First Sentier Bridge Fund

First Sentier Investors

Monthly Update | September 2024

How has the Fund performed so far?

Annualised performance in SGD (%)

	1yr	3yrs	5yrs	10yrs	Since Incept.
Class A (SGD - H Dist) (Ex initial charges)	12.0	-3.0	1.6	3.9	5.8
Class A (SGD - H Dist) (Inc initial charges)	7.5	-4.3	0.7	3.5	5.6
Benchmark*	15.8	0.1	3.6	4.6	6.0

Cumulative performance in SGD (%)

	3mths	1yr	3yrs	5yrs	Since Incept.
Class A (SGD - H Dist) (Ex initial charges)	3.9	12.0	-8.8	8.0	233.9
Class A (SGD - H Dist) (Inc initial charges)	-0.2	7.5	-12.4	3.7	220.6
Benchmark*	4.3	15.8	0.4	19.5	247.2

Source: Lipper, First Sentier Investors. Single pricing basis with net income reinvested. *Customised benchmark calculated by First Sentier Investors comprising 50% MSCI AC Asia Pacific ex Japan Index (Unhedged) and 50% J.P. Morgan JACI Investment Grade Index (Hedged to S$). There has been a change in the data source for the J.P. Morgan JACI Investment Grade Index which was computed internally by the Manager based on the index in USD as the SGD hedged version of the index was not available when the Sub-Fund was launched. With effect from 1 October 2005, the benchmark data for the J.P. Morgan JACI Investment Grade Index (Hedged to S$) will be sourced directly from the index compiler JP Morgan.

Reasons for performance

- For the month of September 2024, the fund was +3.36% versus the benchmark which was +3.52%.

Asian Equities

- Asian equities rose over the quarter. China equities rose after the Chinese government announced a series of stimulus measures and monetary policies that spurred a market rally in late September.
- Financials was the best performing sector in September on absolute terms whereas Information Technology was one of the detractors.
- Key contributors to performance included Tencent, after recent earnings results showed a turnaround in its domestic gaming division as well as robust revenue growth from online advertising on its WeChat platform. China Mengniu also did well after the government announced that it would encourage dairy consumption and explore measures to provide support to the industry.
- Samsung Electronics declined on concerns about lower market share.
- We look for companies with capable management teams, sustainable business models and strong competitive moats which can drive consistent earnings growth and shareholder returns under all market cycles, regardless of policy stimulus.
- Our conviction in our portfolio companies remains strong as we believe their underlying fundamentals and potential growth prospects still look attractive in the long run.

Asian Fixed Income

- The Asian USD primary market had a relatively busy month in terms of new bond supply. Issuers took advantage of the lower rate environment as well as tighter spreads to tap the market while investment appetite remained healthy.
- While continuing to pare down credit exposure, the Fund tactically reduced its overweight in interest rate duration given how much US rates had rallied.
- Where there were quality issuances in the primary market, the fund remained an active participant. There was some profit taking in financial names amid a strong credit market.
- While Asian Credit fundamentals have remained stable, demand-supply technicals has been, and will still be, the bigger driver of credit performance in the near term.
- Our bias is for higher quality names and to ensure sufficient diversification in portfolios. We prefer issuers with the liquidity and resilience to withstand a hard global landing, should such a scenario emerge.
- Given that we are only at the start of the rate cut cycle, we maintain our long bias in US interest rate duration that has been implemented in our strategies.

Important Information