

## Strategy overview

# Global Emerging Markets

### The opportunity

Emerging markets represent a significant part of the world economy and global population. Propelled by a growing, more affluent and better-educated work force, these maturing economies are benefitting from increased domestic demand and rising standards of living. This evolution offers compelling investment opportunities through the region's many attractive, high quality businesses, many of which are not well represented within indices.

**Absolute return mind-set**

**Focus on quality**

**Bottom-up approach**

**Sustainable, predictable growth**

**Long-term perspective**

**Strong valuation discipline**

### The FSSA approach

We believe this opportunity is best exploited by a long-term, benchmark-agnostic, fundamental investment approach anchored on identifying high quality management teams, franchises and financials.

Our distinct, quality-first orientation starts with the people. We invest a lot of time on site with company management teams assessing their track record, integrity, incentive structures and alignment with shareholders. Engagement focuses on long-term issues such as strategy, capital allocation, leadership succession, professionalization, board quality and environmental and social impact.

The FSSA process targets cash generative businesses supported by strong business models and entrenched competitive advantages capable of delivering sustainable and predictable returns across economic cycles. We tend to find these businesses in the region's economies that are supported by a growing middle class, favorable demographics, urbanization, and improving productivity.

Our unwavering focus on quality tends to preserve capital in adverse market conditions while benefiting from investment in a high growth part of the world.

### Portfolio fit

The FSSA GEM strategy offers a differentiated approach complementary to most institutional investment programs.

Clients consider our high conviction, yet inherently conservative, strategy attractive within a multi-manager portfolio structure, or as a stand-alone emerging markets equity mandate.

### Key strategy hallmarks

- **Lead manager:** Rasmus Nemmo (>18 years investment experience)
- **Strategy inception:** 2017
- **Typical number of holdings:** 45
- **Typical active share:** >85%
- **Average holding period:** 4-5 years
- **Investment style:** Quality-first with a focus on cash generative, asset light companies with long-term growth potential

## Who we are

FSSA Investment Managers (FSSA) is an autonomous investment business within First Sentier Investors (FSI). Specialists in Asia Pacific and Global Emerging Markets equity strategies, we have been managing portfolios within these regions for over 35 years. Today we manage almost US\$30bn<sup>1</sup> of assets on behalf of clients worldwide.

We have a distinct culture and team structure contributing towards a stable group of 20 investment professionals and the consistent implementation of our tested and proven investment philosophy.

Located within the regions in which we invest, our team members come from diverse backgrounds, collectively speaking 15 different languages and dialects. All our portfolio managers are also analysts with the entire team conducting research and contributing stock ideas. Company meetings are a critical component of our investment approach and we typically conduct around 1,600 company meetings each year.

## Competitive advantages

- Over 35 year history of investing in Asian equity markets – from Asia
- Unwavering focus on quality
- Extensive team travel to engage company management on site
- Unique, highly collaborative, generalist investment structure without sector specialization
- Distinct culture of challenge and debate where the best argument wins – not seniority

## For more information



[www.fssaim.com](http://www.fssaim.com)

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1. as at 31 December 2022

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