

Independent Oversight Report 2021

Objective

The Securities and Exchange Commission (the 'SEC') issued the Notification of the Capital Market Supervisory Board No. TorThor. 49/2562 (the 'Regulations') requiring asset management companies ('AMCs') to monitor practices in line with the Securities and Exchange Act with the primary aims of safeguarding benefits entitled to mutual fund unitholders and raising governance standards of AMCs in the interest of improving protection for unitholders.

Test Plan, Fact Assessment, and Finding

The monitoring scope includes mutual funds managed by Aberdeen Asset Management (Thailand) Limited. The following is a summary table of the test plans, fact assessments, and findings from Independent Oversight team during the period of December 2020 - November 2021.

Monitoring scope #1 : Affiliated transactions and transactions of financial products/instruments whose market prices are not available or which are illiquid	
Test descriptions	Result
<ul style="list-style-type: none">- Ascertain if conflict of interests ('COI') policy sets out the handling of affiliated/related transactions, and whether they are appropriate.- Ascertain that the information on crossing, related transactions and connected brokers are disclosed in the company website.- Review the compliance monitoring performed (on cross trades and connected persons transactions) by the Compliance team and ascertain if they are appropriate.- Ascertain if the SEC regulations on cross trades are incorporated into the policy.- Ascertain if COI policy sets out pricing and valuation (including illiquid securities), and whether they are appropriate.- Ascertain if the reportable practices relating to conflict of interests have been submitted to the SEC and Board within the deadline.	No exception noted.
Monitoring scope #2 : Investment of mutual funds has been managed as disclosed to investors	
Test descriptions	Result
<ul style="list-style-type: none">- Ascertain that the investment objective in fund documents commensurate with investment decisions.- Ascertain if relevant risk statistics and measures of the funds are reasonable and whether exceptions are justified.- Ascertain if the use of the benchmark is disclosed in the fund documents.	No exception noted.

Monitoring scope #3 : Selection and monitoring service providers (charging expenses to mutual funds/unitholders)	
Test descriptions	Result
<ul style="list-style-type: none"> - Ascertain the expenses and fees charged have been audited. - Ascertain if expenses and fees are reasonable against competitor funds. - Ascertain if there are any related service providers and whether the expenses and fees are reasonable. 	No exception noted.
Monitoring scope #4 : Execution of transaction orders for capital market products and financial instruments	
Test descriptions	Result
<ul style="list-style-type: none"> - Ascertain if the deal monitoring review is reasonable and any exceptions. - Ascertain if the broker usage review is reasonable and any exceptions. - Ascertain if the top brokers are affiliated and whether the execution of transaction orders are appropriate. - Ascertain if there are policies and procedures in place for executing transactions. 	No exception noted.
Monitoring scope #5 : Process of charging fees and expenses borne by mutual funds or unitholders	
Test descriptions	Result
<ul style="list-style-type: none"> - Ascertain fund disclosure documents include fees and expenses charged to the fund/unitholders, and they are appropriate, not misleading, and easily understood. - Ascertain the management fees charged across different investment approach are reasonable. E.g. passive managed funds generally have lower fees compared to active managed funds. 	No exception noted.
Monitoring scope #6 : Proxy voting practice	
Test descriptions	Result
<ul style="list-style-type: none"> - Ascertain if proxy voting policy is appropriate. - Ascertain if the compliance monitoring review is appropriate. - Ascertain the proxy voting decisions are appropriate and documented. 	No exception noted.