

First State Asian Quality Bond Fund

30 June 2019



- The Fund invests primarily in debt securities of governments and corporate issuers organised, headquartered or having their primary business operations in Asia.
- The Fund's investments may be concentrated in a single, small number of countries or specific region which may have higher volatility or greater loss of capital than more diversified portfolios.
- The Fund invests in emerging markets which may have increased risks than developed markets including liquidity risk, currency risk/control, political and economic uncertainties, high degree of volatility, settlement risk and custody risk.
- The Fund invests in sovereign debt securities which are exposed to political, social and economic risks.
- The Fund invests in debts or fixed income securities which may be subject to credit, interest rate, currency and credit rating reliability risks which would negatively affect its value. Investment grade securities may be subject to risk of being downgraded and the value of the Fund may be adversely affected. The Fund may invest in below investment grade, unrated debt securities which exposes to greater volatility risk, default risk and price changes due to change in the issuer's creditworthiness.
- The Fund may use FDIs for hedging and efficient portfolio management purposes, which may subject the Fund to additional liquidity, valuation, counterparty and over the counter transaction risks.
- For certain share classes, the Fund may at its discretion pay dividend out of capital or pay fees and expenses out of capital to increase distributable income and effectively a distribution out of capital. This amounts to a return or withdrawal of your original investment or from any capital gains attributable to that, and may result in an immediate decrease of NAV per share.
- It is possible that a part or entire value of your investment could be lost. You should not base your investment decision solely on this document. Please read the offering document including risk factors for details.

Minimum initial investment	US\$1,000
Minimum subsequent investment	US\$500
Share class	Class I (USD – Acc)
Inception date	14 July 2003
Benchmark	JP Morgan Asia Credit Investment Grade Index

Initial charge	5.0%
Management fee	1.0% p.a.
NAV/share	US\$17.62
ISIN code	IE0032834990
Total fund size	US\$823.5mn

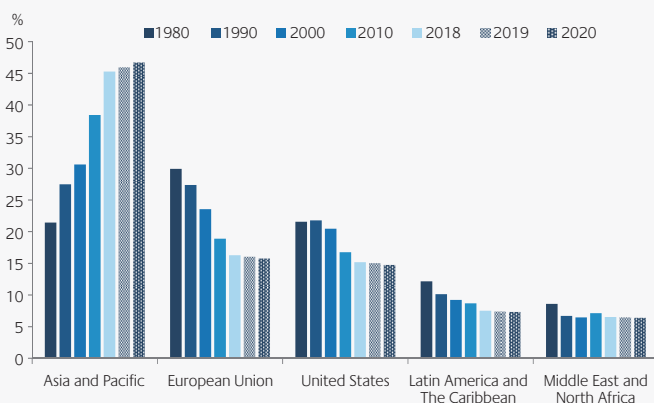
Source: First State Investments, as at 30 June 2019

Why invest in the First State Asian Quality Bond Fund?

1. Asia stable growth supports its dominance in global GDP context

- Asia's GDP takes account of more than 45% of Global GDP, with growth estimation is at 4.9% in 2018 and moderating to 4.7% in 2019, outperforming global growth of 3.7% in 2018 and 3.5% estimated in 2019
- Asia GDP increasingly dominates Global GDP and continue to outperform other regions. This is supported by stable growth over the past decades and the trend is expected to continue

Asia's share of GDP has increased and dominates World GDP

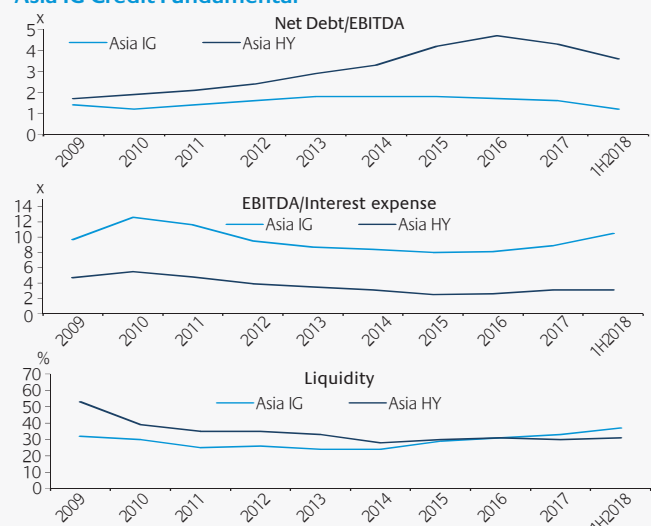


Source: IMF, as of October 2018, GDP based on PPP (purchasing power parity)

2. Asia Credit Investment grade offers resilient returns supported by improving fundamentals

- Asia credit index offers stable and resilient returns and it is dominated by Investment grade issuers. It gives investor access to better quality investments with decent liquidity
- Asia Investment Grade key ratio indicates improving credit quality. EBITDA margin and interest coverage improves, while leverage declines

Asia IG Credit Fundamental

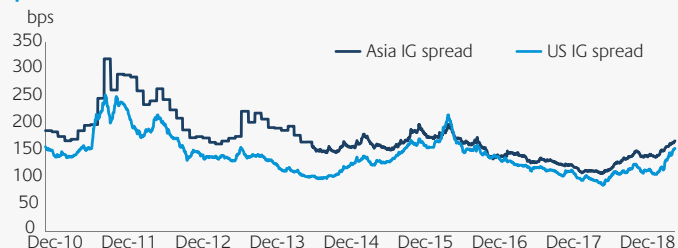


Source: JP Morgan, as of November 2018

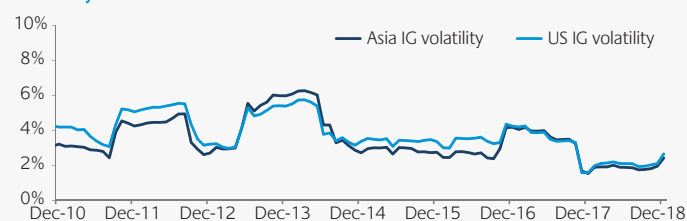
3. Spread narrowed between Asia and US Investment Grade Bonds

- Asia Investment Grade bonds' volatility vs the US has narrowed, while still trading at a relatively attractive spread premium
- A stronger outlook for growth and solid balance sheets in Asia make valuations relative to US Investment Grade attractive

Spread differential of Asia and US Investment Grade



Volatility of Asia and US Investment Grade

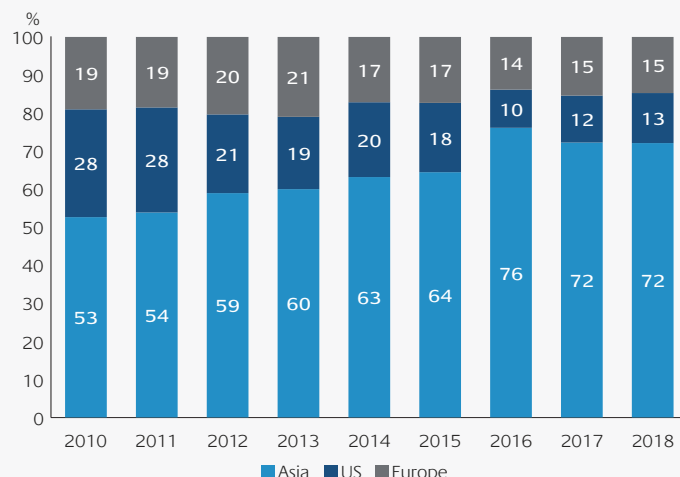


Source: JP Morgan, Bloomberg, Barclays, First State Investments, as of 30 June 2019

4. Positive outlook for Asia Investment Grade Credit

- Buyers of Asian securities are now dominated by investors in the region
- Asians buying Asia is a vote of confidence in this market, and a highly supportive factor
- Asia Investment Grade credit should now be considered a strategic holding for investors

Asia new issue allocation



Source: BoAML, as of 30 June 2019

	Cumulative performance in USD (%)					
	3 months	YTD	1 year	3 years	5 years	Since inception
First State Asian Quality Bond Fund	3.0	7.8	9.0	9.9	19.8	76.2
JP Morgan Asia Credit Investment Grade Index	3.3	7.5	9.6	11.5	24.6	125.3

Source: First State Investments, as at 30 June 2019. Since inception: 14 July 2003. The First State Asian Quality Bond Fund Class I (USD-Acc) is the non-dividend distributing class of the fund, the performance quoted are based on USD total return (non-dividend distribution). Nav-Nav (USD total return). The Fund's calendar year performance: -1.3% (2018); 5.6% (2017); 3.4% (2016); 0.9% (2015); 6.8% (2014). Past performance is not indicative of future returns

About the Asian Fixed Income team

The Asian Fixed Income team, headed by Jamie Grant, was established in Asia in 2003 and forms an integral part of our fixed income offering. The Asian fixed income capability is designed to provide relevant, high quality solutions investors interested in an exposure to Asia within appropriate risk tolerances. The capability extends to 16 Asian countries across three asset classes, namely interest rates, currency and credit. Centred in Hong Kong, with investors also in Singapore, our Asian Fixed Income team is comprised of highly experienced investment professionals focused exclusively on fixed income in Asia.

Jamie Grant Head of Emerging Markets and Asian Fixed Income			
Nigel Foo Senior Portfolio Manager		Nicole Hsieh Senior Portfolio Manager	
Adrian Au Senior Manager, Credit Analyst	Clarissa Soputro Fixed Income Analyst	Jin Hur Credit Analyst	Ken Wang Portfolio Dealer

Source: First State Investments as at 30 June 2019.

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On 31 October 2018, MUFG's trust banking entity, Mitsubishi UFJ Trust and Banking Corporation (MUTB) announced its intentions to acquire 100% of Colonial First State Global Asset Management/First State Investments (CFSGAM/ FSI) from the Commonwealth Bank of Australia (Transaction). The Transaction is expected to complete in mid-2019, subject to regulatory approvals.