FSSA Investment Managers

February 2024

FSSA Dividend Advantage Fund

How has the Fund performed so far?

Annualised performance in SGD (%)

	1yr	3yrs	5yrs	10yrs	Since Inception
Class A (SGD - Q Dist) (Ex initial charges)	-7.0	-7.3	1.5	5.9	7.4
Class A (SGD - Q Dist) (Inc initial charges)	-11.7	-8.9	0.4	5.4	7.1
Benchmark*	5.7	-5.9	2.8	4.9	5.9

Cumulative performance in SGD (%)

	3mths	1yr	3yrs	5yrs	Since Inception
Class A (SGD - Q Dist) (Ex initial charges)	2.2	-7.0	-20.4	7.6	293.3
Class A (SGD - Q Dist) (Inc initial charges)	-2.9	-11.7	-24.4	2.2	273.6
Benchmark*	5.0	5.7	-16.8	14.9	200.9

Source: Lipper, First Sentier Investors. Single pricing basis with net income reinvested. *MSCI AC Asia Pacific ex Japan Index.

Reasons for performance

For the month of February 2024, the fund was +4.55% versus the benchmark which was 5.16%.

- On an absolute basis, China and Taiwan have done well for the portfolio in February.
- Information Technology was the key contributor to the portfolio with TSMC and MediaTek being some of the contributors.
- Japan was a key detractor for the fund due to the underperformance of Sony. Sony fell after the Japanese tech giant reported weak game business outlook for the next fiscal year.
- HDFC Bank was also a key detractor for the fund. The recent correction in the stock comes on the back of weak December quarter results and caution amidst investors that the lender's loan growth may come below 10 percent going ahead.
- In terms of activity, we sold LG H&H as the cosmetics industry seems to be more challenged structurally. We also sold Minth Group and Shenzhen Inovance to consolidate the portfolio into higher conviction opportunities.
- The team's investment process and philosophy remains driven from the bottom up and is focused on finding the region's best companies that can grow larger over time. We believe pessimism, anchored by lower valuations, is usually a good reason to think more constructively about the opportunities.

Top 5 contributors to absolute performance

Three months to 29 February 2024

Stock Name	Country	Sector	Absolute return (bps)
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	134
Midea Group Co. Ltd. Class A	China	Consumer Discretionary	89
Tata Consultancy Services Limited	India	Information Technology	57
ICICI Bank Limited	India	Financials	50
MediaTek Inc	Taiwan	Information Technology	47

Bottom 5 contributors to absolute performance

Three months to 29 February 2024

Stock Name	Country	Sector	Absolute return (bps)
HDFC Bank INR1	India	Financials	-87
Tencent Holdings Ltd.	China	Communication Services	-83
China Mengniu Dairy Co., Ltd.	China	Consumer Staples	-64
China Resources Land Limited	China	Real Estate	-31
JD.com, Inc. Class A	China	Consumer Discretionary	-30

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. 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. Data source: This information is calculated by First Sentier Investors.

Important Information

First Sentier Bridge Fund

First Sentier Investors

Monthly Update | February 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)	-3.4	-5.5	0.9	3.8	5.6
Class A (SGD - H Dist) (Inc initial charges)	-7.2	-6.8	0.1	3.4	5.3
Benchmark*	5.2	-3.6	2.5	4.1	5.7

Cumulative performance in SGD (%)

	3mths	1yr	3yrs	5yrs	Since Incept.
Class A (SGD - H Dist) (Ex initial charges)	2.3	-3.4	-15.7	4.4	205.4
Class A (SGD - H Dist) (Inc initial charges)	-1.8	-7.2	-19.1	0.3	193.1
Benchmark*	3.5	5.2	-10.4	13.0	215.2

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 February 2024, the fund was +1.85% versus the benchmark which was +2.38%.

Asian Equities

- On an absolute basis, China and Taiwan have done well for the portfolio in February.
- Information Technology was the key contributor to the portfolio with TSMC and MediaTek being some of the contributors.
- Japan was a key detractor for the fund due to the underperformance of Sony. Sony fell after the Japanese tech giant reported weak game business outlook for the next fiscal year.
- HDFC Bank was also a key detractor for the fund. The recent correction in the stock comes on the back of weak December quarter results and caution amidst investors that the lender's loan growth may come below 10 percent going ahead.
- In terms of activity, we sold LG H&H as the cosmetics industry seems to be more challenged structurally. We also sold Minth Group and Shenzhen Inovance to consolidate the portfolio into higher conviction opportunities.
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Asian Fixed Income

- After witnessing attractive tightening in spreads, the fund took profit on selected credits while maintaining an overweight in duration positioning relative to its benchmark. Properties exposures were also trimmed slightly on recent price rallies.
- The Fund's overweight in duration challenged performance as Treasury rates sold off over the month.
- An underweight in sovereign bonds from Indonesia and the Philippines added to performance, but these returns were eroded by an overweight in Indonesian quasi-sovereigns and security selection.
- Exposure in local currency bonds and the Japanese yen detracted from performance as the US Dollar strengthened on resilient US economic data.
- We remain constructive in Asian IG credit. Fundamentals remain stable but demand and supply dynamics will likely remain a tailwind during the early part of 2024. Even as credit spreads are almost at post-GFC tights, high all-in yields well above 5% does make this asset class attractive from an income carry perspective.
- Our bias is to focus on higher quality names that have the liquidity and resilience to withstand a hard global landing, should such a scenario emerge.

Important Information