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Press Release

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HERMES AND CORSTON-SMITH LAUNCH ASEAN CORPORATE GOVERNANCE FUND

Hermes Equity Ownership Services (EOS) has teamed with Corston-Smith Asset Management to launch the ASEAN Corporate Governance Fund, an absolute return fund, which will invest in long term equity opportunities in the South East Asian markets, and is the first fund of its kind globally.

The fund is seeded by BTPS and is expected to raise £200 million from international institutional investors.

The ASEAN Corporate Governance Fund will invest in approx. 20 companies at any one time. EOS will provide a governance overlay to the fund, with Corston-Smith Asset Management screening for companies with good business models and average-to-good governance and transparency levels. Corston-Smith will provide the fund management services and domestic equity knowledge.

Shireen Muhiudeen, Principal Fund Manager, Corston-Smith Asset Management said:

“The key objective of the ASEAN Corporate Governance Fund is to deliver performance through good ownership of the companies in which we are invested. By working with EOS to improve the selected companies’ structural or strategic governance issues, we expect to encourage better performance and deliver returns for all stakeholders.

“We also hope to change the governance landscape in the region by setting a benchmark in governance”.

Colin Melvin, Chief Executive Officer of EOS, said:

“This Fund is the first governance and engagement fund of its kind and we are excited to be applying our expertise in corporate governance towards developing good practices in South-East Asia.

“We will be looking for well governed and accountable companies that have potential for improved growth and performance.”

Corston-Smith Asset Management is also launching the ASEAN Shariah Corporate Governance Fund, which will be the first shariah corporate governance fund globally and will also look for shariah-compliant investment opportunities with good business models and average-to-good governance and transparency levels.

Ends

Notes to Editors

Hermes Equity Ownership Services (EOS) - EOS provides its clients with a comprehensive and unified responsible investment and corporate governance advisory service on their equity investments wherever they are managed. The services provided by EOS include voting, engagement and public policy work for long term institutional shareholders.

As the executive arm of the BT Pension Scheme, the UK's largest pension fund, Hermes has over the past decade developed an expertise in responsible investment and corporate governance. This stems from the belief that for a long-term equity investor, it is particularly important to be an active and engaged owner of companies. Hermes' unique ownership means that it has a commonality of interests with other pension funds and thus a focus on achieving superior absolute returns.

The premise underlying EOS is that companies with informed and involved shareholders are more likely to achieve superior long-term performance than those without. EOS aims always to represent to directors a shareholder's perspective on the company's environmental, social and governance performance and to frame its discussions with companies in terms of long-term value creation. Hermes firmly believes that the stronger and more representative that shareholder voice, the more effective it is likely to be.

Corston-Smith Asset Management

Corston-Smith Asset Management is an equity specialist asset manager in the ASEAN region, providing fund management services to institutional clients to achieve positive investment returns whilst maintaining international investment standards and practices.

Corston-Smith Asset Management is equipped with local knowledge supported by fundamental international research and corporate governance investment processes.

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