# FSSA Japan Focus 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 in Japan, 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 the performance in negative markets for each share class that are, aligned with the investment objective and proposition of the fund.

Both the Class B (Acc) GBP and the Class B Hedged (Acc) GBP are rated Amber for performance. The Class B (Acc) USD is rated Red for performance.

Classes E (Acc) GBP and E (Acc) USD, were not subjected to the tests as they had not reached the appropriate maturity in order to test the outcome of the investment objective of the fund over the minimum recommended investment term.

## 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, 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 factsheets and quarterly investment reports and found that they provide 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.

First Sentier's UK Fund Board limits the overall investor cost by capping additional expenses at a maximum of 0.20%.

This serves to ensure that the OCF an investor pays is no higher than 0.20% above the AMC.

The additional expense cap prevents investors from suffering large third-party costs when the share class has low levels of AUM, while allowing investors to benefit from economies of scale as AUM increases.

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 all share 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 funds and mandates of the same investment strategy and similar size.

## Overall rating

All share classes are rated Green and are providing value for investors apart from the Class B (Acc) USD which is rated Amber and has opportunities for improvement and the Fund Board continually assess these.

**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 | 157,093,635 | 0.75 | 0.80 | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● |
| Class B (Acc) USD | 13-Jun-19 | 69,708 | 0.75 | 0.80 | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● |
| Class B Hedged (Acc) GBP | 30-Oct-15 | 2,874,022 | 0.75 | 0.88 | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● |
| Class E (Acc) GBP | 10-Oct-19 | 22,037,314 | 0.65 | 0.70 | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● |
| Class E (Acc) USD | 10-Oct-19 | 5,800,233 | 0.65 | 0.68 | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● | ● ● ● |