

An aerial photograph of a coastline. The top right shows the ocean with white-capped waves breaking onto a dark, sandy beach. The beach curves along the coast. To the left of the beach is a shallow, turquoise lagoon or bay with intricate patterns of sandbars and channels. The water transitions from a light turquoise near the shore to a deeper blue further out.

Assessment of Value Report July 2022

First Sentier Investors' philosophy and culture is built on the principle of acting as responsible stewards of our investors' assets. This guides how we operate the overall business and how the teams invest. We place client interests at the core of our business, and have a clear focus on earning and maintaining confidence in our investment capabilities and operations. We strive for the highest degree of transparency and accountability and place strong emphasis on the values of honesty and integrity.



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First Sentier Investors takes a long term approach to investment with a focus on preserving capital and delivering performance through market cycles, rather than trying to achieve short-term gains.

We recognise the importance of responsible investment and that environmental, social and governance (ESG) issues impact investment value. We firmly believe we can achieve better long-term investment outcomes through active engagement with companies and by exercising the equity ownership rights we hold on behalf of our clients.



Introducing the First Sentier Investors (UK) Funds Limited board

Gary Cotton
Managing Director, EMEA



Mr Cotton is the Managing Director for First Sentier Investors in the UK. In this role he is responsible for all aspects of the business in the UK.

Mr Cotton sits on the board of directors of each of FSI's main operating entities in the UK.

Prior to joining FSI in September 2020, Mr Cotton was Chief Operating Officer and a member of the Executive team at M&G Limited. During his 20 years at M&G, Mr Cotton held a number of senior management positions and was a director of a number of regulated entities including M&G Securities (the ACD) and was also a Trustee of the M&G defined benefit pension scheme. Mr Cotton commenced his career at Sedgwick Noble Lowndes as an Investment Consultant.

Mr Cotton holds a BA (Hons) from Middlesex University. He is a Certified Investment Fund Director.

Frank Johnson
Independent Non-Executive Director



Mr Johnson is an independent non-executive director of GO Investment Partners LLP, Governance for Owners Holdings Limited and at the Pension SuperFund where he sits on the Holdings and Sponsor boards. He is also a non-executive director of the Railway Benefit Fund, a registered charity, and sits on the Boards of First Sentier's main UK operating companies as an independent non-executive director.

Mr Johnson was a non-executive director of the Pensions and Lifetime Savings Association (PLSA) and a member and previous Chair of the PLSA's Defined Benefit Council. Prior to his retirement in 2015, Mr Johnson was the Managing Director, Investments at RAILPEN, responsible for the management and strategic direction of the assets of the Railways Pension Trustee Company.

Prior to this, he held a number of financial director roles in the transport industry.

Mr Johnson began his career at Price Waterhouse in London, where he held a variety of audit, advisory and senior management roles.

Mr Johnson holds a commerce degree from the University of Birmingham and is a chartered accountant.

Vicky Kubitscheck
Independent Non-Executive Director



Ms Kubitscheck is an independent non-executive director of the boards of First Sentier Investors' main UK operating companies, joining the ACD board in July 2018. She is also an independent non-executive director of Sesame Bankhall Group and Specialist Risk Investments Limited as well as a Board Adviser specialising in the support and evaluation of firms' governance and risk management arrangements in a regulated environment.

Until September 2020, Ms Kubitscheck was also an independent non-executive director and Chair of the Risk and Audit Committees at private bankers Hampden & Co plc.

Prior to retiring from an executive career in 2017, Ms Kubitscheck was an Executive Member and the Chief Risk Officer at Police Mutual Group, having held similar roles at AEGON UK and AXA UK, where she was responsible for establishing, leading and directing the risk, compliance and internal audit functions.

Ms Kubitscheck holds a BSc (Hons) in Maths and Management from London University and is a Fellow of the Chartered Institute of Internal Auditors, a Technical Specialist Member of the Institute of Risk Management and Professional Member of the Institute of Operational Risk.

Introducing the First Sentier Investors (UK) Funds Limited board

Jacqueline Lowe
Independent Non-Executive Director



Ms Lowe is a non-executive director at Rathbone Unit Trust Management Ltd and Embark Investments Limited. She is also the non-executive chair of T Bailey Asset Management Limited and a non-executive director at Beatson Cancer Charity.

Ms Lowe joined the ACD Board in August 2021 as an independent, non-executive director, responsible for ensuring effective governance and oversight. In this role, she challenges the Board of the ACD and provides independent thinking on matters such as strategy and business development.

Until 2018, Ms Lowe held a range of leadership roles within Standard Life Investments Limited, where she was a multi-award winning fund manager and a highly regarded investment professional, who led the development of and managed Standard Life Investment's industry leading mutual fund business.

Ms Lowe holds an MA degree from Heriot-Watt University.

Clare Wood
Global Head of Product



Dr Wood is Global Head of Product for First Sentier Investors and sits on the Board of directors of certain of the firm's operating entities and collective investment schemes in EMEA.

Dr Wood joined First Sentier in August 2014 as Global Head of Investment Assurance and her current role continues to oversee this activity.

Prior to this, Dr Wood was Head of Portfolio Risk Management at Kames Capital in Edinburgh and worked with the Fairfield Greenwich Group and Foundation Capital Strategies, in Bermuda.

Dr Wood has recently acted as Trustee of a hybrid defined benefit/defined contribution pension scheme and of a charity providing residential and day services for adults with learning disabilities.

Dr Wood holds a BSc Hons 1st Class degree in Pure and Applied Mathematics from the University of Sheffield and a Ph.D. from Sheffield University's Department of Automatic Control and Systems Engineering.

Terry Yodaiken
Head of Distribution, Business Support and Governance



Mr Yodaiken is Head of Distribution, Business Support and Governance for First Sentier Investors in EMEA and sits on the Board of directors of certain of its operating entities and collective investment schemes in EMEA.

Mr Yodaiken joined First Sentier in February 2012 as Head of Product, EMEA and was subsequently appointed Head of Operations, EMEA in November 2016.

Prior to that, Mr Yodaiken was Director of Product Management at Legg Mason and Co (UK) Ltd and has worked across the asset management industry in the UK and South Africa.

Mr Yodaiken holds a Bachelor of Business Science (Special Field – Law) Business Finance Honours from the University of Cape Town, South Africa.

Letter from the board



Our goal is to provide relevant, competitive and actively managed investment strategies that meet the long-term objectives of our clients.

Gary Cotton, Managing Director, EMEA

Welcome to our third assessment of value (AoV) report, we hope you find it an interesting read.

As long-term, active, responsible investors, we are relentlessly focused on investment performance and service quality, underpinned by our responsible investment and stewardship principles.

Our specialist investment teams share these commitments and we collectively strive to deliver the best outcomes for clients in our businesses around the world.

During the past year, First Sentier has published its commitment to a target of net zero greenhouse gas emissions in investment portfolios on or before 2050 and in its business operations on or before 2030. We have also developed a climate change statement and plan, which detail actions we are taking across the firm to achieve our commitments. And we are a signatory to the Financial Reporting Council's UK Stewardship Code for the second year running, a recognition of our shared purpose in doing what's right for our investors through strong self-governance and effective policies and processes.

We are pleased to report that the vast majority of our funds continue to deliver value to investors. Out of 92 share classes, 81 were rated Green, 9 were rated Amber and 2 were rated Red following this year's evaluation. This was broadly similar to our results in 2021, except for two share classes that were amber last year and are now red.

These two overall red ratings were assigned to the share classes of the Stewart Investors Global Emerging Markets Fund. The red ratings were derived from the performance and comparable market rates pillars. From March 2022, there has been a change in management of this fund within Stewart Investors to a team who manage global emerging markets sustainability strategies, and whose funds are all rated green. We are in the process of changing the portfolio's objectives to align it with the team's sustainability approach, and will be undertaking further work to determine the best course of action for the fund.

We have also conducted a detailed review of the First Sentier Asian Property Securities Fund and decided in September 2022 that the fund should be closed due to its small size and the substantial expenses involved in managing it. Following FCA approval in mid-November investors were notified.

In the upcoming sections, our independent non-executive board members, Frank Johnson, Vicky Kubitscheck and Jacqueline Lowe, will provide an overview of our progress and achievements in performing this assessment over the last three years, outline the framework as it is now, and discuss our actions to date and plans for enhancing the experience investors receive from First Sentier.

As a firm, we continue to value the insight, expertise and strategic guidance our independent board members provide, both in this assessment of value process and throughout the year. Their thoroughness, meticulous oversight and willingness to challenge makes us a better company and ensures we are always grounded by our responsibility to investors.

As stewards of our investors assets, we appreciate the trust that those investors put in us to manage their money and we will continue to enhance our overall client experience and ensure we provide value to them through our products. We look forward to receiving your feedback on the report.

Introduction to our Assessment of Value report



Our focus on continual improvement means our findings and recommendations are embedded into the policies and practices of the firm.

Frank Johnson, Independent Director,
First Sentier Investors (UK) Funds Limited

In this, our third annual assessment of value report, First Sentier's UK Fund board presents the findings of our thorough assessment of value for First Sentier's UK domiciled funds.

This report is the culmination of our analysis and recommendations but, more than that, reflects how we approach our roles as independent non-executive directors throughout the year. Assessing value is a continual activity and is embedded in ongoing business operations and in quarterly reporting to the board. In these meetings we provide independent scrutiny, oversight and challenge on the firm's performance, processes, policies and outcomes.

In the three years since the assessment of value was introduced, we have taken a number of steps to enhance our analysis, ensure our methodology is robust, and externally validate our process and reporting. These actions included commissioning an assurance review from the Fund Boards Council, which was completed in May 2021. We incorporated its feedback into that year's assessment and reporting process. We also carefully considered and refined our approach to take account of the FCA's conclusions following their analysis of a sample of the industry's 2020 AoV reports.

During this time we have also acted to ensure our funds provide value to investors. These actions included:

- Moving investors in pre-retail distribution review classes to a cheaper share class of that fund, following FCA guidance allowing this
- Ensuring that A class investors were not unduly charged by being in a higher AMC share class than B class investors. Our analysis showed that, on average, the difference between the A class AMC and the average commission rebate paid very closely matched actual service costs
- Reviewing and enhancing our policies and procedures for oversight of E share classes
- Revising our ongoing charge figure (OCF) caps to make them more consistent and transparent. The cap which constrains additional expenses above AMC is now reviewed on an annual basis. Following this year's review the cap will be reduced from 0.25% to 0.20% above AMC by the end of 2022.
- Decreasing fund fees to harmonise fee levels for similar strategies across geographies
- Merging or closing funds we have identified as no longer relevant or of value to investors
- Monitoring closely funds that have had red-rated performance

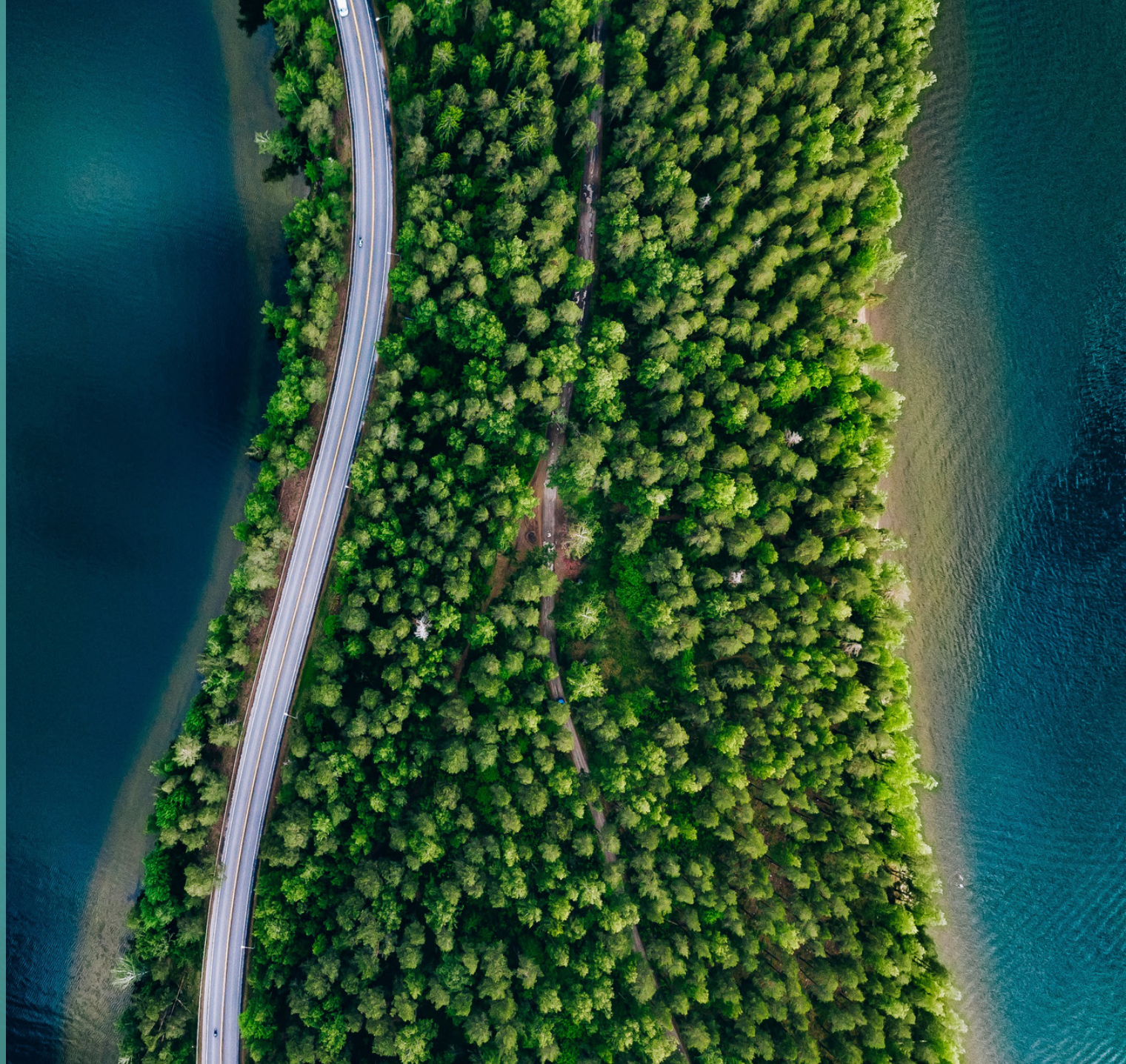
Each of the actions and improvements we have identified has been carried out in accordance with the target deadlines set by the board. In addition, given our commitment to continual improvement, First Sentier has embedded our findings into its business by implementing good practices and seeking further opportunities to review and improve its processes. As a result, we are not surprised that the results of this year's assessment show only one main, albeit very important, action – to further enhance the firm's client experience. Even when the assessment does not indicate the need for specific actions driven by amber or red ratings, we retain our focus on continually ensuring we provide value to investors.

In the next section, Vicky Kubitscheck explains the framework used for this value assessment. Then Jacqueline Lowe discusses First Sentier's activities and plans to improve its investor experience. The final part of the report, on pages 17 to 42, provides a detailed assessment of each UK fund. Out of a total of 92 share classes, 81 were rated Green, 9 were rated Amber and 2 were rated Red.

I hope you find this report a valuable tool to help you understand how we assess the value of each of our funds and our oversight practices.

Our framework for assessing value

As an active investment manager with a strong investor-focused mindset, we believe responsible investment, service quality and stewardship are fundamental tenets underpinning our approach to assessing value for investors.



Our principles for assessing value



As focus on customer duty and sustainability investment practices has increased, so has our scrutiny on assurance that the right outcomes are achieved for investors

Vicky Kubitscheck, Independent Director,
First Sentier Investors (UK) Funds Limited

We, the board, have been integral in the process of designing a robust assessment of value framework.

Right from the start, our assessment approach has embodied both our core purpose of long-term investment success and our principles of service quality, responsible investment and stewardship. In 2021, we enhanced our assessment methodology, which helped us refine and raise the standards of the metrics as data gathering improved. This provided us with the foundation to progress our focus this year from evaluation to embedding oversight and enhancing assurance – making sure we are achieving the right investor outcomes.

In 2022, therefore, our evaluation of value for the FCA's seven assessment pillars (pages 10 to 12 below) - quality of service, performance, AFM costs, classes of units, economies of scale, comparable market rates and comparable services – for each share class remained the same. We looked at each pillar in the context of First Sentier Investor's purpose, active investment approach, and service quality, each underpinned by responsible investment and stewardship considerations. We then overlaid this analysis with a consideration of fees and profitability for each share class, to ensure overall value was justified.

This year, in moving our methodology forward, we integrated our oversight of value assessments in our quarterly board agenda and initiated independent customer-based studies to gain more insights for enhancing the customer experience. The regular oversight of the assessments of value has helped embed the framework and enrich discussions with sharpened focus on outcomes for our investors.

We also looked at how we could demonstrate greater assurance, particularly with regard to sustainability considerations. For many years, sustainability has been an integral part of First Sentier's investment approach, and one which all its investment teams share. As the scrutiny on sustainable investments has rightly continued to increase, we wanted a sharper focus on this aspect of how the funds are managed. It is important to us that we can show confidence in the effectiveness of these processes and oversight structures and that funds are delivering against their mandates and objectives. A critical part of our ability to gain this assurance is through management information across the 'three lines of defence'.

We are presented each quarter with an analysis of portfolio performance in several key metrics, including sustainability, which gives us the opportunity to challenge First Sentier's policies. In addition, we are regularly updated on the evolving regulatory environment in which the firm operates.

The integration of our assessments in the regular board agenda and enhancements to our information have contributed to the continual advance of our framework and facilitated an open and transparent dialogue between the independent directors and executive directors. By ensuring that investors remain at the heart of what we do, as independent directors, we feel equipped to provide high quality, effective governance, and assurance of our service quality, sustainability outcomes and value to investors.

Quality of service is central to how we demonstrate our value

Three significant elements – investment approach, client service and governance – embody the quality of service at First Sentier Investors, which underpins our assessment of value across all funds.

Investment approach

Our core purpose is to provide high-quality, long-term investment capabilities to investors. We actively manage our funds for the long term to benefit our investors and the communities in which we invest. The board has an important oversight role including actively challenging the way we continue to meet this responsibility.

While First Sentier is a house of individually-branded investment teams, they all share a common commitment to responsible investment. Individual and collective investment decisions have far-reaching implications and we firmly believe an emphasis on stewardship underpins the quality of our investment process and forms part of our broader social licence to operate.

First Sentier Investors is proud to have received signatory status to the UK Stewardship Code 2020 for the second year running. This code is widely recognised as the global benchmark for best practice in investment stewardship. Our Stewardship Report describes how we are aligned with the code's 12 principles, both within our business and in the asset classes in which we invest, and highlights our continuing commitment to stewardship and responsible investing.

Client Service

Sustainable investment success is only possible where investors are provided with the information and support they need to understand their investments and make informed choices.

We publish extensive information on each of our investment teams as well as fund documentation on the First Sentier Investors website. The investment teams, FSSA Investment Managers and Stewart Investors, also have their own websites.

The funds we offer have a number of features designed to make them fair, transparent and convenient to investors. For example, First Sentier has a committee to value investments or adjust buying and selling costs in exceptional situations, such as when markets are closed or not pricing properly, to ensure all investors are treated fairly.

To ensure ease of access to our funds, they are widely available on investment platforms. We work with the platforms to help optimise the investing experience. There are also a small number of direct investors in the funds, and we work proactively with our fund administrator to ensure service delivery levels are met.

Governance

We believe that sustainable investment success for our investors is only possible where there is strong, integrated governance and oversight in place. Strong governance starts with our board.

We led the way in appointing independent non-executive directors to our UK board and over time have built up a strong governance framework as a result. The board meets at least quarterly and receives key metric, regulatory and sustainability updates to ensure they are able to provide effective scrutiny and oversight. Supporting the board is also a set of internal committees to oversee all aspects of investment and other services affecting the quality of service received by investors in the funds.

This oversight ensures strong governance throughout the lifecycle and over all aspects of a fund so that our investors can be confident they are investing in a fund that can contribute to their long-term investment goals.

Performance assessment over the long term and through market cycles

To assess the performance of each share class, we used three different performance metrics.

Each metric was chosen to address an aspect of performance that relates to our investment proposition and that is important to our clients.

All three metrics are equally weighted and combined to create an overall score which was used to assign a red, amber or green rating.

For the ratings see pages 18 to 41 below.



Absolute return

Criteria

To reflect capital growth objectives that aim to protect investor wealth over the longer term

Metrics

Monthly returns net of fees



Relative return

To provide a point of comparison to a reference index broadly aligned with the fund's asset class

Monthly returns, net of fees, in excess of reference index



Performance in difficult markets

To illustrate how the fund performs when the asset class it is invested in experiences negative returns

Return, net of fees, compared to a reference index in months when the index goes down

Costs and charges considered for fairness, comparability and overall impact for investors

Our framework allows us to analyse share class costs and charges for all our funds. By using defined tests, we can ensure costs and charges are fairly and transparently allocated, and consistent with comparable options in the market, while better considering their impact on overall fund returns and profitability.

FCA pillar	Objectives	Cost and charges inputs	Tests
Authorised Fund Manager (AFM) costs	<ul style="list-style-type: none"> To ensure the AFM costs paid reflect the value delivered to investors through the investment return To ensure the structure and allocation of costs between share classes is fair, transparent and reasonable, taking into account the services provided 	<p>The annual management charge on the primary share class (B). In primary share classes, charges are shown separately and do not include commission paid to advisers, so are often cheaper</p> <p>Third party expenses, such as custodian fees, audit services and professional or legal fees</p>	<p>Is the annual management charge in line with the value delivered to investors through investment returns?</p> <p>Are third party costs reasonable, transparent and fairly allocated across classes?</p>
Economies of scale	<ul style="list-style-type: none"> To ensure our charges are consistent with global prices for the investment strategy and reflect capacity considerations. To ensure investors benefit from economies of scale in costs as AUM increases 	<p>The annual management charge on the primary share class (B)</p> <p>Third party expenses</p>	<p>Is the charge consistent with pricing for that strategy or asset class, and does it reflect capacity considerations?</p> <p>As our funds get larger do the overall costs of our funds reduce?</p>
Comparable services	To ensure our net revenue on each fund is not significantly higher than that earned on segregated mandates or other First Sentier funds with equivalent investment strategies	The annual management charge on the primary share class (B)	Does the annual management charge reflect the price paid by institutional investors?
Comparable market rates	To evaluate whether our charges are significantly different than those of other managers' funds with similar investment strategies	Total ongoing charge figure (OCF) of each share class	Are the charges in line with the rest of the market taking into consideration relevant investment strategies?
Classes of units	To ensure fund charges reflect the total rebates or commissions paid to advisers along with any additional servicing costs	Differential in annual management charge between the primary class (B) and the pre-RDR class (A)	Does the difference in charges for a fund's A and B share classes reflect the total of amount of rebates or commission paid away, as well as additional operational servicing costs?

Continual improvements

First Sentier Investors takes its responsibilities to deliver high quality investment products to its investors very seriously.



Actions and plans to improve our client experience



Our thinking during the assessment of value process, and throughout the year, has always been shaped by ensuring investor considerations are paramount.

Jacqueline Lowe, Independent Director, First Sentier Investors (UK) Funds Limited

In the three years since the value assessment's introduction, we have found it has brought an even greater focus on the needs of investors.

It is a useful exercise in continually demonstrating quality and value, while also highlighting areas that can be improved or changed. Our recommendations as a board from this process have been incorporated into and embedded within First Sentier's policies and operations.

Now we are looking forward, and harnessing the ever-greater management information we receive to further improve service quality. We're also reviewing how the business may need to adapt its client communications to meet upcoming Consumer Duty requirements and the ever-changing economic and market environment in which First Sentier operates.

In our 2021 report, we outlined our commitment to better understanding investor satisfaction with the service First Sentier provides, to help us identify enhancements to its client experience. The board also sought to delve into the drivers of client satisfaction to gain insight into how its service model could be adapted for different investor types.

To this end, First Sentier commissioned The Wisdom Council, an independent firm that carries out proprietary customer research for financial services companies, to measure and quantify the quality of its fund documentation, client service and support, and to research consumer attitudes to services offered by fund management firms. The Wisdom Council conducted a survey of UK retail investors with different levels of investment experience to understand their expectations, the information they value, and what they need to make effective fund selection decisions. They also tested a range of First Sentier's fund communications - factsheets, Key Investor Information Documents (KIIDs), and corporate action letters - for characteristics such as message, language and visual clarity.

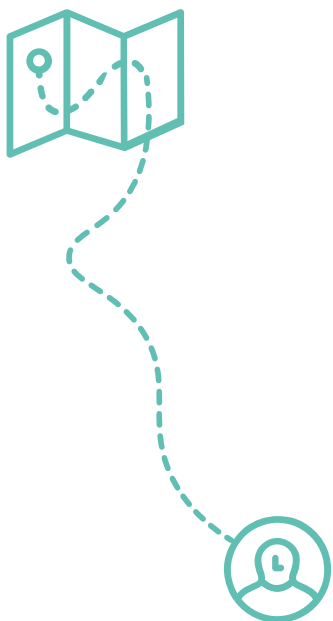
We were pleased to find that the fund factsheets and KIIDs scored highly for visual appeal and clear information provision, both in their own right, and compared to fund manager peers. The minor feedback that arose is being addressed to further enhance the materials. The survey also confirmed First Sentier's view that the corporate action letters need significant improvement in all areas. The results of the survey provide further impetus in its work to make improvements, simplify the documents and make them easier to read and understand. These positive affirmations of the factsheets and KIIDs, as well as the validation regarding improvements needed for corporate actions letters, are of key importance when looking ahead to the implementation of the Consumer Duty.

First Sentier will also consider investor responses with regard to service and investment features, fund selection criteria, and communication preferences when making decisions about enhancements to its service proposition. The survey also provided helpful insight into how these factors differ for retail investors with varying levels of experience, which would allow the client experience to be further refined. We are planning to continue to run the survey and will expand the types of investors surveyed to include intermediaries and other market participants such as platforms.

We are taking these steps in recognition that investors need accessible, understandable and clear communications to be able to make sound investment decisions.

At a glance guide

First Sentier Investors Assessment of Value report



This report reflects our assessment of value delivered to investors in our fund range over the assessment period to 31 July 2022. A detailed analysis for each fund is listed firstly by our affiliate investment team (First Sentier Investors, FSSA Investment Managers and Stewart Investors), then in alphabetical order. It is important to note that each fund assessed typically has several share classes, each potentially offering different features to differing groups of investors. As our analysis has been conducted at a share class level, this report will be more useful to you if you are aware of which one(s) you own. The value of investments and any income is not guaranteed and can go down as well as up and may be affected by exchange rate fluctuations. This means that an investor may not get back the amount invested.

Our value rating scale

Throughout this report, we have summarised our conclusions according to a simple three-colour traffic light system. The status reflects an underlying score awarded to each share class, for each of the seven FCA pillars outlined on page 9. This has resulted in an overall rating for each share class of a fund in one of the three colours.

KEY

● ● ● GREEN

Offers value to investors

● ● ● AMBER

Has opportunities for improvement

● ● ● RED

Identified for remedial actions and we are currently considering options for addressing them

● ● ● GREY

Insufficient data to assess

What you need to know

When it comes to this report, there are two key pieces of information to be aware of:

1. Your fund name – for example, the ‘First Sentier Global Listed Infrastructure Fund’
2. Your share class – this is a letter, such as ‘A’, ‘B’, ‘E’ or ‘Z’. You could hold ‘accumulation’ (Acc) or ‘income’ (Inc) units in any given fund.

What is a share class and what are the different classes we use?

Different share classes have different terms and conditions, you should read the relevant KIID (Key Investor Information Document) and Prospectus to see the features and possible benefits of each class. You can find these documents on our website in the [Documents and Factsheets](#) section. You will see the following referred to in this report.

Class A: aimed at professional investors or those receiving financial advice only.

Class B: aimed at financial advisers and individuals on platforms, portfolio managers, or institutional investors.

Class E: intended to incentivise early investors such as financial advisers, platforms, portfolio managers, or institutional investors. Capacity is limited for these classes and they can close to new investors.

Class Z: reserved for and only available to investors with separate contractual arrangements with First Sentier Investors.

How to check your fund holdings

If you invest with us directly, you can contact our client services team in the following number of ways to check your fund holdings.

By post:

Client Services

First Sentier Investors (UK) Funds Limited
PO Box 404
Darlington
DL1 9UZ

By phone:

Client services

Telephone: 0800 587 4141 (+44 131 525 8870 if outside the UK), 9am to 5pm (UK time) Monday to Friday.

Dealing team

Telephone: 0800 587 3388 (+44 203 528 4102 if outside the UK), 8:30am to 5pm (UK time) Monday to Friday. We may record your telephone conversations with us for training and quality assurance purposes.

By email: fsi@bnymellon.com

If you invest through an adviser or investment platform, details of your fund holdings will be on your latest half-yearly statement. If you invest in any First Sentier Investors, FSSA Investment Managers or Stewart Investors funds through an online platform, you should be able to find details of your holdings on your online account.

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FSSA Asia Focus Fund	25	Stewart Investors Indian Subcontinent Sustainability Fund	39
FSSA Global Emerging Markets Focus Fund	26	Stewart Investors Worldwide Leaders Sustainability Fund	40
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First Sentier Investors

We are a global asset management group focused on providing high quality, long-term investment capabilities to our clients. We bring together independent teams of active, specialist investors who share a common commitment to responsible investment principles.

We are a stand-alone asset management business and the home of investment teams FSSA Investment Managers and Stewart Investors. All our investment teams – First Sentier or individually branded – operate with discrete investment autonomy, according to their investment philosophies.

Together, we offer a suite of active investment capabilities, all with a shared purpose to deliver sustainable investment success. Over the next few pages we have published the assessments and ratings for each of our UK funds.



Our funds

First Sentier Global Listed Infrastructure Fund

The fund aims to achieve an investment return from income and capital growth over the medium to long term (at least three years).

The fund's strategy is to invest in a globally diversified portfolio of listed infrastructure companies. The manager defines risk as losing client money, rather than deviation from a benchmark index. This prudent style may lag in very strong liquidity-driven or momentum-led markets and may perform well when due recognition is given to companies with quality management teams, good long-term growth prospects and sound balance sheets.

The fund has the following share classes:

Share class	Launch date	AUM £	AMC %	OCF %	Overall rating	Performance	Quality of service	Classes of units	AFM costs	Economies of scale	Comparable market rates	Comparable services
Class A (Inc) EUR	01-May-08	12,215,172	1.50	1.66	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●
Class A (Acc) GBP	08-Oct-07	104,855,429	1.50	1.58	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●
Class A (Inc) GBP	08-Oct-07	36,170,725	1.50	1.61	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●
Class B (Inc) EUR	28-Aug-20	60,833	0.75	1.00	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●
Class B (Acc) GBP	08-Oct-07	983,454,674	0.75	0.80	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●
Class B (Inc) GBP	08-Oct-07	541,376,707	0.75	0.80	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●
Class B (Acc) USD	06-Dec-12	4,303,535	0.75	0.79	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●
Class B Hedged (Acc) EUR	14-Jul-17	238,967	0.75	1.08	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●
Class B Hedged (Acc) GBP	17-Sep-15	21,066,625	0.75	0.92	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●
Class B Hedged (Inc) GBP	19-Feb-13	54,314,189	0.75	0.89	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●

Performance

We have assessed performance considering absolute return, relative return and downside risk for each share class.

All share classes have met their investment objective of providing income and capital growth, however, all share classes produced negative relative returns over the period, the hedged share classes performed better in the downturn markets and their downside risk scores are higher.

As a result, all share classes are rated Amber apart from one of the hedged share classes which is rated Green for performance.

Quality of service

In assessing quality of service, we have reviewed the investment proposition of the fund and found that it was run in accordance with the investment team's philosophy and purpose.

We have reviewed proxy voting and corporate engagement and found that the fund adheres to First Sentier Investors' Principles and Policy for Responsible Investment and Stewardship.

We have reviewed our governance functions, and how we oversee fund liquidity, compliance breaches, and complaint handling to ensure that investors receive the appropriate support when needed.

We have also reviewed the information that is available to investors on monthly and quarterly factsheets and found that it provides appropriate information on the characteristics of the fund and share classes. We seek to continuously develop our support to investors and tailor it to their needs.

All share classes are rated Green for quality of service.

Classes of units

We are satisfied that differences in OCF between share classes are reasonable taking into account the differing levels of service offered.

All share classes are rated Green for classes of units.

AFM costs

We have reviewed the AMC of the primary share class to ensure that it is in line with the value provided through investment returns.

Each share class is rated Green for afm costs because the application of costs between share classes is fair and reasonable and reflects differing levels of service for each class.

Economies of scale

The AMC of the Class B shares reflects pricing that is set for the investment strategy as a whole and considers the expected capacity of the strategy.

Under the OCF cap additional expenses will not exceed 0.25% above AMC for all share classes.

The expense cap prevents investors from suffering large third party costs when the fund has low levels of AUM, while allowing economies of scale from additional expenses to be passed on when the AUM increases significantly.

Based on our assessment, all share classes are rated Green for economies of scale.

Comparable market rates

We have compared the OCF of each share class against a relevant peer group and all of their OCF are below the median apart from Class B (Inc) EUR and Class B (Acc) Hedged EUR that are rated as Amber for comparable market rates due to the small size of these share classes.

Based on our assessment, all other classes are rated Green for comparable market rates.

Comparable services

Based on our assessment, the share classes are rated Green for comparable services as the fees charged are comparable to other fund share classes and mandates of the same investment strategy and similar size.

Overall rating

All shares classes are rated Green and are providing value to investors.

FSSA Investment Managers

We are a specialist in Asia Pacific and global emerging market equity strategies, with dedicated investment professionals in Hong Kong, Singapore, Tokyo and Edinburgh. We are bottom-up investors, using fundamental research and analysis to construct high-conviction portfolios.

By conducting more than a thousand direct company meetings a year, we seek to identify high quality companies we can invest in for 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



Our funds

FSSA Asia All-Cap Fund

The fund aims to achieve capital growth over the medium to long term (at least three years).

The fund's investment strategy is centred on identifying quality companies of all market capitalisation size in the Asia Pacific region (excluding Japan), and buying them at a sensible price and holding for the medium to long term (at least three years). The strategy aims for capital preservation; the potential downside of an investment is evaluated as much as the upside. Benchmark indices are not used in the portfolio construction process as they may not fully represent the available opportunities in the markets.

Performance

We have assessed performance considering absolute return, relative return and downside risk for the share class.

The share class has met its investment objective of providing capital growth.

The share class is rated Green for performance.

Quality of service

In assessing quality of service, we have reviewed the investment proposition of the fund and found that it was run in accordance with the investment team's philosophy and purpose.

We have reviewed proxy voting and corporate engagement and found that the fund adheres to First Sentier Investors' Principles and Policy for Responsible Investment and Stewardship.

We have reviewed our governance functions, and how we oversee fund liquidity, compliance breaches, and complaint handling to ensure that investors receive the appropriate support when needed.

We have also reviewed the information that is available to investors on monthly and quarterly factsheets and found that it provides appropriate information on the characteristics of the fund and share classes. We seek to continuously develop our support to investors and tailor it to their needs.

All share classes are rated Green for quality of service.

Classes of units

This fund has a single share class and is therefore rated Green for classes of units.

AFM costs

We have reviewed the AMC to ensure that it is in line with the value provided through investment returns.

The share class is rated Green for afm costs because the application of costs is fair and reasonable.

Economies of scale

The AMC of the Class B share reflects pricing that is set for the investment strategy as a whole and considers the expected capacity of the strategy.

Under the OCF cap additional expenses will not exceed 0.25% above AMC for all share classes. The expense cap prevents investors from suffering large third party costs when the fund has low levels of AUM, while allowing economies of scale from additional expenses to be passed on when the AUM increases significantly.

Based on our assessment, the share class is rated Green for economies of scale.

Comparable market rates

We have compared the OCF of the share class against a relevant peer group and it was above the median.

Based on our assessment, this share class is rated Amber for comparable market rates.

Comparable services

Based on our assessment, the share classes are rated Green for comparable services as the fees charged are comparable to other funds and mandates of the same investment strategy and similar size.

Overall rating

The share class is rated Green and is providing value to investors.

The fund has the following share classes:

Share class	Launch date	AUM £	AMC %	OCF %	Overall rating	Performance	Quality of service	Classes of units	AFM costs	Economies of scale	Comparable market rates	Comparable services
Class B (Acc) GBP	26-Oct-15	210,056,068	1.00	1.05								

Stewart Investors

Founded in 1988, we run worldwide, emerging markets, Asia Pacific, European and Indian subcontinent equity investment strategies. Pioneers of sustainable investing, we launched our first sustainability fund in 2005, and to this day sustainability remains integral to our investment process.

We believe companies that deliver benefits to society and the environment face fewer risks over the long term and are therefore better placed to deliver positive returns to shareholders. Our investment philosophy centres around the principle of good stewardship - careful, considered and responsible management of clients' funds - with sustainability at the heart of this process. Every member of the investment team is a sustainability analyst in their own right, and are sworn to a strict code of conduct known as the Hippocratic Oath. By signing, they pledge to uphold the principle of stewardship through their conduct, and commit to always act in the interests of clients and society.



Stewart Investors



Our funds

Stewart Investors Global Emerging Markets Leaders Fund

The fund aims to achieve capital growth over the long term (at least five years).

The fund invests in equity or equity related securities of companies of large and mid-capitalisation that are incorporated or listed in emerging markets, or those of companies listed on developed market exchanges where a majority of their activities take place in emerging market countries. The fund invests in companies that are positioned to contribute to, and benefit from the sustainable development of the countries in which they operate.

The manager invests with capital preservation in mind, meaning it defines risk as losing client money, rather than deviation from a benchmark index. This prudent style may lag in very strong liquidity-driven or momentum-led markets and may perform well when due recognition is given to companies with quality management teams, good long-term growth prospects and sound balance sheets.

The fund has the following share classes:

Share class	Launch date	AUM £	AMC %	OCF %	Overall rating	Performance	Quality of service	Classes of units	AFM costs	Economies of scale	Comparable market rates	Comparable services
Class A (Acc) GBP	01-Dec-03	189,780,129	1.45	1.53	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●
Class B (Acc) GBP	01-Dec-03	337,256,961	0.80	0.88	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●
Class B (Inc) GBP	01-Sep-16	4,778,487	0.80	1.01	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●

Performance

We have assessed performance considering absolute return, relative return and downside risk for each share class.

All share classes have met their investment objective by providing capital growth, however, they have not performed better than the benchmark over the five-year timeframe, and the share classes have underperformed the benchmark in negative markets most of the time.

As a result, each share class is rated Red for performance. The Board will continue to closely monitor the performance of these share classes as the portfolio's policy is changed to align with a sustainability approach.

Quality of service

In assessing quality of service, we have reviewed the investment proposition of the fund and found that it was run in accordance with the investment team's philosophy and purpose.

We have reviewed proxy voting and corporate engagement and found that the fund adheres to First Sentier Investors' Principles and Policy for Responsible Investment and Stewardship.

We have reviewed our governance functions, and how we oversee fund liquidity, compliance breaches, and complaint handling to ensure that investors receive the appropriate support when needed.

We have also reviewed the information that is available to investors on monthly and quarterly factsheets and found that it provides appropriate information on the characteristics of the fund and share classes. We seek to continuously develop our support to investors and tailor it to their needs.

All share classes are rated Green for quality of service.

Classes of units

We are satisfied that differences in OCF between share classes are reasonable taking into account the differing levels of service offered. All share classes are rated Green for classes of units.

AFM costs

We have reviewed the AMC of the primary share class to ensure that it is in line with the value provided through investment returns.

Each share class is rated Green for afm costs because the application of costs between share classes is fair and reasonable and reflects differing levels of service for each class.

Economies of scale

The AMC of the Class B shares reflects pricing that is set for the investment strategy as a whole and considers the expected capacity of the strategy.

Under the OCF cap additional expenses will not exceed 0.25% above AMC for all share classes. The expense cap prevents investors from suffering large third party costs when the fund has low levels of AUM, while allowing economies of scale from additional expenses to be passed on when the AUM increases significantly.

Based on our assessment, all share classes are rated Green for economies of scale.

Comparable market rates

We have compared the OCF of each share class against a relevant peer group and all of their OCFs are below the median.

Based on our assessment, each share class is rated Green for comparable market rates.

Comparable services

Based on our assessment, the share classes are rated Green for comparable services as the fees charged are comparable to other funds and mandates of the same investment strategy and similar size.

Overall rating

All share classes are rated Amber and have opportunities for improvement.

Our funds

Stewart Investors Worldwide Sustainability Fund

The fund aims to achieve capital growth over the long term (at least five years).

The fund invests in a diversified portfolio of equity or equity-related securities of companies that are listed, traded or dealt in on regulated markets worldwide. The Fund invests in quality companies that are positioned to contribute to, or benefit from the sustainable development of the countries in which they operate.

The manager invests with capital preservation in mind, meaning it defines risk as losing client money, rather than deviation from a benchmark index. The manager's focus on quality companies rather than investing according to a benchmark index may lag in very strong liquidity-driven or momentum-led markets and may perform well when due recognition is given to companies with quality management teams, good long-term growth prospects and sound balance sheets.

The fund has the following share classes:

Share class	Launch date	AUM £	AMC %	OCF %	Overall rating	Performance	Quality of service	Classes of units	AFM costs	Economies of scale	Comparable market rates	Comparable services
Class A (Acc) EUR	27-Jun-13	1,092,148	1.25	1.38	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●
Class A (Acc) GBP	23-Nov-12	8,362,023	1.25	1.40	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●
Class A (Inc) GBP	20-Dec-12	2,405,530	1.25	1.31	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●
Class A (Acc) USD	07-Dec-15	852,986	1.25	1.36	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●
Class B (Acc) EUR	28-Aug-20	1,521,224	0.60	0.68	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●
Class B (Acc) GBP	01-Nov-12	510,942,404	0.60	0.66	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●
Class B (Inc) GBP	22-Jan-13	139,293,346	0.60	0.68	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●
Class B (Acc) USD	02-Jun-14	68,138,078	0.60	0.64	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●

Performance

We have assessed performance considering absolute return, relative return and downside risk for each share class apart from Class B (Acc) EUR as it does not have sufficient performance history.

All share classes have met their investment objective by providing capital growth, however, all share classes have underperformed their benchmark despite them performing better than the benchmark in negative market conditions.

The relative returns compared to the benchmark have led to all share classes having a Green/Amber rating, with some share classes showing a Green rating and others an Amber rating for performance.

Quality of service

In assessing quality of service, we have reviewed the investment proposition of the fund and found that it was run in accordance with the investment team's philosophy and purpose.

We have reviewed proxy voting and corporate engagement and found that the fund adheres to First Sentier Investors' Principles and Policy for Responsible Investment and Stewardship.

We have reviewed our governance functions, and how we oversee fund liquidity, compliance breaches, and complaint handling to ensure that investors receive the appropriate support when needed.

We have also reviewed the information that is available to investors on monthly and quarterly factsheets and found that it provides appropriate information on the characteristics of the fund and share classes. We seek to continuously develop our support to investors and tailor it to their needs.

All share classes are rated Green for quality of service.

Classes of units

We are satisfied that differences in OCF between share classes are reasonable taking into account the differing levels of service offered. All share classes are rated Green for classes of units.

AFM costs

We have reviewed the AMC of the primary share class to ensure that it is in line with the value provided through investment returns.

Each share class is rated Green for afm costs because the application of costs between share classes is fair and reasonable and reflects differing levels of service for each class.

Economies of scale

The AMC of the Class B shares reflects pricing that is set for the investment strategy as a whole and considers the expected capacity of the strategy.

Under the OCF cap additional expenses will not exceed 0.25% above AMC for all share classes. The expense cap prevents investors from suffering large third party costs when the fund has low levels of AUM, while allowing economies of scale from additional expenses to be passed on when the AUM increases significantly.

Based on our assessment, all share classes are rated Green for economies of scale.

Comparable market rates

We have compared the OCF of each share class against a relevant peer group and all of their OCFs are below the median.

Based on our assessment, each share class is rated Green for comparable market rates.

Comparable services

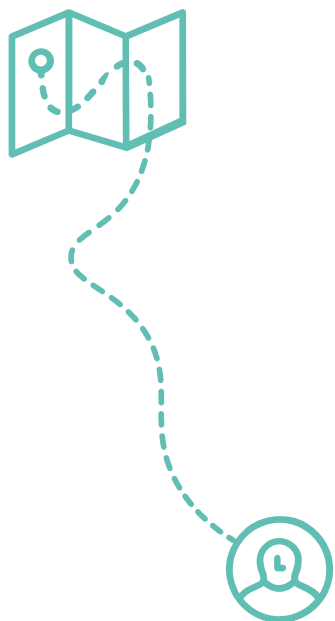
Based on our assessment, the share classes are rated Green for comparable services as the fees charged are comparable to other funds and mandates of the same investment strategy and similar size.

Overall rating

All share classes are rated Green and are providing value to investors.

Glossary

First Sentier Investors Assessment of Value report



Costs and fees

Charges and costs can have a real impact on the returns you may get from a fund so it is important to know what you will pay when you invest. You can find a summary of the relevant charges and costs associated with our funds on our [website](#). These details are also in the Supplementary Information Document (SID) or the respective KIID for each of our individual funds, which can be found on our website in the [Documents and Factsheets](#) section.

AMC – annual management charge. This is the annual fee paid to First Sentier Investors for the provision of investment management services.

OCF – ongoing charge figure. This is the total fee paid by you for your investment in our funds. It consists of the AMC as well as other third party costs. Other fees and expenses relating to the administration of the funds include custody and depositary fees. These costs are generally payable out of the funds and taken in to account when calculating the share price at which you buy or sell shares.

Glossary of technical terms used in this report

Absolute return – the performance of a share class over a period of time.

AMC – annual management charge

AUM – assets under management, the value of the sub-funds and/or share classes being managed.

Benchmark – a standard against which the performance of a fund can be measured. Generally, broad equity market and bond indexes are used for this purpose.

Downside risk – measurements of the percentage of market losses borne by a share class when performance of markets is negative. As a ratio, if the downside capture is less than 1 (or 100% of the time) it means the share class returns went down less than the market. A low number is good.

Median – a statistical value used to summarise the average of a set of data points. The median is the value that separates the higher half from the lower half of a given data sample.

OCF cap – This limits the overall cost of a share class by limiting third party costs and is paid by First Sentier. This ensures that investors do not incur disproportionate third party costs when fund sizes are low.

Portfolio – a portfolio, as it relates to a fund, is a collection of financial investments a fund holds such as stocks (in the case of an equity fund) or bonds (in the case of a bond fund) that form a whole.

Primary share class – the GBP share class that does not pay commissions to advisers and which does not have an incentive feature. This is normally the class B shares.

Relative return – the under or over-performance over a rolling period. This shows the consistency of the share classes performance verses the benchmark. E.g. if the relative performance is generally positive then the fund outperforms the benchmark most of the time, and vice versa.



Assessment of Value Report July 2022

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