

FSSA Indian Subcontinent All-Cap Fund (UK OEIC)

Investment objective and policy

The Fund aims to achieve capital growth over the medium to long term (at least three years).

The Fund invests at least 70% in shares of companies based in or where the majority of their activities take place in India, Pakistan, Sri Lanka or Bangladesh and are listed on exchanges worldwide. This includes companies that are listed on exchanges worldwide which provide exposure to India, Pakistan, Sri Lanka or Bangladesh. The Fund will invest in companies of all sizes. The Fund may invest up to 10% in other funds.

The Fund will only use derivatives to reduce risk or to manage the Fund more efficiently in limited cases.

Fund information

| | |
|------------------------------------|----------------------------------|
| Fund launch date | 08 June 2018 |
| Fund size (£m) | 42.3 |
| UK's investment association sector | India |
| Benchmark | MSCI India Net Index* |
| Number of holdings | 43 |
| Fund manager(s) | Sreevardhan Agarwal/Rizi Mohanty |
| Research rating ^ | Morningstar@:Gold RSM:Rated |
| Fund yield | 0.2% |

^ 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 All-Cap Fund in the UK 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.
- **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.
- **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 Investor 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 All-Cap Fund GBP Class E (Accumulation) | BDG1BQ0 | GB00BDG1BQ05 |
| FSSA Indian Subcontinent All-Cap Fund USD Class E (Accumulation) | BDG1BR1 | GB00BDG1BR12 |
| FSSA Indian Subcontinent All-Cap Fund GBP Class B (Accumulation) | BDG1BM6 | GB00BDG1BM66 |
| FSSA Indian Subcontinent All-Cap Fund EUR Class E (Accumulation) | BDG1BP9 | GB00BDG1BP97 |

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.

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Annual performance in GBP (%) 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 All-Cap Fund | 18.9 | 20.7 | 4.8 | 22.6 | 6.0 |
| MSCI India Net Index | 13.2 | 14.0 | 3.6 | 27.4 | 12.0 |
| Sector return | 17.7 | 17.2 | -1.6 | 29.2 | 9.6 |

Cumulative performance in GBP (%) to 31 December 2024

| | Since Inception | 10 yrs | 5 yrs | 3 yrs | 1 yr | YTD | 6 mths | 3 mths |
|---------------------------------------|--------------------|--------|-------|-------|------|------|--------|--------|
| FSSA Indian Subcontinent All-Cap Fund | 93.1 | - | 95.4 | 50.3 | 18.9 | 18.9 | 1.6 | -2.9 |
| MSCI India Net Index | 104.4 | - | 90.8 | 33.7 | 13.2 | 13.2 | -4.0 | -5.0 |
| Sector return | 90.5 | - | 93.7 | 34.7 | 17.7 | 17.7 | 1.3 | 0.4 |

Performance review

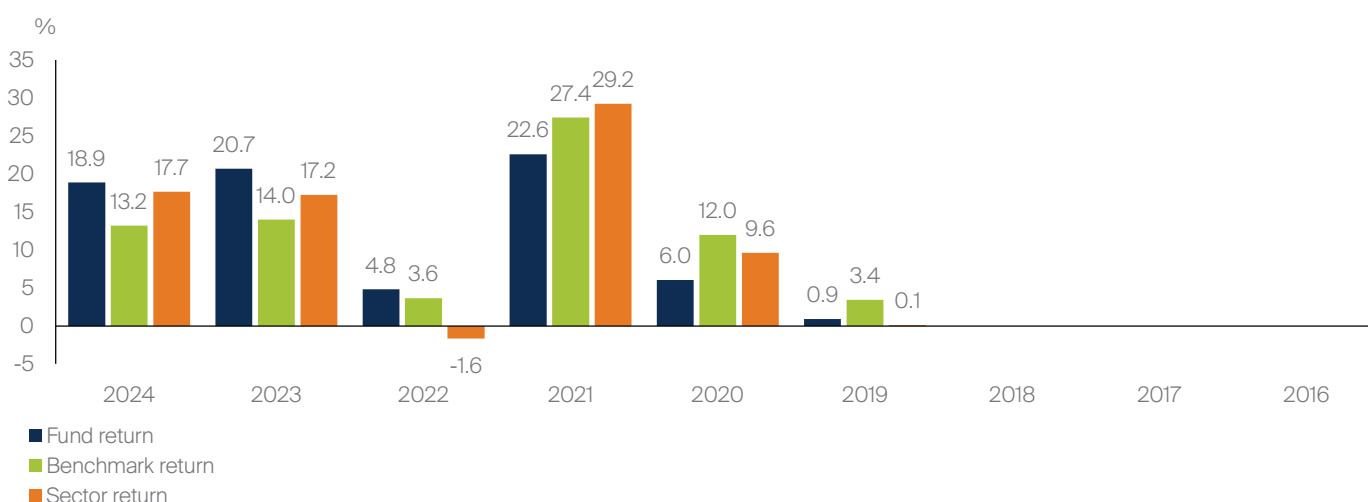
Key contributors over the past 12 months

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 GBP) 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 GBP, the return may increase or decrease as a result of currency fluctuations. Since inception performance figures have been calculated from 08 June 2018. All performance data for the FSSA Indian Subcontinent All-Cap Fund Class B (Accumulation) GBP 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.

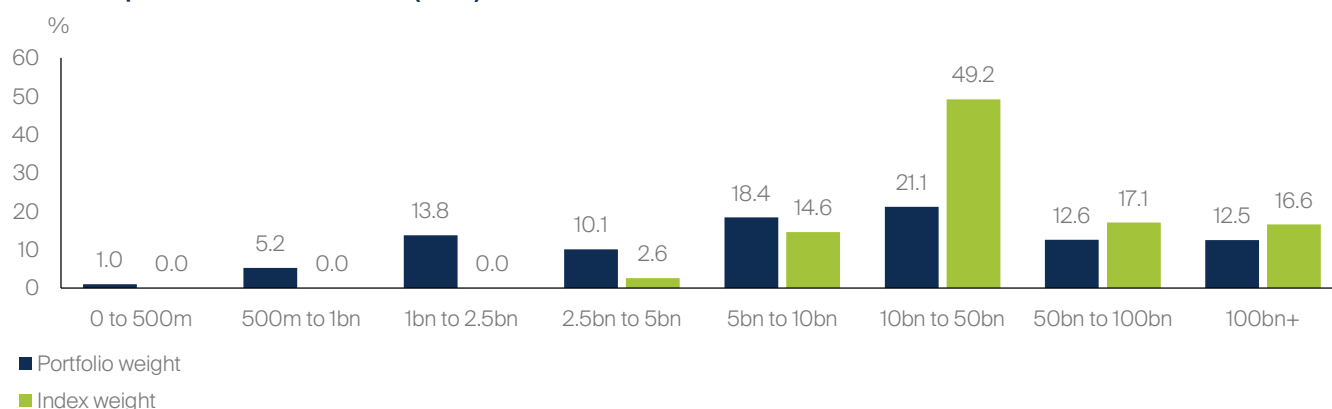
Portfolio review

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.

Market capitalisation breakdown (GBP)



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 GBP, 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.

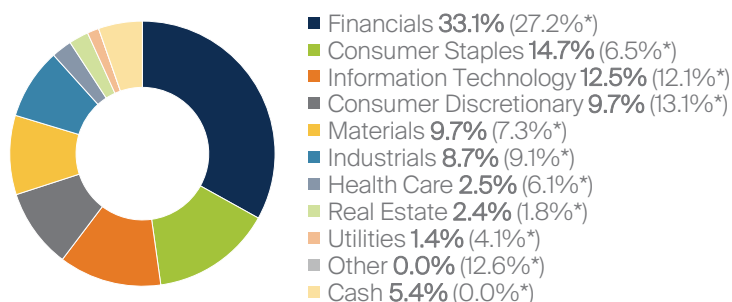
Our long-term investment themes:

- 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.

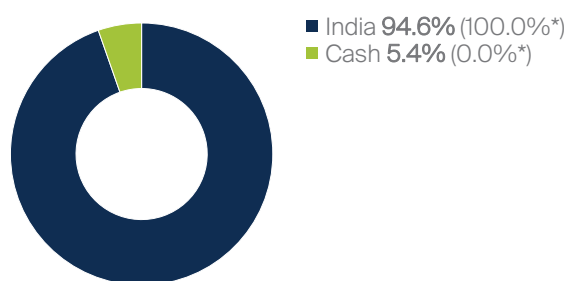
Ten largest company holdings as at 31 December 2024

| Stock name | Country | Sector | Portfolio weight (%) |
|--|---------|------------------------|----------------------|
| HDFC Bank | India | Financials | 9.8 |
| ICICI Bank Limited | India | Financials | 6.6 |
| Kotak Mahindra Bank Limited | India | Financials | 4.5 |
| HCL Technologies Limited | India | Information Technology | 4.4 |
| Colgate-Palmolive (India) Limited | India | Consumer Staples | 3.8 |
| Infosys | India | Information Technology | 3.8 |
| ICICI Lombard General Insurance Co. Ltd. | India | Financials | 3.6 |
| Tata Consultancy Serv. Ltd | India | Information Technology | 2.7 |
| Kansai Nerolac Paints Limited | India | Materials | 2.6 |
| Godrej Industries Limited | India | Industrials | 2.5 |

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%.

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Top 5 contributors to absolute performance

3 months to 31 December 2024

| Stock name | Country | Sector | Value added (bps*) |
|--------------------------------------|---------|------------------------|--------------------|
| HDFC Bank INR1 | India | Financials | 68 |
| Radico Khaitan Ltd | India | Consumer Staples | 57 |
| Oberoi Realty Limited | India | Real Estate | 50 |
| HCL Technologies Limited | India | Information Technology | 46 |
| Computer Age Management Services Ltd | India | Industrials | 38 |

12 months to 31 December 2024

| Stock name | Country | Sector | Value added (bps*) |
|--------------------------------------|---------|------------------------|--------------------|
| Blue Star Limited | India | Industrials | 314 |
| Mahindra & Mahindra Ltd. | India | Consumer Discretionary | 184 |
| ICICI Bank Limited | India | Financials | 157 |
| Computer Age Management Services Ltd | India | Industrials | 155 |
| Bosch Limited | India | Consumer Discretionary | 147 |

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 | -127 |
| Mahanagar Gas Ltd | India | Utilities | -73 |
| Bajaj Auto Limited | India | Consumer Discretionary | -57 |
| ICICI Lombard General Insurance Co. Ltd. | India | Financials | -51 |
| Hindustan Unilever Limited | India | Consumer Staples | -42 |

12 months to 31 December 2024

| Stock name | Country | Sector | Value added (bps*) |
|--|---------|------------------|--------------------|
| Kansai Nerolac Paints Limited | India | Materials | -71 |
| Asian Paints Ltd. | India | Materials | -46 |
| Nestle India Ltd. | India | Consumer Staples | -46 |
| Hindustan Unilever Limited | India | Consumer Staples | -45 |
| RHI Magnesita India Refractories Limited | India | Materials | -34 |

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.

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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 | 0.89 | 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 | 1.11 | 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 | 13.51% | 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 | 13.82% | 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 | 5.81% | 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) | 1.06% | 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) | 4.24 | 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) | 35.87 | 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.

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

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