

# 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)<br>(Ex initial charges)  | -14.2 | -8.8  | 1.1  | 5.8   | 7.2             |
| Class A (SGD - Q Dist)<br>(Inc initial charges) | -18.5 | -10.3 | 0.0  | 5.3   | 6.9             |
| Benchmark*                                      | -4.0  | -7.0  | 2.4  | 4.7   | 5.7             |

Cumulative performance in SGD (%)

|   | 3mths | 1yr   | 3yrs  | 5yrs | Since Inception |
|---|-------|-------|-------|------|-----------------|
| Class A (SGD - Q Dist)<br>(Ex initial charges)  | -1.1  | -14.2 | -24.0 | 5.4  | 276.2           |
| Class A (SGD - Q Dist)<br>(Inc initial charges) | -6.0  | -18.5 | -27.8 | 0.1  | 257.4           |
| Benchmark*                                      | 4.5   | -4.0  | -19.6 | 12.3 | 186.1           |

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 January 2024, the fund was -4.8% versus the benchmark which was -3.5%.

- On an absolute basis, China was the key detractor to the portfolio in January.
- Financials was the main detractor due to our exposure in HDFC Bank. HDFC Bank fell as its recent earnings numbers showed falling net interest margins and weaker deposit growth, affecting investors' sentiment.
- TSMC and Midea did well for the portfolio in January.
- In terms of activity, the team sold out of Kotak Mahindra Bank and bought Axis Bank due to the cheaper valuation, higher returns (ROE) and higher growth rate.
- 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 31 January 2024

| Stock Name                                   | Country   | Sector                 | Absolute return (bps) |
|--|-----------|------------------------|-----------------------|
| Taiwan Semiconductor Manufacturing Co., Ltd. | Taiwan    | Information Technology | 143                   |
| CSL  | Australia | Health Care            | 118                   |
| Midea Group Co. Ltd. Class A                 | China     | Consumer Discretionary | 56                    |
| Keyence Corporation                          | Japan     | Information Technology | 47                    |
| ICICI Bank Limited                           | India     | Financials             | 44                    |

## Bottom 5 contributors to absolute performance

Three months to 31 January 2024

| Stock Name   | Country | Sector                 | Absolute return (bps) |
|--|---------|------------------------|-----------------------|
| China Mengniu Dairy Co., Ltd.                            | China   | Consumer Staples       | -119                  |
| ANTA Sports Products Ltd.                                | China   | Consumer Discretionary | -70                   |
| China Resources Beer (Holdings) Co. Ltd.                 | China   | Consumer Staples       | -48                   |
| Ping An Insurance (Group) Company of China, Ltd. Class H | China   | Financials             | -39                   |
| China Resources Land Limited                             | China   | Real Estate            | -38                   |

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

This material is prepared by First Sentier Investors (Singapore) ("FSI") (Co. Reg No. 196900420D.) whose views and opinions expressed or implied in the material are subject to change without notice. To the extent permitted by law, FSI accepts no liability whatsoever for any loss, whether direct or indirect, arising from any use of or reliance on this material. This material is published for general information and general circulation only and does not have any regard to the specific investment objectives, financial situation and particular needs of any specific person who may receive this material. Investors may wish to seek advice from a financial adviser and should read the Prospectus, available from First Sentier Investors (Singapore) or any of our Distributors before deciding to subscribe for the Fund. In the event that the investor chooses not to seek advice from a financial adviser, he should consider carefully whether the Fund in question is suitable for him. Past performance of the Fund or the Manager, and any economic and market trends or forecast, are not indicative of the future or likely performance of the Fund or the Manager. The value of units in the Fund, and any income accruing to the units from the Fund, may fall as well as rise. Investors should note that their investment is exposed to fluctuations in exchange rates if the base currency of the Fund and/or underlying investment is different from the currency of your investment. Units are not available to US persons.

Applications for units of the Fund must be made on the application forms accompanying the prospectus. Investments in unit trusts are not obligations of, deposits in, or guaranteed or insured by First Sentier Investors (Singapore), and are subject to risks, including the possible loss of the principal amount invested.

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 FSI's portfolios at a certain point in time, and the holdings may change over time.

In the event of discrepancies between the marketing materials and the Prospectus, the Prospectus shall prevail.

In Singapore, this material is issued by First Sentier Investors (Singapore) whose company registration number is 196900420D. This advertisement or material has not been reviewed by the Monetary Authority of Singapore. First Sentier Investors (registration number 53236800B), FSSA Investment Managers (registration number 53314080C), Stewart Investors (registration number 53310114W), Realindex Investments (registration number 53472532E) and Igneo Infrastructure Partners (registration number 53447928J) are the business divisions of First Sentier Investors (Singapore).

First Sentier Investors (Singapore) is part of the investment management business of First Sentier Investors, which is ultimately owned by Mitsubishi UFJ Financial Group, Inc. ("MUFG"), a global financial group. First Sentier Investors includes a number of entities in different jurisdictions.

MUFG and its subsidiaries are not responsible for any statement or information contained in this material. Neither MUFG nor any of its subsidiaries guarantee the performance of any investment or entity referred to in this material or the repayment of capital. Any investments referred to are not deposits or other liabilities of MUFG or its subsidiaries, and are subject to investment risk, including loss of income and capital invested.

## How has the Fund performed so far?

### Annualised performance in SGD (%)

|   | 1yr   | 3yrs | 5yrs | 10yrs | Since Incept. |
|---|-------|------|------|-------|---------------|
| Class A (SGD - H Dist)<br>(Ex initial charges)  | -7.6  | -6.2 | 0.8  | 3.9   | 5.5           |
| Class A (SGD - H Dist)<br>(Inc initial charges) | -11.3 | -7.5 | 0.0  | 3.5   | 5.3           |
| Benchmark*                                      | -0.3  | -4.3 | 2.3  | 4.1   | 5.6           |

### Cumulative performance in SGD (%)

|   | 3mths | 1yr   | 3yrs  | 5yrs | Since Incept. |
|---|-------|-------|-------|------|---------------|
| Class A (SGD - H Dist)<br>(Ex initial charges)  | 3.2   | -7.6  | -17.5 | 4.2  | 199.8         |
| Class A (SGD - H Dist)<br>(Inc initial charges) | -1.0  | -11.3 | -20.8 | 0.0  | 187.8         |
| Benchmark*                                      | 5.1   | -0.3  | -12.3 | 12.2 | 207.8         |

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 January 2024, the fund was -2.7% versus the benchmark which was -1.9%.

### Asian Equities

- On an absolute basis, China was the key detractor to the portfolio in January.
- Financials was the main detractor due to our exposure in HDFC Bank. HDFC Bank fell as its recent earnings numbers showed falling net interest margins and weaker deposit growth, affecting investors' sentiment.
- TSMC and Midea did well for the portfolio in January.
- In terms of activity, the team sold out of Kotak Mahindra Bank and bought Axis Bank due to the cheaper valuation, higher returns (ROE) and higher growth rate.
- 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.

### Asian Fixed Income

- As the pace picked up in January, markets initially saw some retracements in the global bond rally during the end of 2023 as expectations of an earlier rate cut from the Fed faded due to still resilient economic data.
- It was largely a firm month for Asian Investment Grade corporates. Investment grade sovereign bonds also held up well in January.
- The primary market for Asian US Dollar bonds came in decently strong with more than half of new investment grade issuances coming from South Korea. Sovereign issuances, however, came in weaker, resulting in a combined fall in YoY total issuance numbers.
- The fixed income portion of the fund maintained its overweight duration positioning relative to its benchmark. Towards the end of the month, some credits were trimmed as spreads reached extremely tight levels. The Fund also participated in new issuances that offered attractive issuance premiums.

### Important Information

This material is prepared by First Sentier Investors (Singapore) ("FSI") (Co. Reg No. 196900420D.) whose views and opinions expressed or implied in the material are subject to change without notice. To the extent permitted by law, FSI accepts no liability whatsoever for any loss, whether direct or indirect, arising from any use of or reliance on this material. This material is published for general information and general circulation only and does not have any regard to the specific investment objectives, financial situation and particular needs of any specific person who may receive this material. Investors may wish to seek advice from a financial adviser and should read the Prospectus, available from First Sentier Investors (Singapore) or any of our Distributors before deciding to subscribe for the Fund. In the event that the investor chooses not to seek advice from a financial adviser, he should consider carefully whether the Fund in question is suitable for him. Past performance of the Fund or the Manager, and any economic and market trends or forecast, are not indicative of the future or likely performance of the Fund or the Manager. The value of units in the Fund, and any income accruing to the units from the Fund, may fall as well as rise. Investors should note that their investment is exposed to fluctuations in exchange rates if the base currency of the Fund and/or underlying investment is different from the currency of your investment. Units are not available to US persons.

Applications for units of the Fund must be made on the application forms accompanying the prospectus. Investments in unit trusts are not obligations of, deposits in, or guaranteed or insured by First Sentier Investors (Singapore), and are subject to risks, including the possible loss of the principal amount invested.

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 FSI's portfolios at a certain point in time, and the holdings may change over time.

In the event of discrepancies between the marketing materials and the Prospectus, the Prospectus shall prevail.

In Singapore, this material is issued by First Sentier Investors (Singapore) whose company registration number is 196900420D. This advertisement or material has not been reviewed by the Monetary Authority of Singapore. First Sentier Investors (registration number 53236800B), FSSA Investment Managers (registration number 53314080C), Stewart Investors (registration number 53310114W), Realindex Investments (registration number 53472532E) and Igneo Infrastructure Partners (registration number 53447928J) are the business divisions of First Sentier Investors (Singapore).

First Sentier Investors (Singapore) is part of the investment management business of First Sentier Investors, which is ultimately owned by Mitsubishi UFJ Financial Group, Inc. ("MUFG"), a global financial group. First Sentier Investors includes a number of entities in different jurisdictions..

MUFG and its subsidiaries are not responsible for any statement or information contained in this material. Neither MUFG nor any of its subsidiaries guarantee the performance of any investment or entity referred to in this material or the repayment of capital. Any investments referred to are not deposits or other liabilities of MUFG or its subsidiaries, and are subject to investment risk, including loss of income and capital invested.