FSSA Investment Managers

FSSA Global Emerging Markets Focus Fund (UK OEIC)

Investment objective and policy

The Fund aims to achieve capital growth over the medium to long term (at least three years). The Fund invests at least 70% in shares of large and mid-sized companies based in emerging markets and are listed on exchanges worldwide. This includes companies that are listed on exchanges in developed markets where the majority of their activities take place in emerging markets. These companies generally have a total stock market value of at least US$1 billion. Emerging markets are countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body. The Fund may invest up to 10% in other funds. The Fund will only use derivatives to reduce risk or to manage the Fund more efficiently in limited cases.

Fund information

Fund launch date	28 September 2017
Fund size (£m)	110.3
UK's investment association sector	Global Emerging Markets
Benchmark	MSCI Emerging Markets Net Index*
Number of holdings	37
Fund manager(s)	Rasmus Nemmoe
Research rating ^	Morningstar®:Gold RSM:Rated
Fund yield	1.2%

* The benchmark and IA sector for this Fund have been identified as a means by which investors can compare the performance of the Fund and have been chosen because their constituents most closely represent the scope of the investable assets. The benchmark and sector are not used to limit or constrain how the portfolio is constructed nor are they part of a target set for Fund performance.

^ This does not constitute an investment recommendation and is not indicative of future results. Methodology available on rating provider's website.

Available share classes

Share class	Sedol	ISIN
FSSA Global Emerging Markets Focus Fund EUR Class B (Accumulation)	BZCCYF1	GB00BZCCYF18
FSSA Global Emerging Markets Focus Fund GBP Class B (Accumulation)	BZCCYG2	GB00BZCCYG25
FSSA Global Emerging Markets Focus Fund GBP Class E (Accumulation)	BZ8GV67	GB00BZ8GV678
FSSA Global Emerging Markets Focus Fund USD Class Z (Accumulation)	BSMP5G9	GB00BSMP5G90

About FSSA Investment Managers

FSSA Investment Managers is an autonomous investment management team within First Sentier Investors, 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.

FSSA Investment Managers

Risk factors

This document is a financial promotion for the FSSA Global Emerging Markets Focus Fund in the UK and elsewhere where lawful. Investing involves certain risks including:

- **The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back substantially less than the original amount invested.**
- Emerging market risk: Emerging markets tend to be more sensitive to economic and political conditions than developed markets. Other factors include greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.
- Currency risk: The Fund invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the Fund and could create losses. Currency control decisions made by governments could affect the value of the Fund's investments and could cause the Fund to defer or suspend redemptions of its shares.

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. Reference to the names of any company is merely to explain the investment strategy and should not be construed as investment advice or a recommendation to invest in any of those companies.

For a full description of the terms of investment and the risks please see the Prospectus and Key Investor Information Document.

If you are in any doubt as to the suitability of our funds for your investment needs, please seek investment advice.
If you are unsure of the terminology used in this report, please seek independent financial advice.

Annual performance in GBP (%) to 31 March 2025

	12 mths to 31/03/25	12 mths to 31/03/24	12 mths to 31/03/23	12 mths to 31/03/22	12 mths to 31/03/21
FSSA Global Emerging Markets Focus Fund	6.6	1.8	4.6	-0.3	46.4
MSCI Emerging Markets Net Index	5.8	5.9	-4.9	-7.1	42.3
Sector return	2.7	6.2	-4.5	-9.0	48.6

Cumulative performance in GBP (%) to 31 March 2025

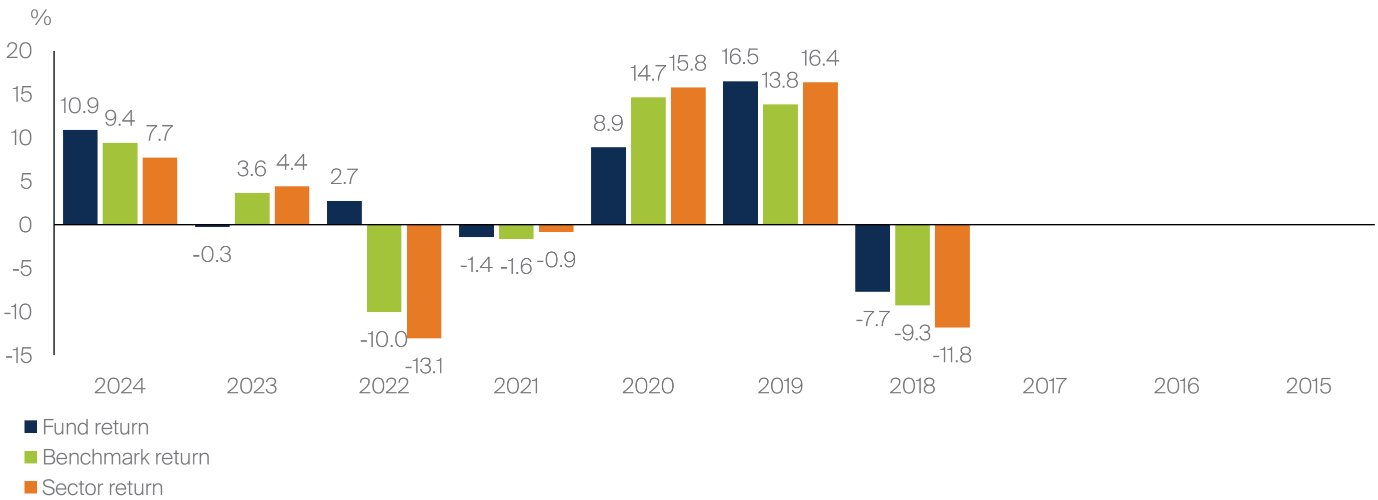
	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
FSSA Global Emerging Markets Focus Fund	39.7	-	65.8	13.6	6.6	-0.8	-0.6	-0.8
MSCI Emerging Markets Net Index	23.2	-	40.8	6.5	5.8	-0.1	-1.6	-0.1
Sector return	19.4	-	40.9	3.9	2.7	-1.5	-2.5	-1.5

Performance review

Over the past 12 months, key contributors to performance included **Tencent**, as its rapid integration of the DeepSeek model into WeChat as well as various other business segments suggests that it should be able to continue to strengthen its ecosystem – and continue to enjoy the network effects – in the coming AI era. **Despegar** continued to see strong sales growth, particularly in Brazil where it has benefited from the shift in consumer spending as well as a more benign competitive environment after "1, 2, 3 Milhas" exited in 2023. The management believe they can achieve reasonable growth over the next few years, driven by the ongoing expansion of the travel market in Latin America and continued market share gains.

On the negative side, our Mexican holdings have suffered from the broad sell-off in the market. **Regional** was derated along with the market, with additional concerns about its sensitivity to the nearshoring trend. Despite the weakness, the bank delivered decent results in 2024 with reasonable net profit growth and return on equity at the top end of its guidance. Given Mexico's low levels of borrowing (only 11% of small to medium sized businesses utilise credit), we believe Regional will continue to compound its book value, irrespective of foreign direct investment flows. **Alsea** also declined, despite strong performance in its home market Mexico, due to the weakness in its European business (Starbucks has been subject to boycotts). The company was also negatively impacted by the Mexican peso depreciation during 2024, as it held considerable US dollar and euro denominated debt. This has now been refinanced into peso and euro borrowings (in proportion to its European cash flows), which should improve its non-operating costs.

Calendar year performance (% in GBP) to 31 March 2025



These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than GBP, the return may increase or decrease as a result of currency fluctuations. Since inception performance figures have been calculated from 01 December 2017. All performance data for the FSSA Global Emerging Markets Focus Fund Class B (Accumulation) GBP as at 31 March 2025. Source for fund - Lipper IM / First Sentier Investors (UK) Funds Limited. Performance data is calculated on a net basis by deducting fees incurred at fund level (e.g. the management fee and other fund expenses), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis. Source for benchmark - MSCI, income reinvested net of tax.

▲Sector returns calculated by Lipper and denote the arithmetic mean performance of funds in the relevant UK's Investment Association Sector.
On 22 September 2020, First State Global Emerging Markets Focus Fund was rebranded as FSSA Global Emerging Markets Focus Fund.

Portfolio review

New purchases over the quarter included Full Truck Alliance (FTA), a leading digital freight platform in China with a strong competitive moat and a long growth runway. FTA should continue to strengthen with scale, as shippers move more of their business on to the platform, driven by cheaper prices, which then drives more truckers to the platform, and so on. The business is still in the early stages of monetisation (which implies room to grow), margins are expanding, and it is cash flow generative. Meanwhile, new growth opportunities, such as cargo pooling, could also open up once it reaches a minimum viable scale. We also purchased PDD, a leading e-commerce company in China on attractive valuations. Founded by Colin Huang – widely respected and recognised as a capable leader – the company is an innovator within China's e-commerce industry, having disrupted the seemingly mature market by bringing customers directly to farmers and manufacturers. Positioned as a "value-for-money" platform, it is a highly profitable and cash flow generative business, while being less capital intensive vs. peers. We believe it has good growth potential, with a franchise that continues to strengthen.

We sold Despegar, as the company had agreed to be acquired by Prosus (we already hold a significant portfolio position in Prosus). We also sold Yum China to consolidate the portfolio into higher conviction ideas.

Stock spotlight

We believe Taiwan Semiconductor (TSMC) is one of the best ways to capture the rising trend of artificial intelligence (AI), smart devices and the Internet of Things (IoT). Established in 1987, TSMC was the pioneer of the foundry model, which separated semiconductor chip designs (produced by fabless companies) from the fabrication or manufacturing process (outsourced to a foundry).

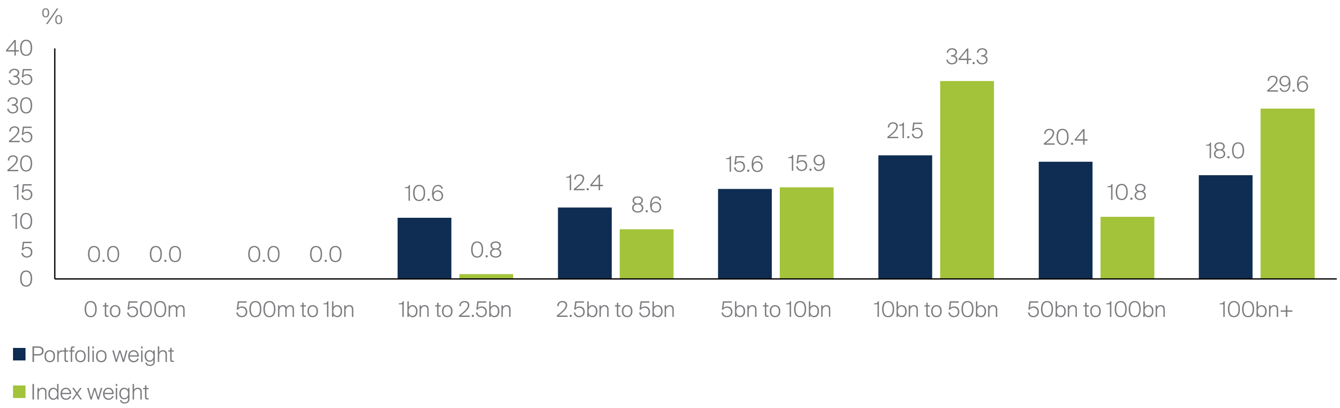
TSMC has become the world's largest dedicated contract chip manufacturer, with more than 50% market share. Growth has remained strong due to its advanced technology and strategy of partnering with, instead of competing with, its customers. The benefits of this are twofold – its customers don't have to worry about intellectual property transfer, while TSMC gains exposure to the latest technology trends and doesn't have to worry about tech obsolescence. This strengthens TSMC's economic resilience and reinforces its leading position within the ecosystem.

Although its growth will eventually taper off due to the law of large numbers (it is now among the 10 largest companies in the world), for now it should continue to gain market share and outpace the overall industry. It has demonstrated pricing power amid strong customer demand, which can in turn drive more investments in a virtuous cycle.

Despite its asset intensive nature, TSMC has maintained attractive returns on equity, while profitability is near record highs driven by operating leverage and higher utilisation rates. But while the management are still very confident, we worry that the industry is getting carried away with the AI-hype.

A recent risk is the added complexity from geopolitics and de-globalisation. As TSMC diversifies geographically and capital expenditure increases, there are grounds for expecting lower marginal returns on capital. For example, TSMC's expansion into the US is turning out to be harder than expected, due to issues around recruitment and training. Having plants outside Taiwan is likely going to dilute returns.

Market capitalisation breakdown (GBP)



Data source: For illustration purposes only. 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. These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than GBP, the return may increase or decrease as a result of currency fluctuations.

FSSA Investment Managers

Outlook

While the news about US reciprocal tariffs have rocked global markets, we believe that our holdings are likely to remain resilient through this period. The majority of our portfolio holdings have more cash than debt on their balance sheet, and average return on equity remains healthy and well above the overall market. We continue to invest in businesses that we believe have proven management teams and competitive advantages that allow them to capitalise on the long-term secular trends that exist across emerging markets. Whether it is the formalisation of the Indian economy, the continued financialisation of the South African population or the growing adoption of enterprise resource planning (ERP) software by small-to-medium-sized Brazilian companies, we believe the investment opportunities are plenty. Yet, these kinds of businesses are often not well represented in broader indices and thus we believe a bottom-up active investment approach has much value to add.

Competitive advantages in the form of strong brands, distribution advantages, cost leadership or simply providing a service/product that customers cannot live without, are the main traits that characterise our companies. We believe the current correction in share prices presents an excellent opportunity for long-term investors like us to accumulate leading franchises at attractive prices.

We believe our holdings continue to offer long-term attractive compounding opportunities and our analysis suggests that they can grow earnings at around 20% compound annual growth rate (CAGR) on a weighted average basis over the medium term. For this kind of growth, the portfolio's aggregate valuations, at around 5% free cash flow yield or a 22x price-to-earnings ratio (PER) seem reasonable (and sustainable) to us. This makes us optimistic from both an absolute and a relative perspective.

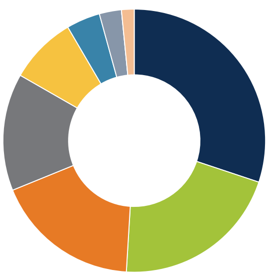
Our long-term investment themes:

- 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 growing trend of digitalisation and online services.

Ten largest company holdings as at 31 March 2025

Stock name	Country	Sector	Portfolio weight (%)
Taiwan Semiconductor (TSMC)	Taiwan	Information Technology	7.1
Tencent Holdings Ltd.	China	Communication Services	7.1
Prosus N.V. Eur0.05	China	Consumer Discretionary	5.6
Alsea, S.A.B. de C.V.	Mexico	Consumer Discretionary	4.7
ICICI Lombard General Insurance Co. Ltd.	India	Financials	4.1
ICICI Bank Limited	India	Financials	4.0
Credicorp Ltd.	Peru	Financials	3.7
ANTA Sports Products Ltd.	China	Consumer Discretionary	3.6
MercadoLibre, Inc.	USA	Consumer Discretionary	3.6
Computer Age Management Services Ltd	India	Industrials	3.1

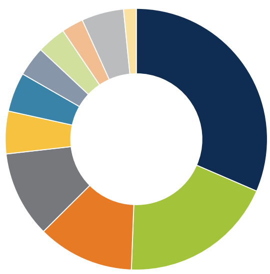
Sector breakdown



- Financials 30.1% (24.3%*)
- Consumer Discretionary 20.9% (14.6%*)
- Information Technology 17.9% (21.7%*)
- Consumer Staples 14.4% (4.7%*)
- Communication Services 8.3% (10.3%*)
- Industrials 4.2% (6.3%*)
- Health Care 2.7% (3.3%*)
- Other 0.0% (14.7%*)
- Cash 1.6% (0.0%*)

*Index weight

Country breakdown



- China 31.5% (31.3%*)
- India 19.1% (18.5%*)
- Taiwan 11.9% (16.9%*)
- Mexico 10.7% (1.9%*)
- Brazil 5.3% (4.4%*)
- Indonesia 4.8% (1.2%*)
- Peru 3.7% (0.3%*)
- USA 3.6% (0.0%*)
- Poland 2.7% (1.0%*)
- Other 5.2% (24.5%*)
- Cash 1.6% (0.0%*)

*Index weight

Sector and Country classifications provided by Factset and First Sentier Investors. 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 Investors' portfolios at a certain point in time, and the holdings may change over time. These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than GBP, the return may increase or decrease as a result of currency fluctuations.

FSSA Investment Managers

Top 5 contributors to absolute performance

3 months to 31 March 2025

Stock name	Country	Sector	Value added (bps*)
Tencent Holdings Ltd.	China	Communication Services	93
Totvs S.A.	Brazil	Information Technology	66
Prosus N.V. Eur0.05	China	Consumer Discretionary	61
Dino Polska SA	Poland	Consumer Staples	46
MercadoLibre, Inc.	USA	Consumer Discretionary	35

12 months to 31 March 2025

Stock name	Country	Sector	Value added (bps*)
Tencent Holdings Ltd.	China	Communication Services	284
Despegar.com, Corp.	Argentina	Consumer Discretionary	200
Prosus N.V. Eur0.05	China	Consumer Discretionary	174
Capitec Bank Holdings Limited	South Africa	Financials	140
HDFC Bank INR1	India	Financials	99

Bottom 5 contributors to absolute performance

3 months to 31 March 2025

Stock name	Country	Sector	Value added (bps*)
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	-159
HDFC Bank INR1	India	Financials	-33
FPT Corp.	Vietnam	Information Technology	-32
Sichuan Swellfun 'A'CNY1	China	Consumer Staples	-31
PT Bank Central Asia Tbk	Indonesia	Financials	-30

12 months to 31 March 2025

Stock name	Country	Sector	Value added (bps*)
Alsea, S.A.B. de C.V.	Mexico	Consumer Discretionary	-497
Regional, S.A.B. de C.V. Class A	Mexico	Financials	-93
Qualitas Controladora S.A.B. de C.V.	Mexico	Financials	-64
PT Bank Rakyat Indonesia (Persero) Tbk Class B	Indonesia	Financials	-48
PT Bank Central Asia Tbk	Indonesia	Financials	-41

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.
These figures refer to the past. Past Performance is not a reliable indicator of future results. For investors based in countries with currencies other than GBP, the return may increase or decrease as a result of currency fluctuation.
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 Investors.

FSSA Investment Managers

Portfolio risk analysis - ex-post 3 years annualised to 31 March 2025

Risk measure	Value	Risk description
Beta	0.95	Beta is a measure of volatility relative to the market. A beta of 1 would indicate that the fund tended to move in line with the market; a beta greater than 1 would indicate that the fund has been more volatile than the market; whereas a beta less than 1 would indicate that the fund has been less volatile than the market.
Information Ratio	0.56	The fund's excess return divided by its tracking error. It is designed to assess a portfolio's performance relative to its level of benchmark risk. The higher the fund's information ratio, the more excess return it generates for each unit of tracking error.
Portfolio Standard Deviation	13.59%	A measure of how much the returns of the fund vary relative to the arithmetical average. The higher the fund's standard deviation, the more its returns tend to deviate from the mean.
Benchmark Standard Deviation	13.29%	A measure of how much the returns of the index vary relative to the arithmetical average. The higher the index's standard deviation, the more its returns tend to deviate from the mean.
Tracking Error	5.28%	The standard deviation of the difference between the fund's returns and those of the index. The higher the fund's tracking error, the more its performance relative to the benchmark may vary.

Portfolio risk analysis - ex-ante at 31 March 2025

Risk measure	Value	Risk description
Dividend Yield (Fund)	2.04%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Dividend Yield (Index)	2.71%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Price to Book (Fund)	3.68	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Book (Index)	2.04	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Earnings (Fund)	18.69	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.
Price to Earnings (Index)	13.73	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.

Data source: Ex-post information is calculated by First Sentier Investors, ex-ante information is provided by FactSet.

Important information

For further information

Head of Distribution, UK and Europe		
Graham Fox	+44 (0)20 7332 6530	graham.fox@firstsentier.com
Sales Director, Europe and Third Party Distributions		
Marc Bishop	+44 (0)20 7332 6556	marc.bishop@firstsentier.com
Head of Wholesale, UK and Ireland		
Tom Burton	+44 (0)20 7332 6559	tom.burton@fssaim.com
Sales Director, Wholesale		
Matt Lepine	+44 (0)20 7332 6840	matt.lepine@fssaim.com
Institutional Relationship Director FSSA		
Fraser Wood	+44 (0)131 473 2529	fraser.wood@fssaim.com
Head of Distribution, Ireland		
Frank Glennon	+44(0)7776 138105	frank.glennon@firstsentier.com
Sales Director, Europe		
Eva von Sydow	+33 (0)1 72 25 66 36	eva.vonsydow@firstsentier.com
Sales Directors, Germany and Austria		
Emmanuel Litique	+49 (0) 69 2443 71631	emmanuel.litique@firstsentier.com
Robert Retz	+49 (0) 69 2443 71633	robert.retz@firstsentier.com
Senior Institutional Business Development Director, Germany and Austria		
Sascha Beisheim	+49 (0) 69 2443 71634	sascha.beisheim@firstsentier.com
Head of Institutional Sales, UK and EMEA		
Peter Swan	+44 (0)20 7332 9428	peter.swan@firstsentier.com