FSSA Investment Managers

FSSA Asia Opportunities Fund



Investment objective and strategy

The Fund aims to achieve long term capital appreciation and invests all or substantially all of its assets in the FSSA Asia Opportunities Fund (the "Underlying Sub-Fund"), under the Dublin registered First Sentier Investors Global Umbrella Fund plc. The Underlying Sub-Fund invests primarily (at least 70% of its net asset value) in equity securities or equity-related securities of companies that are listed, or have their registered offices in, or conduct a majority of their economic activity in the Asia region (excluding Australia, New Zealand and Japan).

Fund information

Fund size (S$m)	23.6
Benchmark	MSCI AC Asia ex Japan Index▲
Number of holdings	48

Available share classes

Share class	Inception date	Nav/per share	ISIN code
Class A (SGD - Acc)	26 Nov 1999	S$1.6433	SG9999000152

▲Inception - 30 Nov 08 : MSCI AC Asia Information Technology Index (Previously known as MSCI AC Asia Free Information Technology Index)
From 1 Dec 08 : MSCI AC Asia ex Japan Index

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.

Annualised performance in SGD (%) to 30 June 2026 ^

	Since Inception	10yrs	5yrs	3yrs	1yr
Fund (Ex initial charges)	2.1	4.8	1.3	7.2	11.8
Fund (Inc initial charges)	1.9	4.3	0.2	5.4	6.2
Benchmark	2.9	10.8	7.0	23.0	48.7

Cumulative performance in SGD (%) to 30 June 2026 ^

	Since Inception	5yrs	3yrs	1yr	3mths
Fund (Ex initial charges)	73.0	6.4	23.1	11.8	18.6
Fund (Inc initial charges)	64.3	1.1	16.9	6.2	12.7
Benchmark	115.6	40.0	86.2	48.7	28.1

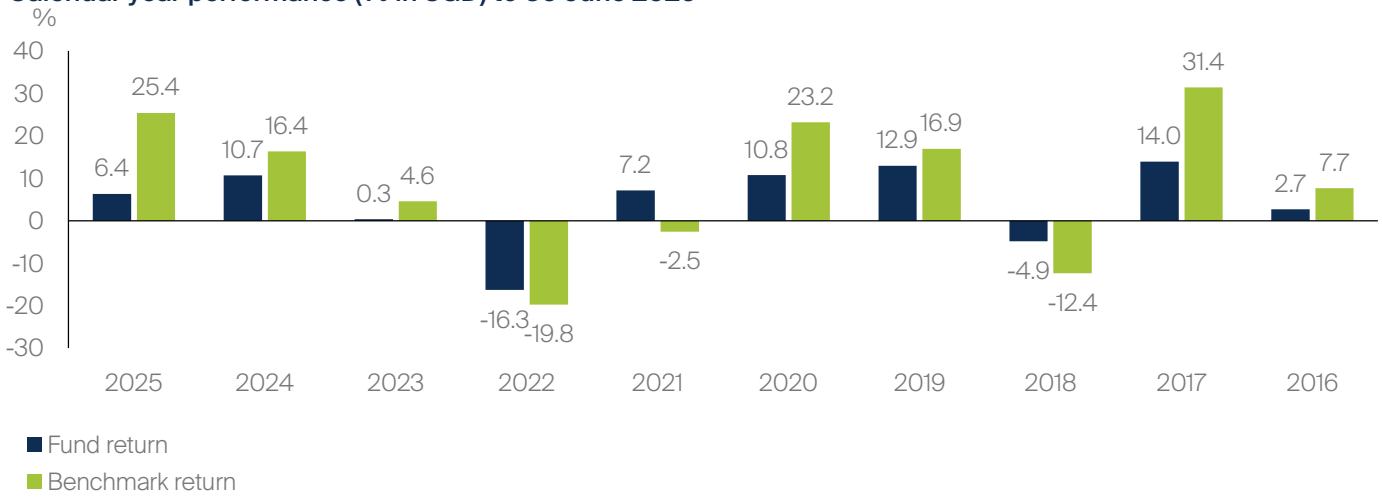
^ The performance prior to 18 Oct 02 is in relation to the Fund before its conversion to a feeder fund.

Performance review

Over the past 12 months, key contributors to performance included **Samsung Electronics**, as it continued to benefit from strong demand for its high bandwidth memory (HBM) stacks and dynamic random-access memory (DRAM) chips. Given the supply shortages, memory pricing is on an up-trend and is expected to remain strong until at least 2028. Added to this, customers have become more interested in signing longer-term 5-year supply deals to secure memory chips, which increases earnings visibility, reduces cyclicality and enables more effective capacity planning. **Taiwan Semiconductor (TSMC)** also rose, as its position as the most technically advanced fabricator of leading-edge semiconductor chips is clear, despite whispers of rising competition from Intel and Samsung. TSMC enjoys more than 90% share of leading-edge nodes, and with Artificial Intelligence (AI) demand driving higher profits and strong guidance for the year ahead, the company is accelerating capital expenditure plans to try and narrow the gap between its supply and customer demand. Meanwhile, tight supply should support higher prices and feed into gross margins and profitability, with good visibility through to 2027-28.

On the negative side, **Tencent** fell despite posting earnings results that were broadly consistent with forecasts, as weaker-than-expected gaming revenue was offset by robust performance in its online advertising business. We believe the decline in the share price reflects ongoing concerns over the perceived slow pace of Tencent's monetisation of AI. Nevertheless, we believe the company's vast WeChat ecosystem and access to data will provide it with strong advantages in the AI era. **HDFC Bank** continued to face a challenging operating environment. However, we believe the structural opportunity for HDFC and other high-quality private banks to gain share from state-owned banks has not changed. The bank has invested significantly in technology (digitisation and automation) which has led to higher costs over the last year, but as revenue growth improves, there is potential for operating leverage to grow. Meanwhile, asset quality (gross NPLs) is currently the best it has been over the last three decades.

Calendar year performance (% in SGD) to 30 June 2026



Source: Lipper and First Sentier Group, single pricing basis with net income reinvested. Unless otherwise specified, all information contained in this document is as at 30 June 2026. Investment involves risks, past performance is not a guide to future performance. Past performance is not indicative of future performance. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of First Sentier Groups' portfolios at a certain point in time, and the holdings may change over time.

Portfolio review

New purchases over the quarter included **Sunny Optical**, a leading Chinese supplier of optical components. The company is gaining market share in camera modules for the automotive industry, and this segment now accounts for a growing proportion of its revenue. Sunny Optical also sees growth opportunities in other areas, such as augmented-reality glasses and industrial cameras for warehouse management. We believe the risk-reward looks attractive.

We also purchased **Contemporary Amperex Technology Ltd (CATL)**, a leading manufacturer of electric vehicle (EV) batteries and energy storage systems. The company is a technology and cost leader in its field and has continued to grow its global market share in recent years, mostly in Europe. We believe CATL should continue to benefit from the growing demand for electric vehicles and renewable energy.

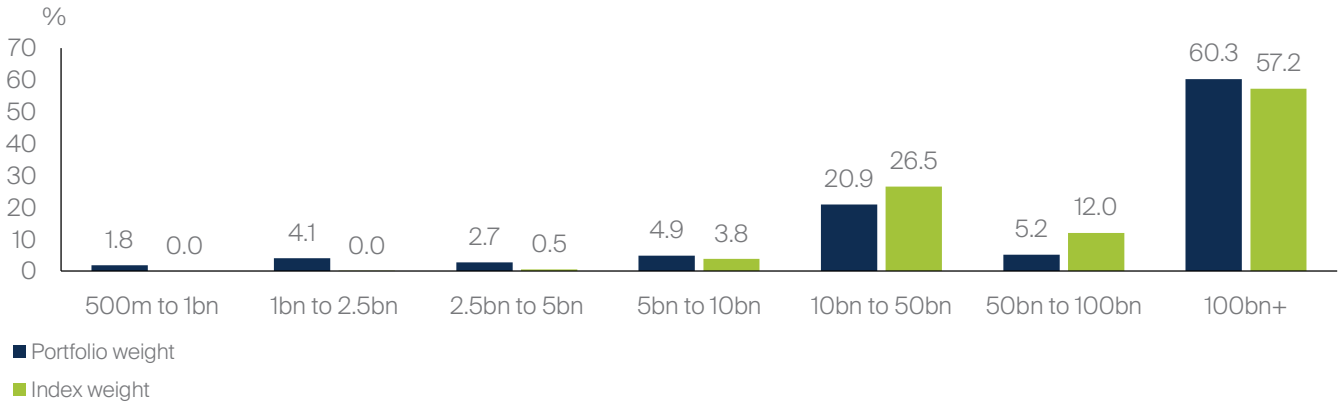
We sold **DPC Dash** on concerns about near-term pressure on growth and margins, as same store sales growth has fallen. We sold **NetEase Cloud Music** as the company faces increased competition and potential disruption from AI.

Stock spotlight

Mediatek is one of the largest chip design companies globally. We have been following Mediatek for many years and have witnessed its performance through the cycles. Throughout the ups and downs in its history, its talented engineers and well-aligned management team usually find a way through to the next "big thing". From optical drives for computers to scan CDs, it entered the smartphone supply chain with 2G modem chips and benefited from technology upgrades each year – until it collapsed in 2015-17 amid poor execution and competition from both low- and high-end competitors.

In 2018 Rick Tsai joined Mediatek from TSMC and focused on getting the basics right again. We believe Mediatek has been transformed under his leadership into a better-quality company. In recent years, the company has improved its competitiveness, and we believe its market share will likely remain stable. With the smartphone market now in the mature stages, the company is investing into new areas (ASIC, auto, augmented reality/virtual reality, Internet of Things, artificial intelligence) to diversify and internationalise its business in the long run.

Market capitalisation breakdown (SGD)



Source: First Sentier Group as at 30 June 2026. Portfolio weights may not add up to 100% as cash holdings are excluded and full coverage of stocks is not always available. This information is calculated by First Sentier Investors. Past performance is not indicative of future performance. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of First Sentier Investors' portfolios at a certain point in time, and the holdings may change over time.

Outlook

We remain optimistic on the outlook for Asian equities. While the Middle East conflict, and its impact on energy prices, has led to elevated short-term market volatility, our quality bias means that our holdings should remain fundamentally resilient. Although Asia is heavily dependent on the Middle East for its energy needs, the emerging markets universe has historically operated in a more inflationary and volatile environment, and we have taken this into consideration in our stock selection.

In the long run, we believe Asia should continue to benefit from the shift towards higher value services-led growth, digital transformation and the ongoing financialisation across the region. Valuations look attractive in comparison to developed markets like the US, while low ownership of Asian equities in global portfolios provides a good backdrop for absolute returns as global liquidity flows eastwards.

As markets start to broaden from their narrow focus on AI, we believe quality businesses owned in the portfolio should do well. We have invested in companies with high-quality management who think long term and counter-cyclically, operating in industries with deep moats that support predictable and strong returns on capital.

They are running businesses with solid pricing power due to strong brands, high switching costs, or strong network effects, and with conservative balance sheets where cash exceeds debt. We are confident that their strong fundamentals will translate into attractive shareholder returns in the long run.

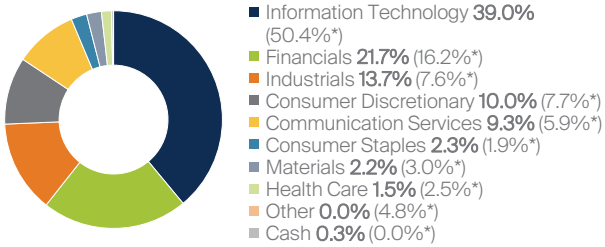
Our long-term investment themes:

- 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 30 June 2026

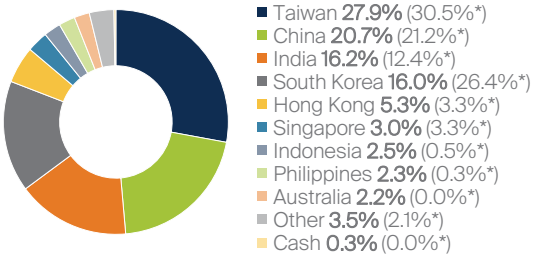
Stock name	Geography	Sector	Portfolio weight (%)
Taiwan Semiconductor (TSMC)	Taiwan	Information Technology	9.7
Samsung Electronics Co Ltd Pfd NV	South Korea	Information Technology	9.2
Tencent Holdings Ltd	China	Communication Services	6.9
MediaTek Inc	Taiwan	Information Technology	6.1
ICICI Bank Limited	India	Financials	4.1
SK hynix Inc.	South Korea	Information Technology	3.8
AIA Group Limited	Hong Kong	Financials	3.5
HDFC Bank	India	Financials	3.0
Realtek Semiconductor Corp	Taiwan	Information Technology	2.8
Midea Group	China	Consumer Discretionary	2.8

Sector breakdown



*Index weight

Geographic breakdown



*Index weight

Source: First Sentier Group as at 30 June 2026. 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 Group' portfolios at a certain point in time, and the holdings may change over time.

Top 5 contributors to absolute performance

3 months to 30 June 2026

Stock name	Geography	Sector	Value added (bps*)
MediaTek Inc	Taiwan	Information Technology	663
Samsung Electronics Co Ltd Pfd Non-Voting	South Korea	Information Technology	483
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	346
Realtek Semiconductor Corp	Taiwan	Information Technology	133
Airtac International Group	Taiwan	Industrials	81

12 months to 30 June 2026

Stock name	Geography	Sector	Value added (bps*)
Samsung Electronics Co Ltd Pfd Non-Voting	South Korea	Information Technology	788
MediaTek Inc	Taiwan	Information Technology	657
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	649
BHP Group	Australia	Materials	120
Realtek Semiconductor Corp	Taiwan	Information Technology	112

Bottom 5 contributors to absolute performance

3 months to 30 June 2026

Stock name	Geography	Sector	Value added (bps*)
Tencent Holdings Ltd	China	Communication Services	-83
PT Astra International Tbk	Indonesia	Industrials	-60
AIA Group Limited	Hong Kong	Financials	-55
XCMG Construction Machinery Co., Ltd. Class A	China	Industrials	-37
Sunny Optical Technology (Group) Co., Ltd.	China	Information Technology	-33

12 months to 30 June 2026

Stock name	Geography	Sector	Value added (bps*)
DPC Dash Limited	China	Consumer Discretionary	-287
Tencent Holdings Ltd	China	Communication Services	-131
HDFC Bank Limited	India	Financials	-122
NetEase Cloud Music Inc.	China	Communication Services	-105
Century Pacific Food, Inc.	Philippines	Consumer Staples	-97

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 Group.

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