

# First Sentier Investors (Ireland) Limited

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Form ADV Part 2A  
– The Brochure

A Guide to Our Services March 2024

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## Item 1: Cover Page

This brochure provides information about the qualifications and business practices of First Sentier Investors (Ireland) Limited (FSIIL). First Sentier Investors entities referred to in this document are part of First Sentier Investors a member of MUFG, a global financial group. First Sentier Investors includes a number of entities in different jurisdictions.

The information in this brochure has not been approved or verified by The United States Securities and Exchange Commission (“**SEC**”) or by any State securities authority.

FSIIL is registered as an investment adviser with the SEC. Registration as an investment adviser with the SEC does not imply any certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us on +353 15849500 or [regulatorycompliance@firstsentier.com](mailto:regulatorycompliance@firstsentier.com)

Additional information is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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March 2024

## Item 2: Material Changes

On 30 November 2023, First Sentier Investors (Ireland) Limited was appointed as the UCITS Management Company of First Sentier Global Umbrella Fund Plc, an Irish UCITS umbrella company, which is not offered in the U.S. This event is referred to in this section solely to explain the increase in AUM.

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## Item 4: Advisory Business Overview

First Sentier Investors (Ireland) Limited (“FSIIL”) was incorporated in 2019 and is directly owned by First Sentier Investors UK Holdings Limited (a company incorporated in England and Wales and previously called First Sentier Investors Europe Holdings Limited). FSIIL is part of First Sentier Investors (“FSI”), a global asset management business, which in turn is 100% owned by Mitsubishi UFJ Trust and Banking Corporation (MUTB) and Mitsubishi UFJ Financial Group Inc., Japan (MUFG). The First Sentier Investors Group manages over \$182 billion globally.

FSIIL will offer investment advice primarily to clients with respect to unlisted infrastructure assets focussing on utility, transport and energy assets. FSIIL will principally target investments in mature, income-generating economic infrastructure where the application of specialist skills in investment origination, evaluation and active asset management can add value.

FSIIL acts as the Management Company to a number of Alternative Investment Funds with institutional investors. The European Diversified Infrastructure Fund III, composed of a master and a feeder (the Private Funds), are Luxembourg domiciled Alternative Investment Funds which will be offered to U.S. institutional investors. FSIIL does not anticipate registering such investment vehicles under the U.S. Investment Company Act of 1940 and its shares or interests, as applicable, will not be registered under the U.S. Securities Act of 1933. Accordingly, the Private Funds will not be publicly offered in the United States.

FSIIL also acts as the Management Company of other funds domiciled in the European Union, however these funds will not be offered in the U.S.

This document only refers to the European Diversified Infrastructure Fund III and its feeder, EDIF III Feeder Fund SCA SICAV-RAIF (the Private Funds).

However, please note that the ADV Part 1 application and the below asset under management figures refer to the capabilities of FSIIL as a whole, and the supporting facts and figures reflect this.

. Advisory services will not be tailored to the individual needs of clients.

FSIIL does not participate in wrap fee programs.

As of 31<sup>st</sup> December 2023 FSIIL had a total of over \$27.9billion assets under management. This includes uncalled capital commitments and assets where we have sub-delegated discretion to an affiliate. Therefore, certain of the assets will also be included in the AuM reported by our affiliated managers.

## Item 5: Fees and Compensation

### **Unlisted Infrastructure.**

For management of the Private Funds, FSIIL and its affiliates will receive a management fee as a percentage of funds under management paid quarterly in arrears. FSIIL and its affiliates will also be entitled to a performance fee on the terms described in the constituent documents of the Private Funds.

FSIIL will pay out of the assets of the Private Funds (and accordingly, the investors will bear) all of the ordinary and extraordinary expenses, which include, but are not limited to:

- organisational expenses incurred in relation to or in connection with the formation and organisation of the Private Funds including but not limited to travel, legal, accountancy, printing, postage and other costs of establishment;

- transaction costs and expenses directly related to the purchase, holding or sale of Investments including abort costs of unsuccessful or aborted transactions;
- accounting expenses, auditing fees, bank charges, representation and publicity expenses and other direct out-of-pocket costs;
- taxes payable by the Private Funds, if any;
- fees of any agents appointed by the General Partner or Investment Adviser or delegated Investment Adviser;
- fees of the Investment Adviser or delegated Investment Manager for extraordinary services;
- expenses, including valuation fees, incurred in relation to the Investments of the Private Funds;
- administrative costs, such as costs incurred in maintaining the Register, printing and postage costs;
- costs incurred in obtaining and servicing financial accommodation;
- the obligations of the Private Funds pursuant to and in relation to any indebtedness of the Private Funds;
- costs incurred in connection with drawing down commitments, seeking further commitments or enforcing the Private Funds' Partnership Agreement against Defaulting Investors;
- communication and reporting expenses (including costs incurred to convene meetings);
- legal fees, other professional fees, disbursements and other third party costs;
- the costs of reasonable directors' and officers' liability insurances on behalf of the Investment Adviser, the delegated Investment Manager and their respective key officers and employees;
- the costs of meetings of the Investors and the Investors' Representative Group and reimbursements of reasonable costs incurred by the members of the Investors' Representative Group; and
- any fees, costs and expenses including related disbursements and out-of-pocket expenses linked to and directly necessary for and ancillary to the management of the Private Funds' Partnership or its portfolio of assets.

## Item 6: Performance Based Fees and Side-by-Side Management

### Performance Fees

#### **Unlisted Infrastructure**

With respect to the Private Funds, FSIL, and its affiliates, will share a proportion of the Private Funds' investment outperformance over an agreed hurdle rate in accordance with the constituent documents of the Private Funds.

## Item 7: Types of Clients

FSIIL will provide investment advice to the Private Funds. FSIIL does not anticipate registering such investment vehicles under the U.S. Investment Company Act of 1940 and its shares or interests, as applicable, will not be registered under the U.S. Securities Act of 1933. Accordingly, the Private Funds will not be publicly offered in the United States.

The Private Funds are available for investment by institutional investors including, but not limited to:

- Pension plans
- Investment companies
- Endowments
- State and Municipal organisations
- Charitable organisations

Investors are ‘qualified purchasers’ as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

## Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

### Unlisted Infrastructure Funds

#### Methods of Analysis

FSIIL is part of the First Sentier Investors group. Within the group, Igneo Infrastructure Partners (“Igneo”) are responsible for managing unlisted infrastructure investments. Igneo has a 30 year history of managing unlisted infrastructure investments in a variety of sectors and through all stages of an economic cycle and an asset lifecycle.

Once a potential opportunity has been identified and originated by Igneo, the investment opportunity will be analysed including:

- Portfolio suitability (sector, country, etc.);
- Country, legal and political risk;
- Industry/regulatory environment;
- Responsible Investment (“RI”) issues and their potential impact on the United Nation’s Sustainable Development Goals (“SDGs”) for the business;
- Competitive position and strategy;
- Expected return and risk; and
- Understanding of vendor motives, likely process and expected timing.

Based on this preliminary investment review, a presentation will be made to the Investment Committee (“IC”), a body comprising investment professionals within Igneo. A decision will be made on whether to progress the opportunity to the due diligence (“DD”) phase using external advisors. At this stage, the Investors’ Representative Group (“IRG”) is also notified of the opportunity. This IRG is a body made up of investors and are used as a sounding board for opportunities. The objective of the DD phase is to undertake a detailed assessment of the investment opportunity in order to understand the overall risk and return profile of the investment and its suitability for the fund, to develop a strategy to minimise

execution risk and improve the probability of securing the investment on attractive terms. The DD process typically involves:

- Appointing appropriate DD advisors and working with them to undertake independent assessments of financial and operating information. A concerted effort is made to appoint advisors in a timely manner, so as to ensure the best possible advisory team can be retained for the transaction;
- Developing a detailed understanding of both the asset profile and investment profile;
- Meeting with existing management teams and current owners of the asset if possible;
- Identifying quantifiable and non-quantifiable risk factors and mitigants;
- Identifying growth potential and any other opportunities to optimise the asset profile and investment profile;
- Developing a financial model with long-term cash flow projections to support an investment case and stress test the investment profile; and
- Consultation with public relations consultants

Based on the work undertaken during the DD phase, an investment paper is drafted and submitted to the IC who will evaluate the proposal. The IC may then make an investment recommendation to the board of FSIL. The IRG is also notified of the proposal to make a bid for the investment.

FSIL will consider the recommendation and make the decision whether to make a binding bid.

### Investment strategies

The investment strategy is based on the proposition that a diversified portfolio of income-generating and growth oriented unlisted infrastructure assets has the ability to generate attractive risk-adjusted returns over the long term.

- Igneo expect to generate value for its clients by applying the following strategies:
- Undertaking dedicated industry research to identify market trends and position the strategy to leverage those market changes
- Focussing on middle-market deals where we forecast greater opportunities with less competition;
- Utilising our networks and relationships to proactively source proprietary investment opportunities;
- Using a disciplined investment focus on maximising risk-adjusted returns with a stable and predictable cash yield
- Developing close working relationships with management teams and investment partners to ensure that the assets are managed on a long-term sustainable basis including active stakeholder management;
- Focussing on RI matters and applying the United Nations Principles for Responsible Investment;
- Typically targeting investment grade credit ratings that will facilitate accessing capital markets and mitigating debt refinancing and liquidity risk; and
- Constructing a diversified portfolio of investments that seeks to deliver attractive risk-adjusted returns at an individual asset level and that are also complimentary from a portfolio perspective.

The target sectors include gas, water and electricity networks, ports, rail and toll roads, renewables, transportation, and telecommunication network infrastructure. Operating businesses are preferred and exposure to development assets is limited.

## **Risk Factors**

### **General investment risk**

An investment in the Private Funds involves certain risk factors and considerations relating to the Private Funds' structure and investment objective which prospective Investors should evaluate before making a decision to commit to subscribe for interests in the Private Funds. No assurance can be given that the Private Funds will succeed in achieving its investment objective or that there will be any return on, or the repayment of, their capital invested. Past performance is not a guarantee of future results.

Any losses in the Private Funds will be borne solely by investors in the Private Funds and not by FSIL or its affiliates. Ownership interests in the Private Funds are not insured by the Federal Deposit Insurance Corporation, and are not deposits, obligations of, or endorsed or guaranteed in any way, by any banking entity.

Before making any investment decision with respect to a commitment for interests in the Private Funds, prospective investors should consult their professional advisers and carefully review and consider such an investment decision in light of the risk factors included below.

The following is a brief description of certain factors, which should be considered along with other matters discussed in the private placement memorandum of the Private Funds. The following does not purport to be a comprehensive summary of all the risks associated with an investment in the Private Funds generally. Rather, the following are only certain particular risks to which the Private Funds may be subject and that FSIL wishes to encourage prospective investors to discuss in detail with their professional advisers:

### **Regulatory risk**

A government or governmental agency in a country in which the Private Funds invests in an infrastructure investment may amend, repeal, enact or promulgate a new law or regulation, or a government authority or court may issue a new interpretation of existing law or regulation. In each case such actions could substantially affect infrastructure investments and, as such, investments in infrastructure assets and related service companies.

Changes in legal, tax and regulatory regimes within the jurisdictions of investments as well as those that apply to FSIL or its affiliates may occur during the life of the Private Funds which may materially affect the performance of any given Investment

### **Business risk**

The Private Funds' objective is to make investments in infrastructure assets and other assets with similar characteristics. Investments will be subject to the risks incidental to the ownership, construction and operation of infrastructure assets, including risks associated with the general economic climate, geographic or market concentration, the ability of the Private Funds to manage the investment, technical problems, financial failures of operating or construction, sub-contractors, government regulations, and fluctuations in interest rates. Since investments in infrastructure and



similar assets, like many other types of long-term investments, have historically experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of an investment.

In addition, general economic conditions in relevant jurisdictions, as well as conditions of domestic and international financial markets, may adversely affect operations of the Private Funds. In particular, because of the long lead-time between the inception of a project and its completion, a well-conceived project may, as a result of changes in investor sentiment, the financial markets, economic, or other conditions prior to its completion, become an economically unattractive investment. With respect to investments in the form of real property (if any), the Private Funds will incur the burdens of ownership of real property, which include the paying of expenses and ad valorem and other real property taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property.

### **Operational risk**

The Private Funds will be exposed to the operating risk of the underlying business of each investment. Specialised skills are required to run an infrastructure business successfully. An inefficient or failed operation may adversely affect the profitability of the underlying business leading to a lower return on the Private Funds' investment.

The operations of infrastructure assets may be affected by macroeconomic factors, such as the rate of inflation in the countries where those investments are located. There is a risk that such macroeconomic factors may adversely affect the income or expenses of Investments, thereby reducing returns from those investments.

### **Construction risk**

The operations of investments are subject to numerous statutes, rules and regulations relating to environmental protection. There is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants.

Under various environmental statutes, rules and regulations of the appropriate jurisdiction, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Any liability of investments resulting from non-compliance or other claims relating to environmental matters could have a material adverse effect on the value of such investments.

### **Unforeseen events risk**

The use of the infrastructure assets may be interrupted or otherwise affected by a variety of events outside the FSIL's control, including serious traffic accidents, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters (including terrorism), defective design and construction, slope failure, bridge and tunnel collapse, road subsidence, fuel prices, environmental legislation or regulation, general economic conditions, labour disputes and other unforeseen circumstances and incidents. Certain of these events have affected toll roads, bridges, tunnels and other infrastructure assets in the past, and if the use of the infrastructure assets operated by investments is interrupted in whole or in part for any period as a result of any such events, the revenues of such investments could be reduced and the costs of maintenance or restoration as well as the overall public confidence in such infrastructure assets could be reduced. There can be no assurance that such investments' insurance would cover liabilities resulting from claims relating to the design, construction, maintenance or operation of the toll roads, bridges, tunnels or other infrastructure assets, lost toll revenues or increased expenses resulting from such damage. In some cases, project agreements could be terminated if the events described above were so catastrophic that they could not be remedied within a reasonable period or at all.

### **Valuation**

The assets held by the Private Funds are not publicly traded and are required to be fair valued by FSIL on at least an annual basis. When estimating fair value, FSIL will appoint independent valuers in accordance with the Funds constitutional documents. The independent valuers will generally use a long-term discounted cash flow methodology. Valuations are subject to multiple levels of review for approval.

### **Cybersecurity risk**

Cybersecurity breaches may occur allowing an unauthorized party to gain access to assets of the Funds, Shareholder data, or proprietary information, or may cause the Company, the Investment Manager, the Distributor, the Administrator or the Depositary to suffer data corruption or lose operational functionality.

The Private Funds may be affected by intentional cybersecurity breaches which include unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of Shareholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Company, the Investment Manager, the Distributor, the Administrator, the Depositary, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Shareholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Private Fund's investments to lose value, as a result of which investors,

including the relevant Private Fund and its Shareholders, could potentially lose all or a portion of their investment with that issuer.

## Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of our company or the integrity of our management. At the present time, we do not have any material legal, financial or other disciplinary items to report.

## Item 10: Other Financial Industry Activities and Affirmations

FSIIL is a member of the Mitsubishi UFJ Financial Group Inc. In some cases, FSIIL may have business arrangements with related persons/companies to the FSIIL advisory business or to their clients. In some cases, these business arrangements create potential conflicts of interest, or the appearance of a conflict of interest between FSIIL and a client. Recognised conflicts of interest are discussed in Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) of this Brochure.

### **Affiliated Broker Dealers**

FSIIL is associated with several broker dealers such as: MUFG Securities Americas Inc., Intrepid Investment Bankers LLC, Mitsubishi UFJ Securities Holdings Co.l plc, and MUFG Securities EMEA Plc.

As appropriate and in accordance with regulation and client agreements, FSIIL will on an arm's length basis, utilize the services of the affiliated broker dealers. With regard to the Private Funds, to date, FSIIL has not dealt in publicly traded securities and does not expect to utilise the above associated broker dealers in the foreseeable future.

### **Associated Investment Advisers**

First Sentier Investors International IM Limited is a SEC registered investment adviser and is an associate of FSIIL. First Sentier Investors International IM Limited was incorporated in 1982 and is under common control with FSIIL. First Sentier Investors International IM Limited is an investment advisory firm providing discretionary investment management and portfolio management services to a range of institutional clients and funds. First Sentier Investors International IM Limited has entered into a sub-delegation agreement with FSIIL to act as the Investment Adviser to the European Diversified Infrastructure III Private Funds.

First Sentier Investors (UK) Funds Limited and First Sentier Investors (UK) IM Limited, are FCA regulated entities, acting as investment managers for both US and non-US institutional clients. These entities are SEC registered investment advisers and are affiliates of FSIIL.

First Sentier Investors (Australia) IM Ltd is a registered investment adviser and is an associate of FSIIL. First Sentier Australia was incorporated in 2005 and is a wholly owned subsidiary of MUTB. MUTB is one of Japan's leading asset managers and is a wholly owned subsidiary of MUFG, a global financial

group. First Sentier Australia is an investment advisory firm providing discretionary investment management and portfolio management services to a range of institutional clients and funds.

First Sentier Investors Singapore (FSIS) is licensed by the Monetary Authority of Singapore in the conduct of its investment business in Singapore and is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”). FSIS is an affiliate of FSIL. FSIS was incorporated in 1969 and is a wholly owned subsidiary of the First Sentier Group. FSIS provides portfolio construction and investment management services to a range of institutional clients and funds.

First Sentier Investors (Hong Kong) Limited (“FSIHK”) is a company incorporated under the laws of Hong Kong. FSI HK is an investment adviser registered with the SEC in 2015 and licensed by the Securities and Futures Commission in Hong Kong on 11 March 2005 and is an affiliate of FSIL. FSIHK provides investment advisory services to clients from its principal business office located in Hong Kong. As a result, FSIHK currently is and will continue to be licensed with the Securities and Futures Commission in Hong Kong and subject to regulations by the Hong Kong regulatory authorities.

First Sentier Investors (US) LLC (FSI US) is an SEC registered investment adviser and is an affiliate of FSIL. FSI US was established in 2014 and is a wholly owned subsidiary of the MUFG Group. FSI US provides discretionary management services to institutional clients and funds. Employees of FSI US provide U.S. marketing and solicitation services for the advisory services of FSIL.

First Sentier (Australia) RE Ltd (FSI ARE) is an SEC registered investment adviser and is an affiliate of FSI AIM. FSI ARE was established in 1985 and is a wholly owned subsidiary of MUTB. FSI ARE is an investment advisory firm providing discretionary investment management services to a range of institutional clients and funds.

Albacore Capital LLP is part of the Albacore Capital Group and is an Exempt Reporting Adviser. In November 2023, First Sentier Investors received all required regulatory approvals to enter into a strategic partnership with Albacore Capital Group, a boutique European alternative credit manager.

Furthermore, FSIL may delegate portfolio management activities to one or more First Sentier affiliates. FSIL receives services, including but not limited to investment advisory services, from certain affiliates such as the General Partner of the Private Funds. For example, in the areas of legal, compliance, risk management, human resources, finance, information technology, trade support, back and middle office support, and sales and marketing, certain services are shared between FSIL and various affiliates.

## Item 11: Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

FSIIL has adopted a Code of Ethics (the “Code”) which sets out the expectations of each Supervised Person in their day to day operations and interactions with all stakeholders. The Code requires all Supervised Persons (including Access Persons) to:

- Serve the best interests of clients at all times;
- Be honest and ethical in their activities
- Comply with all applicable US federal securities laws, as well as all other applicable laws and regulations;
- Treat the affairs of FSI, its clients and employees with absolute confidentiality;
- Affirmatively exercise authority and responsibility for the benefit of clients and may not participate in any activities that may conflict with the interest of clients except in accordance with the Code; and
- Safeguard any material non-public information relating to securities recommendations, fund and client holdings.

All Supervised Persons have received a copy of the Code and are required on an annual basis to confirm that they have read and understood the content.

### Definitions:

**Supervised Person:** any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

**Access Person:** a supervised person who has access to non-public information regarding clients’ purchase or sale of securities, is involved in making securities recommendations to clients or who has access to such recommendations that are non-public.

**Related Person/s:** any other person or entity whose investment decision making is influenced by a Supervised Person and if the person is an Access Person, this also includes to a spouse or domestic partner, child or any adult family member living in the same household as the Access Person.

The Code also outlines the requirements and where relevant references policies to ensure the standards detailed above are adhered to and include:

### Protection of Material Non-public Information

It is a crime in the U.S. and many other countries to transact in a company’s securities while in possession of material non-public information about the company. Questions regarding perceived material information should be directed to a member of the Compliance staff. Supervised Persons are responsible for safeguarding non-public information relating to securities recommendations, fund and client holdings. As such, Supervised Persons must not trade based on FSIIL’s confidential and proprietary investment information or on the non-public information of other companies that may be in its possession. Other types of information (e.g. marketing plans, employment issues, client identities, etc.) may also be confidential and should not be shared with individuals outside FSIIL (except those retained to provide services for FSIIL).

### Personal Securities Trading

The Global Personal Dealing Policy as summarised in the Code governs personal trading by all employees (including Access Persons) and their Related Persons. Employees are permitted to maintain personal securities accounts provided that such accounts are disclosed to FSIL and that any personal trading is consistent with the Global Personal Dealing Policy, the Code of Ethics and applicable law.

In summary the requirements that apply to employees, including Access Persons and their Related Persons are:

- Initial and where automated reporting does not occur, annual, reports of securities and holdings must be submitted
- Initial and changes to the broker, dealer or bank accounts in which any securities are held must be submitted
- Pre-approval is required for all transactions in listed securities and all positions must be held for 120 days. Employees are limited to 20 pre-clearances requests per quarter. In some regions securities may be sold inside the minimum holding period where the employee has suffered a minimum 20% loss as evidenced on the employee's broker statement and Compliance has pre-cleared the trade.
- Employees located in the US are prohibited from purchasing initial public offerings (IPOs).
- Access Persons located jurisdictions outside of the US are prohibited from participating in IPOs that will be listed on a US exchange.
- Access Persons must obtain approval before acquiring a beneficial ownership on a limited offering or private placement.
- Investment team employees and their related persons cannot invest in any security that may be held in the core investment universe.

### **Gifts and Entertainment**

Giving and accepting gifts and entertainment still occurs in many areas of business. In our industry, although the practice is decreasing it is still, to an extent, prevalent in many regions in which FSIL operates. As a business which insists on its people meeting the highest professional standards, FSIL provides guidance on how its employees should conduct themselves accordingly:

- Employees must ensure they do not receive or offer gifts or entertainment which could be seen as being inappropriate or which may give rise to actual or potential conflicts of interest.
- Employees should ensure that personal relationships with third parties, clients or suppliers, do not influence or prejudice their obligations to FSIL or its clients.
- Employees should only attend client related or business partner lunches or dinners or similar events (e.g. drinks receptions) where there is a significant industry, relationship or business agenda and can reasonably be deemed to be beneficial to our clients.

### **Conflicts of Interest**

In the discharge of its fiduciary duties, FSIL has in place policies and procedures to manage actual perceived or potential conflicts of interest. In summary this involves:

- Avoiding it, where the conflict cannot be satisfactorily managed, for whatever reason, through controls and disclosure, or
- Controlling it, through the operation of controls, or
- Disclosing it. In order for the disclosure to be effective, it must be complete providing sufficient detail for the client to decide how the conflict impacts service to them and it must be timely, prominent and meaningful.

FSIL from time to time invests in the same securities that its affiliates invest in. Portfolio management and security recommendations are undertaken at an investment strategy level and each investment team

managing these strategies is organised separately. Information barriers and other controls exist between investment teams to manage any potential conflicts that may arise.

### **Outside business interests and affiliations**

To manage conflicts of interest, inside information and other compliance and business issues, FSIL maintains a record of its Supervised Persons serving as officers or members of the board of any other entity. Advice must be obtained through the Compliance team where there is a perceived potential conflict of interest. FSIL can deny approval where the perceived conflict of interest cannot be managed effectively.

## **Item 12: Brokerage Practices**

### **Unlisted Infrastructure**

Typically, unlisted Infrastructure transactions do not involve the use of a financial intermediary such as a broker-dealer because they are made on a negotiated basis.

### **Investment allocation for unlisted securities**

FSIL seeks to allocate investments in a manner that is consistent with its duty to: (1) treat all clients fairly and equitably over time; and (2) not to systematically advantage or disadvantage any single client or group of clients.

FSIL and its affiliates have adopted an allocation protocol which governs the way in which investment opportunities are allocated between the Private Funds.

Although allocating orders among FSIL clients creates potential conflicts of interest because FSIL could receive greater fees or overall compensation from some clients than received from other clients, allocation decisions will not be made based on such greater fees or compensation.

## **Item 13: Review of Accounts**

FSIL regularly reviews client accounts. The frequency of that review is determined by the requirements of the client and the nature of the mandate and includes periodic reviews of performance, investment activity and outlook. Normally, these reviews would be carried out by a senior member of the investment team or other qualified members of the investment team, together with the Relationship Manager or, in some cases, by the Relationship Manager directly. The senior member of the investment team and the primary Relationship Manager will normally discuss with the client on at least an annual basis.

Periodic written data, including valuations and transaction information, is provided on a quarterly basis and may be supplied to the client or the client's custodian for accounting or reconciliation purposes. In addition, clients normally receive quarterly and annual reports, either following a standard First Sentier Investors template, or tailored to suit the individual client requirements. Audited accounts are produced on annual basis and are made available to clients within six months of year end.

Clients may also be invited to participate in a webcast or conference call where the investment team reviews the performance or discusses topic relevant to the clients.



In the event of a major market dislocation, or similar event, client accounts would be reviewed and appropriate action and communication undertaken promptly.

## Item 14: Client Referral and Other Compensation

FSIIL does not enter into agreements with third parties for the referral of new clients in the US.

FSIIL does not receive any economic benefit from anyone who is not a client for providing investment advice.

## Item 15: Custody

FSIIL generally does not maintain custody of the assets of the Private Funds, however, self-custody can be performed in limited circumstances by an affiliate with respect to the deduction of management fees. Instructions to facilitate payment of fees are generally initiated by the client's or Private Funds' custodian.

All clients should receive account statements directly from the broker-dealers, banks, trustees, or other qualified custodians with whom they have accounts. We strongly urge all clients to compare the reports they receive from FSIIL to the statements they receive from their broker-dealers, banks, trustees or custodians. Any issues or discrepancies should be communicated to us promptly so that we may investigate.

## Item 16: Investment Discretion

FSIIL has discretionary authority to manage the Private Funds in accordance with the relevant offering documentation and management agreements (entered into prior to assuming discretion) which sets out the investment objectives and any limits which may be imposed on them.

## Item 17: Voting Client Securities

Voting rights in Unlisted Infrastructure assets are managed via the Private Funds. Because FSIIL delegates portfolio management responsibility to a sub-advisor, FSIIL generally does not exercise voting authority over assets held in the Private Funds. The sub-advisor of the Private Funds has in place a comprehensive corporate engagement policy that describes how they vote on various issues, taking into consideration the best interests of the investors.

The corporate engagement policy or a record of voting of a fund's securities can be obtained by writing to our Chief Compliance Officer.

## Item 18: Financial Information

FSIIL does not require prepayment of any advisory fees. Presently, FSIIL has no financial commitments or obligations that would interfere with our obligations to our clients. FSIIL has never filed for bankruptcy protection.