

First Sentier Investors publishes Assessment of Value report

Thursday, 26 November 2020: Leading global asset manager, First Sentier Investors, today published its first annual Assessment of Value report, finding that 20 out of 23 funds received a 'green' rating, meaning they offer value to investors.

The Assessment of Value was overseen by the FSI UK Board ('the Board'), which examined each sub-fund and share class in the context of:

- the synergies achieved across the funds that add long-term value;
- the infrastructure that is common across all investment teams,
- the approach, values, investment philosophy and processes that deliver value to all investors.

Chris Turpin, Managing Director, EMEA and Global Director of Corporate Development at First Sentier Investors, commented: "At First Sentier Investors, we have always placed value for investors at the core of our business operations and investment decisions. We have approached our first Assessment of Value report with much consideration, reviewing in great detail all relevant data and considering how best to provide investors the information they need in assessing value.

"We are pleased with the overall outcome of the Assessment of Value, but take the results seriously and are considering the necessary remedial action to reconcile for the small percentage of funds that received substandard scoring during this exercise. We have always believed that fairness to all investors is a key principle and core to our value of stewardship."

Demonstrating value

In its Assessment of Value approach and methodology, FSI's Board considered the seven criteria, as set out by the Financial Conduct Authority ('FCA'). These include quality of service; performance; AFM costs; comparable market rates; comparable services; economies of scale; and classes of units. The report is based on data covering year ended 31 July 2020.

The Board's interpretation and application of each criteria was applied in alignment with FSI's values as active specialist investors focused on providing high quality, long-term investment capabilities with a common commitment to responsible investment principles and a shared purpose to deliver sustainable investment success.

FSI has applied a Red/Amber/Green ('RAG') rating to each of the seven criteria. A RAG rating has also been applied to each fund and also to First Sentier Investors as a whole for certain criteria. For these ratings, the following definitions apply:

- Green – Offers value to investors
- Amber – Opportunities for improvement
- Red – Has value concerns and we are currently considering our options for addressing them

Of the 23 funds covered as part of the Assessment of Value, one fund – the First Sentier Asian Property Securities Fund – received a red rating. Two funds – the First Sentier Diversified Growth Fund and the First Sentier Emerging Market Bond Fund – received an amber rating.

First Sentier Investors' full Assessment of Value report can be found [here](#).

– ENDS –

Notes to Editors:

In line with the FCA requirements, the Board considered each of the following criteria:

- I. Quality of Service — We considered the quality of each service delivered to investors. Key services include not only those directly supporting investors, but also those vital to the good running of our funds.
- II. Investment Performance — We measured investment performance against all the stated objectives of a fund, to evaluate whether value has been delivered over an appropriate time period.
- III. Costs of the Authorised Fund Manager (AFM) — We assessed the overall costs of the AFM, in relation to the overall charges paid by investors, for the full range of our UK-based funds.
- IV. Economies of Scale — We assessed the extent to which any savings arising from the scale of a fund are reflected in value for investors.
- V. Comparable Market Rates — We compared the charges for each of our funds to those of competitors in the same sector, to ascertain whether relative value is being offered to investors.
- VI. Comparable Services — We compared the charges for each of our funds to those of similar funds and mandates managed by First Sentier Investors, to ascertain whether relative value is being offered to investors.
- VII. Share Classes — We analysed who invests in the share classes of each fund, and evaluated whether investors are in the most appropriate share class.

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About First Sentier Investors

First Sentier Investors manages more than US\$157 billion in assets (as at 30 September 2020) on behalf of institutional investors, pension funds, wholesale distributors, investment platforms, financial advisers and their clients worldwide.

The firm operates as a standalone global investment management business with offices across Europe, the Americas, and Asia Pacific. First Sentier Investors' expertise spans a range of asset classes and specialist investment sectors focused on delivering sustainable investment success based on responsible investment principles.

Formerly Colonial First State Global Asset Management, the firm was acquired from the Commonwealth Bank of Australia in August 2019 by Mitsubishi UFJ Trust and Banking Corporation, a wholly-owned subsidiary of Mitsubishi UFJ Financial Group, Inc.

Important information

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