

FSSA Indian Subcontinent 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 India, Pakistan, Sri Lanka or Bangladesh and that are listed on exchanges in these countries. Where companies are closely associated with India, Pakistan, Sri Lanka or Bangladesh they may be listed on exchanges worldwide.

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

Fund information

Fund launch date	07 February 1994
Fund size (US\$m)	580.7
Benchmark	MSCI India Net Index*
Number of holdings	43
Fund manager(s)	Sreevardhan Agarwal/Rizi Mohanty
Research rating ^	Morningstar@:Silver

* The benchmark of the Fund changed from MSCI India Gross to MSCI India 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 Indian Subcontinent 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.
- **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.
- **Indian subcontinent risk:** although India 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.
- **Smaller companies risk:** investments in smaller companies may be riskier and more difficult to buy and sell than investments in larger companies.
- **Below investment grade risk:** below investment grade debt securities are speculative and involve a greater risk of default and price changes than investment grade debt securities. In periods of general economic difficulty, the market prices of these types of securities may decline significantly.

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 Indian Subcontinent Fund USD Class I (Accumulation)	0843670	IE0008369930
FSSA Indian Subcontinent Fund USD Class III (Accumulation)	B6Y13T0	IE00B6Y13T06
FSSA Indian Subcontinent Fund USD Class I (Distributing)	B0FGLM1	IE00B0FGLM12
FSSA Indian Subcontinent Fund EUR Class VI (Accumulation)	BYXW3H8	IE00BYXW3H84
FSSA Indian Subcontinent Fund USD Class III (Distributing)	B96SMB5	IE00B96SMB54

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 Indian Subcontinent 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.
- **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.
- **Indian subcontinent risk:** although India 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.
- **Smaller companies risk:** investments in smaller companies may be riskier and more difficult to buy and sell than investments in larger companies.
- **Below investment grade risk:** below investment grade debt securities are speculative and involve a greater risk of default and price changes than investment grade debt securities. In periods of general economic difficulty, the market prices of these types of securities may decline significantly.

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 Indian Subcontinent Fund	15.5	27.3	-7.2	21.4	8.8
MSCI India Net Index	11.2	20.8	-8.0	26.2	15.6

Cumulative performance in USD (%) to 31 December 2024

	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
FSSA Indian Subcontinent Fund	1791.9	156.6	80.1	36.5	15.5	15.5	0.1	-8.9
MSCI India Net Index	1053.3	131.0	80.4	23.7	11.2	11.2	-4.9	-11.3

Performance review

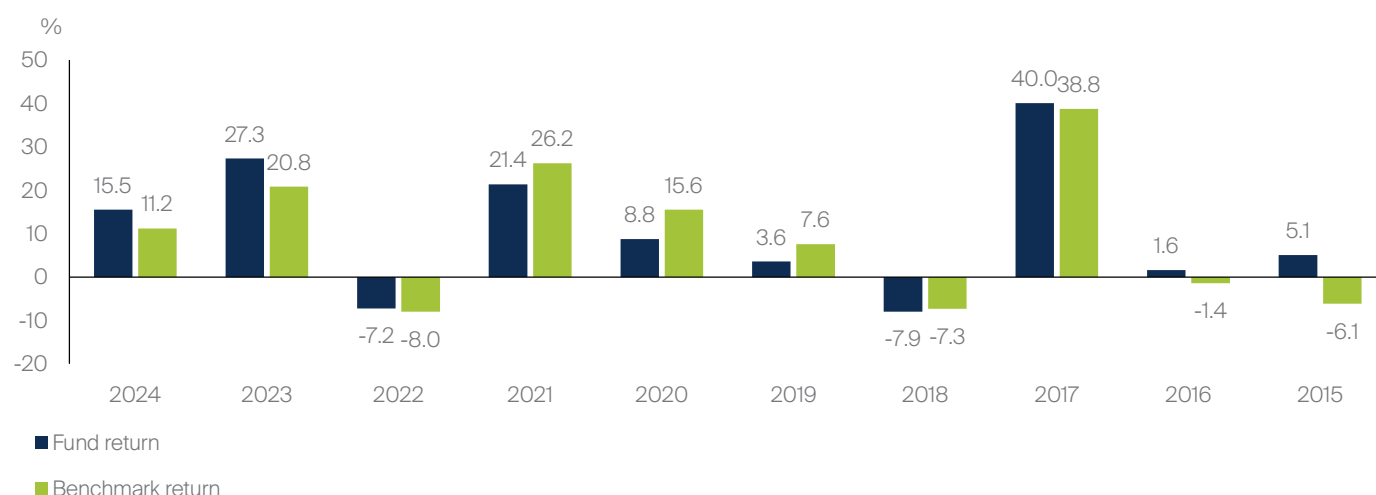
Key contributors over the past 12 months

Computer Age Management Services (CAMS) reported strong sales and earnings, driven by growth in mutual fund assets and other businesses such as payments. ICICI Bank continued to perform well with strong performance across its business. Given the dominance of inefficient state-owned banks in the Indian banking industry, we believe ICICI Bank can continue to gain market share whilst maintaining attractive returns on assets.

Key detractors over the past 12 months

RHI Magnesita India declined as the industry is going through a down-cycle with weak demand and increased competition from Chinese supply. Despite this, the company has found efficiencies to improve profitability, and we believe as the cycle turns, they should resume gaining market share with a better margin profile. Nestle India fell after reporting disappointing revenue growth amid weak consumer demand, while margins were pressured by commodity price inflation.

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 23 August 1999. All performance data for the FSSA Indian Subcontinent Fund Class I (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 Indian Subcontinent Fund was rebranded as FSSA Indian Subcontinent Fund.

Portfolio review

New positions over the quarter included Niva Bupa Health Insurance, which we purchased 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 also bought BLS International Services, the world's second-largest outsourced visa processing company. The industry has high entry barriers and is dominated by a few companies. To win a contract, a company needs to show a long track record with technical capabilities, and contracts typically last 7-10 years. The business is asset-light with high returns on capital employed (ROCE) and we think BLS still has significant growth potential. Only around 1/3 of the industry has been outsourced and this is likely to increase. Meanwhile, BLS is well-positioned to win more contracts as they come up for renewal, as well as expand into adjacent businesses such as passport renewals.

We sold Tech Mahindra and HeidelbergCement India after the recent share price strength made the valuations less attractive.

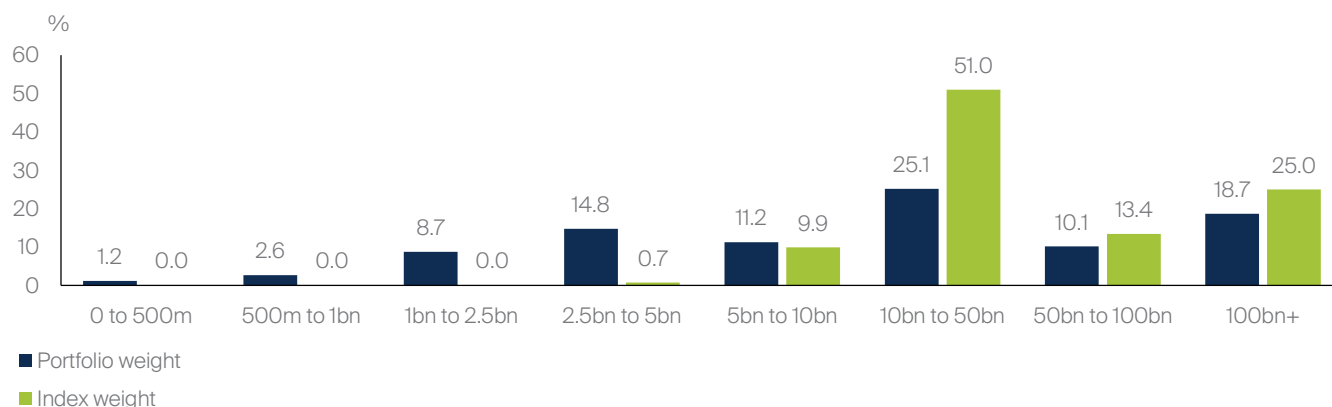
Stock spotlight

ICICI Bank is one of the largest Indian private sector banks, with a strong retail franchise. In the past, it had highly aggressive lending practices and a risk-taking culture. This culminated in the former CEO being forced to step down in 2018 amidst a corruption scandal. But since then, CEO Sandeep Bakhshi has been revamping the bank's culture.

He removed credit growth as a key performance indicator, aligning the entire bank's focus on growing its risk-calibrated operating profit. Now, only products that are "good for the bank and good for the customer" are sold. Other changes include exiting the project finance space (where corruption is common), empowering risk teams with veto power over loan proposals, and putting more focus on governance guardrails in the lending process. Mr Bakhshi believes that "an entrepreneur who doesn't respect the environment or his community will not respect the lender either." These changes seem to be bearing fruit – ICICI Bank has tightened its lending criteria and come out of the non-banking financial companies (NBFC) crisis and Covid without any major asset quality issues. The asset quality has improved significantly while the book value per share has compounded handsomely. Profit has increased from USD1.2bn in FY18 to USD5.3bn in FY24. There has also been a significant improvement in return on assets (ROA), to among the highest in the industry.

Meanwhile, amid a flight to quality, the company's market share jumped along with its deposit base. Given the dominance of inefficient and capital starved state-owned banks in the Indian banking industry at nearly 60%, ICICI Bank still has a long runway for growth ahead, while maintaining attractive returns on assets.

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

When we invest in a company, we consider ourselves to be long-term owners of the business. We want to back owners and managers with whom we feel strongly aligned. If our assessment of a company's owners and managers is not up to the mark, we simply will not invest, regardless of the valuation or strength of the franchise. We have spent decades building relationships with high-quality owners and managers in India who have an established track record of delivering strong growth while maintaining high returns on capital and treating all stakeholders fairly.

The decade before Covid saw a period of slow growth in India. During this time, market leading businesses took measures to consolidate their market positions. As the growth outlook has improved with the benefit of various reforms and healthy balance sheets of corporates as well as banks, these leading businesses are now well positioned to deliver strong earnings growth and returns on capital. We expect them to capture the lion's share of the growth in their respective industries' profit pools. While some pockets of the investment universe are expensively valued, we continue to find a number of attractive opportunities.

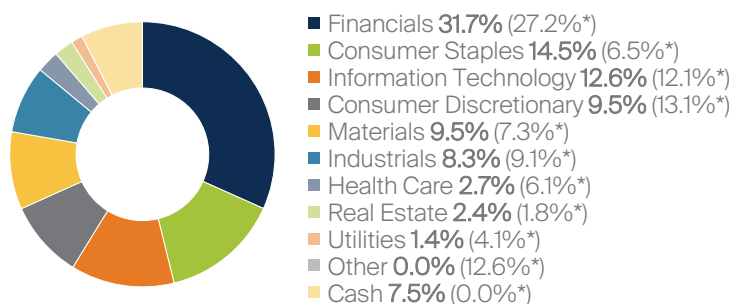
Our long-term investment themes:

- 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.
- Infrastructure companies with a strong track record and cash flow improvement.
- Globally competitive exporters with a growing international business.

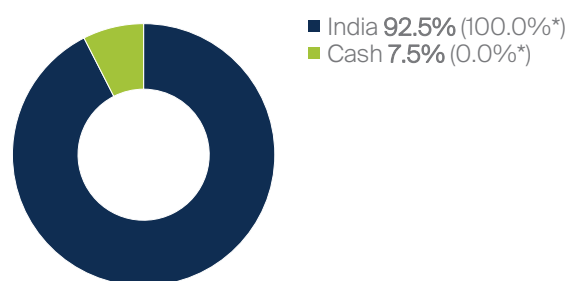
Ten largest company holdings as at 31 December 2024

Stock name	Country	Sector	Portfolio weight (%)
HDFC Bank	India	Financials	9.2
ICICI Bank Limited	India	Financials	6.5
Kotak Mahindra Bank Limited	India	Financials	4.4
HCL Technologies Limited	India	Information Technology	4.3
Colgate-Palmolive (India) Limited	India	Consumer Staples	3.8
Infosys	India	Information Technology	3.7
ICICI Lombard General Insurance Co. Ltd.	India	Financials	3.5
Tata Consultancy Serv. Ltd	India	Information Technology	3.0
Kansai Nerolac Paints Limited	India	Materials	2.6
Godrej Industries Limited	India	Industrials	2.4

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%.

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*)
Radico Khaitan Ltd	India	Consumer Staples	43
Oberoi Realty Limited	India	Real Estate	37
Computer Age Management Services Ltd	India	Industrials	24
HCL Technologies Limited	India	Information Technology	19
CRISIL Limited	India	Financials	18

12 months to 31 December 2024

Stock name	Country	Sector	Value added (bps*)
Blue Star Limited	India	Industrials	307
Mahindra & Mahindra Ltd.	India	Consumer Discretionary	181
Computer Age Management Services Ltd	India	Industrials	151
ICICI Bank Limited	India	Financials	143
Bosch Limited	India	Consumer Discretionary	140

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	-156
Mahanagar Gas Ltd	India	Utilities	-84
ICICI Lombard General Insurance Co. Ltd.	India	Financials	-74
Bajaj Auto Limited	India	Consumer Discretionary	-68
Hindustan Unilever Limited	India	Consumer Staples	-56

12 months to 31 December 2024

Stock name	Country	Sector	Value added (bps*)
Kansai Nerolac Paints Limited	India	Materials	-75
Asian Paints Ltd.	India	Materials	-55
Nestle India Ltd.	India	Consumer Staples	-53
Hindustan Unilever Limited	India	Consumer Staples	-50
RHI Magnesita India Refractories Limited	India	Materials	-35

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	0.86	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	1.02	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	14.16%	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	15.11%	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	5.89%	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)	1.00%	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)	1.10%	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)	4.72	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)	3.99	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)	28.92	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.
Price to Earnings (Index)	25.51	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.

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. 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

Sales Director, Europe and Third Party Distributions

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

Head of Wholesale, UK and Ireland

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

Sales Director, Wholesale

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

Institutional Relationship Director FSSA

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

Head of Distribution, Ireland

Frank Glennon +44(0)7776 138105 frank.glennon@firstsentier.com

Sales Director, Europe

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

Sales Directors, Germany and Austria

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

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

Senior Institutional Business Development Director, Germany and Austria

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

Head of Institutional Sales, UK and EMEA

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

UK Consultant Relations

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