

## First State Diversified Growth – Recommended addition

15<sup>th</sup> January 2018

Following The Adviser Centre Monthly Review Meeting on 3<sup>rd</sup> January 2018, [First State Diversified Growth](#) was added to The Adviser Centre as a Recommended fund.

First State Diversified Growth features in the IA Flexible Investment sector and is an outcome-focused, mixed-asset fund where the aim is to deliver a total return of 4% in excess of the UK Retail Price Index (gross of fees) over a rolling 5-year period.

The fund is managed by Andrew Harman and he is assisted by Simon Hinrichsen; both are based in London and are members of the firm's Multi-Asset Solutions team. Philosophically, the team operates on the basis that ultimately, fundamentals always assert themselves as a key driver of returns. They create a neutral asset allocation for the fund, based upon an assessment of economic fundamentals. At the same time, they acknowledge that in the shorter term, markets are inefficient, affording opportunities to enhance or protect returns through dynamic asset allocation.

There is great flexibility around the fund's positioning and the team is not afraid to stand out from the crowd, with the fund's specific return target always at the heart of their decision-making. This target demands exposure to risk assets and therefore investors should be tolerant of capital volatility. The fund is best-suited to investors with a long-term investment horizon who are looking to achieve a return above inflation through a dynamically-managed, diversified vehicle.

The investment process is highly objective in nature and is supported by comprehensive quantitative and qualitative inputs. The approach has existed for over 10 years and has been deployed across a variety of mandates, proving its worth through most market conditions. While the UK-domiciled fund is currently small in size, the Multi-Asset Solutions team has over £12bn under management and advice (as at December 2017), spread across numerous funds and segregated accounts. First State Investments offers an "E" share class, which will be available until the fund reaches £250m in size. This benefits from a discounted annual management charge and the ongoing charge figure is capped at 0.55% pa. For more details, please contact First State Investments.