

FSSA China Focus 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 large and mid sized companies that are based in, or closely associated with, mainland China that are listed on exchanges worldwide. These companies generally have a total stock market value of at least US \$1 billion. The Fund may invest up to 100% of its assets in any industry. The Fund will not invest more than 100% 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	30 January 2008
Fund size (US\$m)	102.0
Benchmark	MSCI China Net Index*
Number of holdings	43
Fund manager(s)	Helen Chen/Qimin Fei

* The benchmark of the Fund changed from MSCI China Gross to MSCI China Net with effect from 1 July 2016. This change has been reflected in the calculation of the benchmark performance.

Available share classes

Share class	Sedol	ISIN
FSSA China Focus Fund USD Class I (Accumulation)	B29SXG5	IE00B29SXG58
FSSA China Focus Fund USD Class III (Accumulation)	B29SXJ8	IE00B29SXJ89

About FSSA Investment Managers

FSSA Investment Managers is an autonomous investment management team within First Sentier Group, 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 China Focus 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.**
- **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.
- **Concentration risk:** The Fund invests in a relatively small number of companies which may be riskier than a Fund that invests in a large number of companies.
- **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.
- **China market risk:** Although China has seen rapid economic and structural development, investing there may still involve increased risks of political and governmental intervention, potentially limitations on the allocation of the Fund's capital, and legal, regulatory, economic and other risks including greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.

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 30 September 2025

	12 mths to 30/09/25	12 mths to 30/09/24	12 mths to 30/09/23	12 mths to 30/09/22	12 mths to 30/09/21
FSSA China Focus Fund	7.2	12.9	-2.8	-30.4	-0.9
MSCI China Net Index	30.8	23.9	5.2	-35.4	-7.3

Cumulative performance in USD (%) to 30 September 2025

	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
FSSA China Focus Fund	52.6	29.2	-18.9	17.6	7.2	20.6	10.8	13.5
MSCI China Net Index	105.8	92.8	2.1	70.5	30.8	41.6	23.1	20.7

Performance review

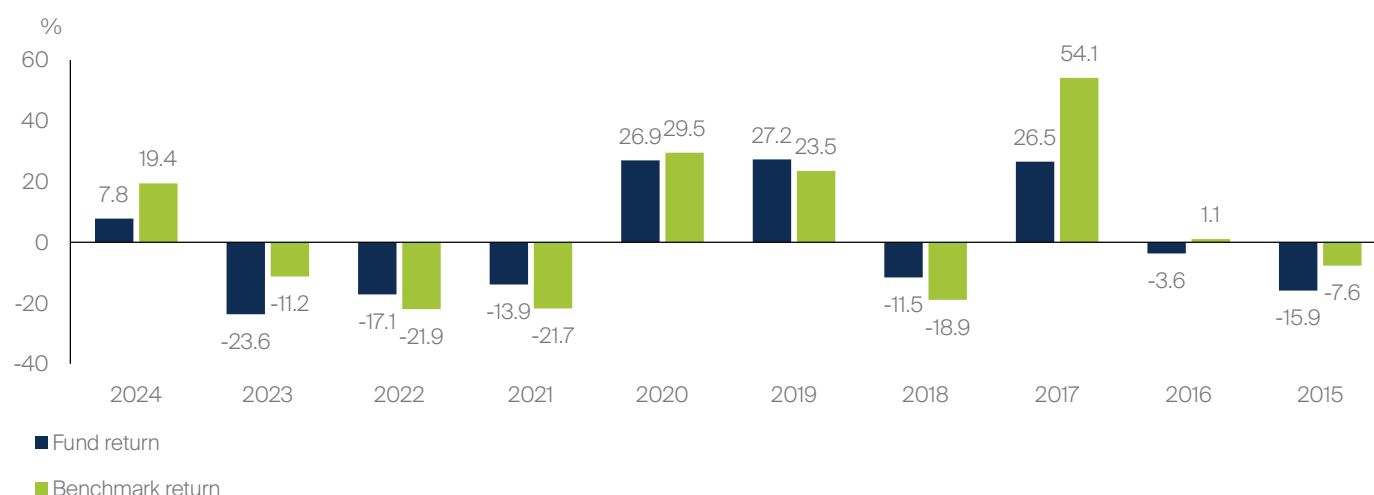
Key contributors to performance over the past 12 months included **Tencent Holdings**, which rose after announcing strong results across segments. A focus on evergreen games and deployment of artificial intelligence (AI) internally helped drive productivity gains and better advertising outcomes. The rollout of various "user-friendly" AI capabilities within its ecosystem will further cement usage of its WeChat app while creating new avenues of growth. Tencent's Yuanbao AI assistant is already ranked top 3 in China (by daily active users), with integrated search, translation, writing and summarising tools.

Gaming company **Netease** also rose. Its revenues and net profits have grown strongly this year thanks to positive performance across both new games and its evergreen portfolio. With its high-quality management and strong in-house R&D capabilities, we believe Netease is well positioned to fulfil its ambition of becoming a major player on the global stage.

On the negative side, **Meituan** fell after posting disappointing earnings results. The company is facing increasing competition in its food-delivery business: JD.com has aggressively entered the market in 2025, while Alibaba is offering generous subsidies to merchants and consumers. However, Meituan retains key competitive advantages in this context, with better unit economics than its peers, and we expect it to emerge stronger once this unsustainable competition abates.

Silergy, a leading Taiwanese manufacturer of integrated circuits, also declined after reporting disappointing earnings results. Uncertainty related to the US administration's reciprocal tariff policy affected its sales to international customers. However, we believe the longer-term outlook for the company is bright, as it launches new products in the automotive and data-centre segments to gain market share in the global analogue chip industry.

Calendar year performance (% in USD) to 30 September 2025



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 30 January 2008. All performance data for the FSSA China Focus Fund Class I (Accumulation) USD as at 30 September 2025. 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 China Focus Fund was rebranded as FSSA China Focus Fund.

Portfolio review

New purchases over the quarter included **AIA Group**, one of the strongest life insurance franchises in Asia, with a high-quality agent network. It is also one of the most profitable, with a protection-biased product portfolio and affluent customer base. The company sees ample long-term opportunities in China, and it is gaining market share and expanding its geographic reach across the country.

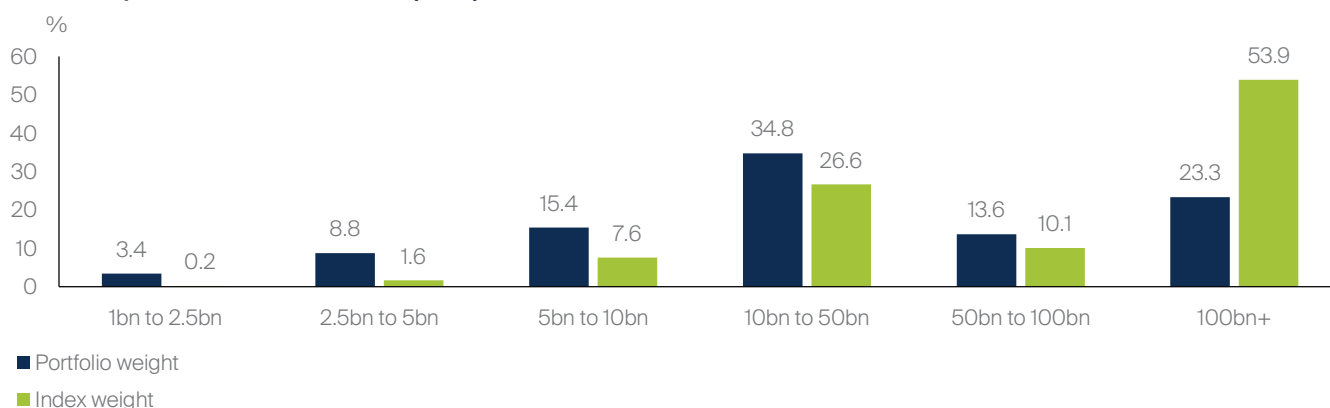
We also bought **Ke Holdings**, a leader in China's housing transaction sector. The company boasts scale, a strong brand and network effects that are difficult for competitors to replicate. While China's property market has been weak over recent years, the outlook is beginning to stabilise, and Ke Holdings is well positioned to take advantage amid the recovery. The company has been building market share and is highly cash generative thanks to its asset-light model; it also benefits from the stewardship of an impressive management team.

We sold **Yihai International** to consolidate the portfolio into higher-conviction ideas.

Stock spotlight

Netease is the second-largest gaming company in China. With strong shareholder alignment and a mind-set of returning value to shareholders, it has a relatively clean shareholding structure and the highest insider ownership among all internet companies globally. The company has a long track record and has generated attractive returns over the past 20 years, supported by positive performance across both its new games and its evergreen portfolio. The company has an impressive pipeline of new titles in development, with forthcoming games expected to drive further growth over the next 12 months. As the industry has become mature with more sophisticated gamers, the bar has risen for creating a successful game. We believe the industry will become more consolidated and the likely winners will be companies with large budgets and innovation capabilities, such as Netease.

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 Group. 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 Group' 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

After a challenging few years, we are starting to see pockets of healthy demand emerging in certain domestically focused sectors in China. Although economic performance is still weak, there are signs the housing sector is starting to stabilise, which would improve citizens' buying power. The government is continuing its efforts to support consumption, while its "anti-involution" policy should help curb overcapacity and destructive price competition in key industries. Thanks to multi-year investments in R&D and supply chains, Chinese companies in a range of sectors – from electric vehicles to medical devices – are also becoming increasingly competitive on the global stage. These are all reasons to be positive on the long-term outlook for China equities. On the other hand, while recent US-China trade negotiations have been positive, uncertainty lingers over the outcome of the tariff dispute; this is weighing on Chinese exporters, as reflected in a prolonged contraction in the manufacturing sector since the Trump administration announced its reciprocal tariff policy in April 2025. We are also concerned that the frenzy for AI-related stocks has led to valuations becoming detached from underlying fundamentals in some instances.

As long-term investors, we tend to lean against market exuberance and thematic "narratives". While this approach has led to us underperforming the market during strong periods, it has enabled us to better preserve capital for our clients when the tide goes out.

We do not pretend to be able to predict the outcome of the trade war, or to second-guess the next big algorithmic breakthrough. As bottom-up investors, our focus remains on selecting well-run companies with capable leaders, strong franchises, attractive earnings growth and sound balance sheets. Our portfolio is aligned with the structural trends shaping China's economy: innovation, sustainability and increasing shareholder returns. We believe our holdings in market-leading businesses, led by secular growth trends and underpinned by rising incomes, are likely to remain resilient in different scenarios.

Looking ahead, we are excited about China's future, but it may take time for the investment case to play out. Meanwhile, many companies we own in the portfolio are trading at attractive valuations and the risk-reward looks favourable.

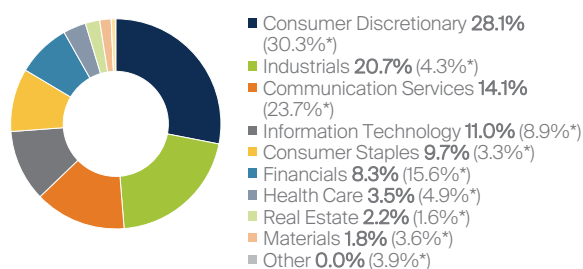
Our long-term investment themes:

- 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 30 September 2025

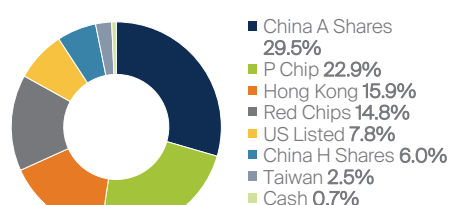
Stock name	Country	Sector	Portfolio weight (%)
Tencent Holdings Ltd	China	Communication Services	9.9
China Resources Beer (Holdings) Co. Ltd.	China	Consumer Staples	4.7
ZTO Express (Cayman), Inc. Class A	China	Industrials	4.3
Huazhu Group Ltd	China	Consumer Discretionary	4.0
Shenzhou International Group Holdings Limited	China	Consumer Discretionary	4.0
Netease Inc	China	Communication Services	3.9
Shenzhen Mindray Bio-Medic-A	China	Health Care	3.5
Sunny Optical Technology (Group) Co., Ltd.	China	Information Technology	3.1
Meituan Class B	China	Consumer Discretionary	3.1
Hongfa Technology Co., Ltd. Class A	China	Industrials	2.9

Sector breakdown



*Index weight

Share class breakdown



Sector and Country classifications provided by Factset and First Sentier Group. 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 30 September 2025

Stock name	Country	Sector	Value added (bps*)
Tencent Holdings Ltd	China	Communication Services	296
Contemporary Amperex Technology Co., Limited Class A	China	Industrials	120
ACM Research, Inc. Class A	USA	Information Technology	115
Kanzhun A ADR	China	Industrials	108
Luxshare Precision Industry Co. Ltd. Class A	China	Information Technology	84

12 months to 30 September 2025

Stock name	Country	Sector	Value added (bps*)
Tencent Holdings Ltd	China	Communication Services	424
Netease Inc	China	Communication Services	197
ACM Research, Inc. Class A	USA	Information Technology	169
Kanzhun A ADR	China	Industrials	153
Sunny Optical Technology (Group) Co., Ltd.	China	Information Technology	152

Bottom 5 contributors to absolute performance

3 months to 30 September 2025

Stock name	Country	Sector	Value added (bps*)
Meituan Class B	China	Consumer Discretionary	-71
Silergy Corp.	Taiwan	Information Technology	-60
China Merchants Bank Co., Ltd. Class H	China	Financials	-35
China Mengniu Dairy Company Limited	China	Consumer Staples	-17
Beijing New Building Materials (Group) Co Ltd Class A	China	Industrials	-9

12 months to 30 September 2025

Stock name	Country	Sector	Value added (bps*)
Meituan Class B	China	Consumer Discretionary	-244
ZTO Express (Cayman), Inc. Class A	China	Industrials	-130
China Resources Beer (Holdings) Co. Ltd.	China	Consumer Staples	-113
JD.com, Inc. Class A	China	Consumer Discretionary	-83
Silergy Corp.	Taiwan	Information Technology	-72

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 30 September 2025

Risk measure	Value	Risk description
Beta	1.05	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	-1.59	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	33.33%	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	30.97%	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	7.43%	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 30 September 2025

Risk measure	Value	Risk description
Dividend Yield (Fund)	2.21%	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)	1.85%	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)	2.82	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)	2.54	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)	17.20	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)	14.55	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 Group, 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.

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Further information is contained in the Prospectus and the relevant key information documents which are available free of charge by writing to: Client Services, First Sentier Group, 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 Telephone calls may be recorded.

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In the UK: The sub-funds of First Sentier Investors Global Umbrella Fund plc are authorised overseas but not in the UK. As a result, the UK Financial Ombudsman Service is unlikely to be able to consider complaints related to any fund, its operator or its depositary. Any claims for losses relating to the operator and the depositary are also unlikely to be covered by the UK Financial Services Compensation Scheme. Prospective investors should consider getting financial advice before deciding to invest and should see the fund prospectus for more information.

Representative and Paying Agent in Switzerland: The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. The prospectus, key investor 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.

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