate to the new norm. But we believe there are still pockets of growth to be found and that by investing in high-quality companies we can deliver decent returns for our clients in the long run.

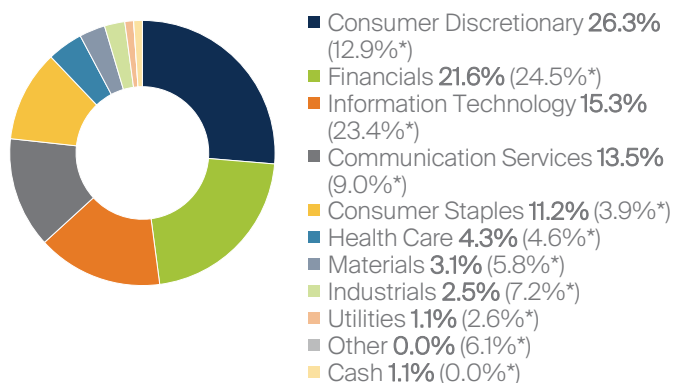
### Our long-term investment themes:

- 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 2024

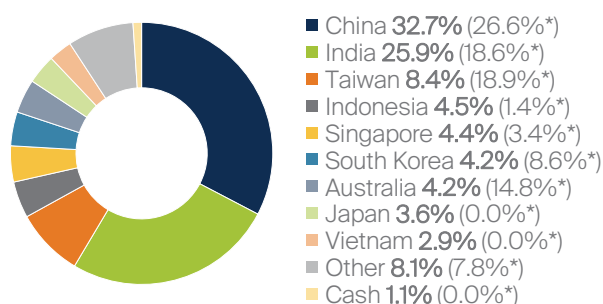
Stock name	Country	Sector	Portfolio weight (%)
Tencent Holdings Ltd.	China	Communication Services	7.7
ICICI Bank Limited	India	Financials	7.2
China Mengniu Dairy Co., Ltd.	China	Consumer Staples	5.7
HDFC Bank	India	Financials	4.6
JNBY Design Limited	China	Consumer Discretionary	4.0
DPC Dash Limited	China	Consumer Discretionary	3.9
Midea Group	China	Consumer Discretionary	3.8
Sony Group Corporation	Japan	Consumer Discretionary	3.6
NetEase Cloud Music Inc.	China	Communication Services	3.6
Taiwan Semiconductor (TSMC)	Taiwan	Information Technology	3.5

### Sector breakdown



\*Index weight

### Country breakdown



\*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%.

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.

## Top 5 contributors to absolute performance

### 3 months to 31 December 2024

Stock name	Country	Sector	Value added (bps*)
JNBY Design Limited	China	Consumer Discretionary	53
Sony Group Corporation	Japan	Consumer Discretionary	36
FPT Corp.	Vietnam	Information Technology	26
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	26
NIVA BUPA HEALTH INSURANCE CO LTD INR10	India	Financials	20

### 12 months to 31 December 2024

Stock name	Country	Sector	Value added (bps*)
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	367
JNBY Design Limited	China	Consumer Discretionary	260
Tencent Holdings Ltd.	China	Communication Services	260
ICICI Bank Limited	India	Financials	189
Fisher & Paykel Healthcare Corporation Limited	New Zealand	Health Care	142

## Bottom 5 contributors to absolute performance

### 3 months to 31 December 2024

Stock name	Country	Sector	Value added (bps*)
Colgate-Palmolive (India) Limited	India	Consumer Staples	-91
Tata Motors Limited	India	Consumer Discretionary	-79
Mahanagar Gas Ltd	India	Utilities	-56
Samsung Electronics Co Ltd Pfd Non-Voting	South Korea	Information Technology	-53
NetEase Cloud Music Inc.	China	Communication Services	-51

### 12 months to 31 December 2024

Stock name	Country	Sector	Value added (bps*)
HDFC Bank Limited Sponsored ADR	India	Financials	-134
Samsung Electronics Co Ltd Pfd Non-Voting	South Korea	Information Technology	-110
Parade Technologies, Ltd.	Taiwan	Information Technology	-61
Wuxi Biologics (Cayman) Inc.	China	Health Care	-53
WuXi AppTec Co., Ltd. Class H	China	Health Care	-49

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.

**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 fluctuation.**

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 2024

Risk measure	Value	Risk description
Beta	0.95	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	-0.68	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	18.36%	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	18.70%	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	4.67%	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 2024

Risk measure	Value	Risk description
Dividend Yield (Fund)	2.35%	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)	2.57%	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)	2.58	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)	2.07	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)	16.54	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)	15.95	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.

This document is confidential and must not be copied, reproduced, circulated or transmitted, in whole or in part, and in any form or by any means without our prior written consent. The information contained within this document has been obtained from sources that we believe to be reliable and accurate at the time of issue but no representation or warranty, express or implied, is made as to the fairness, accuracy, or completeness of the information. We do not accept any liability whatsoever for any loss arising directly or indirectly from any use of this information.

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

In the UK, issued by First Sentier Investors (UK) Funds Limited which is authorised and regulated by the Financial Conduct Authority (registration number 143359). Registered office Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB number 2294743. In the EEA, issued by First Sentier Investors (Ireland) Limited which is authorised and regulated in Ireland by the Central Bank of Ireland (registered number C182306) in connection with the activity of receiving and transmitting orders. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland number 629188. Outside the UK and the EEA, issued by First Sentier Investors International IM Limited which is authorised and regulated in the UK by the Financial Conduct Authority (registered number 122512). Registered office: 23 St. Andrew Square, Edinburgh, EH2 1BB number SC079063. In the EU: This document is a marketing communication. The fund(s) mentioned here may or may not be registered for marketing to investors in your location. If registered, marketing may cease or be terminated in accordance with the terms of the EU Cross Border Distribution Framework. Copies of the prospectus (in English and German) and key information documents in English, German, French, Danish, Spanish, Swedish, Italian, Dutch and Norwegian, along with a summary of investors' rights are available free of charge at [firstsentierinvestors.com](http://firstsentierinvestors.com).

Certain funds referred to in this document are identified as sub-funds of First Sentier Investors Global Umbrella Fund plc, an umbrella investment company registered in Ireland ("VCC"). Further information is contained in the Prospectus and Key Information Documents of the VCC which are available free of charge by writing to: Client Services, First Sentier Investors, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland or by telephoning +353 1 635 6798 between 9am and 5pm (Dublin time) Monday to Friday or by visiting [www.firstsentierinvestors.com](http://www.firstsentierinvestors.com). Telephone calls may be recorded. The distribution or purchase of shares in the funds, or entering into an investment agreement with First Sentier Investors may be restricted in certain jurisdictions.

Representative and Paying Agent in Switzerland: The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selhaustrasse 16, 8002 Zurich, Switzerland. Place where the relevant documentation may be obtained: The prospectus, key information documents, the instrument of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

First Sentier Investors entities referred to in this document are part of First Sentier Investors a member of MUFG, a global financial group. First Sentier Investors includes a number of entities in different jurisdictions. MUFG and its subsidiaries do not 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. The FSSA Investment Managers logo is a trademark of the MUFG or an affiliate thereof.

Copyright © (2024) First Sentier Investors

All rights reserved.



**For further information**

**Head of Distribution, UK and Europe**

Graham Fox +44 (0)20 7332 6530 [graham.fox@firstsentier.com](mailto:graham.fox@firstsentier.com)

**Sales Director, Europe and Third Party Distributions**

Marc Bishop +44 (0)20 7332 6556 [marc.bishop@firstsentier.com](mailto:marc.bishop@firstsentier.com)

**Head of Wholesale, UK and Ireland**

Tom Burton +44 (0)20 7332 6559 [tom.burton@fssaim.com](mailto:tom.burton@fssaim.com)

**Sales Director, Wholesale**

Matt Lepine +44 (0)20 7332 6840 [matt.lepine@fssaim.com](mailto:matt.lepine@fssaim.com)

**Institutional Relationship Director FSSA**

Fraser Wood +44 (0)131 473 2529 [fraser.wood@fssaim.com](mailto:fraser.wood@fssaim.com)

**Head of Distribution, Ireland**

Frank Glennon +44(0)7776 138105 [frank.glennon@firstsentier.com](mailto:frank.glennon@firstsentier.com)

**Sales Director, Europe**

Eva von Sydow +33 (0)1 72 25 66 36 [eva.vonsydow@firstsentier.com](mailto:eva.vonsydow@firstsentier.com)

**Sales Directors, Germany and Austria**

Emmanuel Litique +49 (0) 69 2443 71631 [emmanuel.litique@firstsentier.com](mailto:emmanuel.litique@firstsentier.com)

Robert Retz +49 (0) 69 2443 71633 [robert.retz@firstsentier.com](mailto:robert.retz@firstsentier.com)

**Senior Institutional Business Development Director, Germany and Austria**

Sascha Beisheim +49 (0) 69 2443 71634 [sascha.beisheim@firstsentier.com](mailto:sascha.beisheim@firstsentier.com)

**Head of Institutional Sales, UK and EMEA**

Peter Swan +44 (0)20 7332 9428 [peter.swan@firstsentier.com](mailto:peter.swan@firstsentier.com)

**UK Consultant Relations**

Sam Roberts +44 (0)20 7332 6577 [sam.roberts@firstsentier.com](mailto:sam.roberts@firstsentier.com)