

Managing Conduct Risk

Our approach to Treating Customers Fairly (TCF)

Policy Statement

January 2015

Managing Conduct Risk at First State Investments

Treating customer fairly (TCF) has always been a key part of First State Investments conduct towards its clients and the firm has always strived to work towards positive outcomes. In working towards treating you fairly, our primary objective is to ensure that we put the conduct risk considerations at the very heart of our business; from our initial product design and marketing through to distribution and our after sales support.

At First State Investments we believe that culture drives behaviour and behaviour drives culture. We seek to promote good behaviour by all our employees, across all aspects of our organisation and to develop a culture in which it is clear that there is no room for misconduct. This would include consideration of behaviours when using social media sites and staff conduct outside of the workplace.

In addition to the behaviours of our employees, we also expect the behaviours of those who do things in our name e.g. outsourced service providers to meet and reflect these behaviours and uphold our standards.

We look to embrace the six customer outcomes and service in relation to TCF:

1. TCF culture is central to the firm
2. Products and services meet the needs of customers
3. Clear information is given to customers
4. Suitable advice is provided to customers
5. Products perform in line with customers' expectations
6. No unreasonable post-sale barriers imposed.

What these TCF outcomes mean to First State Investments

Outcome 1: TCF culture is central to the firm

Customers should be confident that they are dealing with a firm who has the fair treatment of customers and identifying and managing conduct risks at the centre of their culture. All areas within our business place great importance on TCF and we constantly look to enhance our activities and processes by undertaking relevant training and producing and acting upon good quality management information.

Outcome 2: Products and services meet the needs of customers

Products and services marketed and sold should be designed to meet the needs of identified customers. Furthermore the products should be targeted at these predefined customers. As part of our decision making process we ensure that the product or service actually suits the customer base we are designing it for and, just as importantly, remains that way. A few examples of the factors we take in to consideration would include the type of companies or products we will be investing in on the customers behalf, whether these meet the risk/return objectives of the Fund and the investment time horizon.

Outcome 3: Clear information is given to customers

Customers should be provided with clear information and kept appropriately informed before, during and after the sale. Information is provided in writing, by telephone, email or via our website. When we are preparing information, we aim to provide it in a format that is concise, fair and accurate at all times. All information sources are reviewed with the intention of providing the information customers require with the most appropriate level of detail. Employees receive regular training across all of our products and services to ensure the information they provide is clear and appropriate before, during and after the point of sale.

Outcome 4: Suitable advice is provided to customers

Where advice is provided it should be suitable and it should take account of the customer's circumstances. First State Investments is a product provider and therefore does not provide investment advice. However we are committed to using intermediaries who share our commitment in delivering positive outcomes for the end client. We also ensure that the information provided to our intermediaries is clear, fair, accurate and not misleading.

Outcome 5: Products perform in line with customers' expectations

Our customers should be provided with products that perform as we have led them to believe, and the associated service should also be as we have led them to believe in addition to being of an acceptable standard. Products should perform as they were intended to. Performance is monitored via regular performance reporting of products, quarterly investment committee reports, annual product reviews of all products and regular investment team updates.

Outcome 6: No unreasonable post-sale barriers imposed

Customers should not face unreasonable post-sale barriers to prevent them from changing product, switching provider, submitting a claim or making a complaint. First State Investments has stringent procedures to ensure that any complaint is handled in a consistent, prompt and fair manner. All contact details are made available to customers and a free phone number is available.

Responsibilities and on-going monitoring

First State Investments takes its responsibilities as a product provider seriously and has made every effort to ensure that we identify and managing any conduct risks fairly. TCF is embedded into our culture and reflected in our overall strategy. We remain fully committed to the fair treatment of customers and closely monitor our standards on an on-going basis.

For any other queries in relation to TCF at First State Investments you can contact us on the following:

Telephone: 0800 587 4141

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