

# First State Investments ICVC

## Prospectus

Prospectus valid as at 7 October 2013

First State Investments ICVC ("the Company") is an open-ended investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC23.

PROSPECTUS VALID AS AT 7 October 2013

**Important:** If you are in any doubt about the contents of this Prospectus you should consult your financial adviser. This document constitutes the Prospectus for First State Investments ICVC which has been prepared in accordance with the FCA's COLL Sourcebook.

Investment in Shares in the Company is not permitted by or on behalf of US Persons (as defined in Regulation S under the United States Securities Act of 1933, as amended).

## **Important information**

First State Investments (UK) Limited, the Authorised Corporate Director (ACD) of the Company, is the entity responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the COLL Sourcebook. First State Investments (UK) Limited accepts responsibility accordingly.

No person has been authorised by the Company to give any information or to make any representations in connection with the offering of Shares other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Company. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Shares in the Company are not listed on any investment exchange.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus has been approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by First State Investments (UK) Limited.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any of the states of the US, nor is such a registration contemplated. The Shares may not be offered, sold or delivered directly or indirectly within the US or to, or for the account or benefit of, any US persons (as defined in Regulation S under the Securities Act ("Regulation S")). Shares are being offered to non-US persons in offshore transactions outside the United States in reliance on Regulation S. Shares may not, except pursuant to a relevant exemption, be acquired or owned by, or acquired with the assets of an ERISA Plan. An ERISA Plan is defined for these purposes as (i) any employee benefit plan within the meaning of section 3(3) of the United States Employee Retirement Income Securities Act of 1974, as amended ("ERISA") and subject to Title I of ERISA; or (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended.

Neither the Company nor the Funds have been or will be registered under the US Investment Company Act of 1940, as amended.

Investment in Shares by or on behalf of US Persons is not permitted.

The ACD has the power to impose such restrictions as it may think necessary for the purpose of ensuring that Shares are not acquired or held directly or beneficially by any US Person (other than pursuant to an exemption available under the applicable US law).

Potential applicants for Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Shares.

The ACD will be required to identify whether any of the Shareholders are US Persons (as defined on page 8 below) under the tax laws of the US or are non-US entities with one or more US Persons as “US owners,” and may be required to report to the United States Internal Revenue Service (the “US IRS”) the identity, value of holdings and payments made to such persons. The ACD may be required to withhold on withholdable payments made to such persons. In addition, the ACD may be required to disclose information as outlined in the Taxation section.

Definitions of both "residence" and US Person can be complex for tax purposes and we recommend that persons unsure of their status seek their own advice prior to subscribing for Shares.

Some of the information in this Prospectus is a summary of corresponding provisions in the Instrument of Incorporation. Shareholders should read the Instrument of Incorporation for further details and for further information which is not contained in this Prospectus.

This Prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with the ACD that this is the most recently published prospectus.

The Depositary is not the person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the COLL Sourcebook or otherwise.

This Prospectus is dated, and is valid, as at 7 October 2013.

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## TERMS USED IN THIS DOCUMENT

<b>ACD</b>	First State Investments (UK) Limited, the authorised corporate director of the Company
<b>Approved Bank</b>	<p>In relation to a bank account opened by the Company:</p> <p>(a) if the account is opened at a branch in the UK:</p> <ul style="list-style-type: none"> <li>(i) the Bank of England; or</li> <li>(ii) the central bank of a member state of the OECD; or</li> <li>(iii) a bank; or</li> <li>(iv) a building society; or</li> <li>(v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or</li> </ul> <p>(b) if the account is opened elsewhere:</p> <ul style="list-style-type: none"> <li>(i) a bank in (a); or</li> <li>(ii) a credit institution established in an EEA State other than the UK and duly authorised by the relevant Home State Regulator; or</li> <li>(iii) a bank which is regulated in the Isle of Man or the Channel Islands; or</li> </ul> <p>(c) a bank supervised by the South African Reserve Bank.</p>
<b>Base Currency</b>	The base currency of the Company and each Fund is Pounds Sterling.
<b>COLL</b>	A reference to a rule or chapter in the COLL Sourcebook
<b>COLL Sourcebook</b>	The FCA's Collective Investment Schemes Sourcebook as amended or re-enacted from time to time forming part of the FCA Handbook
<b>Class or Classes</b>	In relation to Shares, means (according to the context) all of the Shares related to a single Fund or of a particular class or classes of Share related to a single Fund
<b>Company</b>	First State Investments ICVC
<b>Currency Hedged Share Class</b>	A Class in respect of which the Company effects a hedge from the currency of denomination of certain (but not necessarily all) assets of the relevant Fund into the currency of the Currency Hedged Share Class concerned
<b>Custodian</b>	State Street Bank and Trust Company, the custodian of the assets of the Company as appointed by the Depositary
<b>Dealing Day</b>	Monday to Friday (except for (unless the ACD otherwise decides) the last working day before Christmas and a bank holiday in England and Wales) and other days at the ACD's discretion
<b>Depositary</b>	National Westminster Bank Plc, the depositary of the Company
<b>EEA State</b>	A member state of the European Economic Area

<b>Eligible institution</b>	One of certain eligible institutions (being a BCD Credit institution authorised by its home state regulator or a MiFID Investment firm being authorised by its home state regulator) as defined in the glossary of the FCA Handbook
<b>EMEA</b>	Europe, Middle East and Africa
<b>Emerging Economies or Emerging Markets</b>	Countries which are not classified as developed markets by MSCI or FTSE, or which are categorised by the World Bank as middle or low-income or which are not members of the Organisation for Economic Co-operation and Development
<b>EPM</b>	Efficient Portfolio Management as described in paragraph 23 of Appendix III
<b>ERISA Plan</b>	(i) any employee benefit plan within the meaning of section 3(3) of the United States Employee Retirement Income Securities Act of 1974, as amended (“ERISA”) and subject to Title I of ERISA; or (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986
<b>Euro</b>	The legal currency of the countries participating in the European Monetary Union
<b>Euro Shares</b>	Shares in a Fund denominated in Euro
<b>Fraction</b>	A smaller denomination share (on the basis that one-thousand smaller denomination shares make one larger denomination share)
<b>FCA</b>	The Financial Conduct Authority
<b>FCA Handbook</b>	The handbook of rules and guidance published by the FCA as amended from time to time
<b>Fund Administrator</b>	State Street Bank and Trust Company, the administrator of the assets of the Company
<b>Fund or Funds</b>	A sub-fund or sub-funds of the Company (being part of the scheme property of the Company which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the applicable investment objective
<b>Investment Manager</b>	First State Investment Management (UK) Limited, the investment manager to the ACD
<b>In writing</b>	Includes printing, facsimile and any other form of electronic transmission deemed by the ACD to be secure as enables the recipient to know and to record the time of receipt and to preserve a legible copy of the transmission
<b>Key Investor Information Document</b>	a short document containing key investor information for investors on the essential elements of the Company, the relevant Fund and share class into which the investor is seeking to invest. The Key Investor Information Document must be seen and read prior to any subscription being made
<b>Net Asset Value or</b>	The value of the scheme property of the Company (or of any Fund, as the context requires) less the liabilities of the Company (or of the Fund

<b>NAV</b>	concerned) as calculated in accordance with the Company's Instrument of Incorporation
<b>Net Asset Value per Share or NAV per Share</b>	The Net Asset Value of a Class in issue in respect of any Fund divided by the number of Shares of the relevant Class in issue or deemed to be in issue in that Fund
<b>OECD</b>	The Organisation for Economic Co-operation and Development
<b>OEIC Regulations</b>	The Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time
<b>Registrar</b>	The Bank of New York Mellon (International) Limited, the registrar of the Company
<b>Regulations</b>	The COLL Sourcebook and the OEIC Regulations
<b>Scheme Property</b>	The property of the Company required under the Regulations to be given for safe-keeping to the Depositary
<b>SDRT</b>	Stamp duty reserve tax
<b>Share or Shares</b>	A share or shares in the Company (including larger and small denomination shares and fractions)
<b>Shareholder</b>	A holder of registered or bearer Shares in the Company
<b>Sterling</b>	The legal currency of the United Kingdom
<b>Sterling Shares</b>	Shares in a Fund denominated in Sterling
<b>Switch</b>	The exchange of Shares of one Class or Fund for Shares of another Class or Fund
<b>US</b>	The United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction
<b>US Dollar</b>	The legal currency of the US
<b>US Dollar Shares</b>	Shares in a Fund denominated in US Dollar
<b>US Person</b>	Unless otherwise determined by the ACD, (i) a citizen or resident of the US; (ii) a corporation, partnership, or other entity organised in or under the laws of the US or any state thereof (including any entity treated as a partnership or corporation for US tax purposes, such as a limited liability company); (iii) an estate or trust the executor, administrator or trustee of which is a US person as defined above, the income or beneficiaries of which are subject to US federal income tax; and (iv) certain accounts held by a dealer or other fiduciary where the person exercising discretion over the account is a US Person. US Person shall not include corporations, partnerships or other entities which are organised or incorporated under the laws of any non-US jurisdiction that are controlled, directly or indirectly, by a US Person as described above, unless such corporation, partnership or other entity was formed by such US Person principally for the purpose of investing in securities not registered under the US Securities Act of 1933, as amended.
<b>VAT</b>	Value Added Tax

*In this Prospectus words denoting one gender only shall include all genders.*

*Words and expressions contained in this Prospectus but not defined shall have the same meaning as in the COLL Sourcebook or the OEIC Regulations unless the contrary is stated.*



## **DIRECTORY**

### **THE COMPANY**

FIRST STATE INVESTMENTS ICVC

Registered Office:

3rd Floor

30 Cannon Street

London EC4M 6YQ

### **Principal Place of Business:**

23 St. Andrew Square

Edinburgh EH2 1BB

### **AUTHORISED CORPORATE DIRECTOR**

FIRST STATE INVESTMENTS (UK) LIMITED

Registered Office:

3rd Floor

30 Cannon Street

London EC4M 6YQ

### **Head Office/Dealing & Correspondence Address:**

23 St. Andrew Square

Edinburgh EH2 1BB

### **INVESTMENT MANAGER**

FIRST STATE INVESTMENT MANAGEMENT

(UK) LIMITED

Registered Office:

23 St. Andrew Square

Edinburgh EH2 1BB

### **Head Office:**

23 St. Andrew Square

Edinburgh EH2 1BB

### **DEPOSITARY**

NATIONAL WESTMINSTER BANK PLC

Registered and Head Office:

135 Bishopsgate,

London EC2M 3UR

Principal place of business:

Younger Building

3 Redheughs Avenue

Edinburgh

EH12 9RH

### **CUSTODIAN**

STATE STREET BANK AND TRUST COMPANY

Branch Office:

20 Churchill Place

London E14 5HJ

**FUND ADMINISTRATOR**

STATE STREET BANK AND TRUST COMPANY

Branch Office:

20 Churchill Place

London E14 5HJ

**REGISTRAR**

THE BANK OF NEW YORK MELLON

(INTERNATIONAL) LIMITED

Registered Office:

One Canada Square

London E14 5AL

**Principal Place of Business and location  
of the Register:**

12 Blenheim Place,

Edinburgh EH7 5ZR

**LEGAL ADVISERS**

SIMMONS & SIMMONS LLP

Registered Office:

CityPoint

One Ropemaker Street

London

EC2Y 9SS

**AUDITORS**

PRICEWATERHOUSECOOPERS LLP

Registered Office:

PO Box 90

Erskine House

68-73 Queen Street

Edinburgh EH2 4NH

## **DETAILS OF THE COMPANY**

### **Structure of the Company**

#### **The Funds**

The Company is structured as an umbrella company authorised as a UCITS scheme and operating under chapter 5 of the COLL Sourcebook. As an umbrella company, different Funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. Each Fund may issue different Classes of Share and within each Class there may be different types of Share. Further Funds, Classes and types of Share may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new Fund or Class or type of Share, a revised prospectus will be prepared setting out the relevant details of each Fund or Class. The Company has been established for an unlimited duration.

Each Fund is invested as if it were individually authorised as the type of scheme known as a UCITS scheme, as specified in the COLL Sourcebook. The assets of each Fund are treated as separate from those of every other Fund and are invested in accordance with the investment objective and investment policy applicable to that Fund as set out in Appendix I.

Each of the Funds has a segregated portfolio of assets and accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other person or body including the Company and any other Fund and shall not be available for any such purpose.

Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, these provisions are subject to the scrutiny of the courts and it is not free from doubt, in the context of claims brought by local creditors in foreign courts or under foreign law contracts, that the assets of the Fund will always be ‘ring fenced’ from the liabilities of other Funds of the Company.

Shares in all the Funds are qualifying investments for stocks and shares Individual Savings Accounts (ISAs) for the purposes of the Individual Savings Account Regulations 1998 (SI 1998/1870).

Details of the Funds, including their investment objectives and policies, are set out in Appendix I. Investment of the assets of each of the Funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Fund. Details of these investment objectives and policies are set out in Appendix I, as are details of whether net income or net accumulation Shares are available in a particular Fund or Class.

The Funds currently available for subscription are:

First State Asia Pacific Fund  
First State Asia Pacific Leaders Fund  
First State Asia Pacific Sustainability Fund  
First State Asian Property Securities Fund  
First State Emerging Markets Bond Fund

First State Global Agribusiness Fund  
First State Global Opportunities Fund  
First State Global Emerging Markets Fund  
First State Global Emerging Markets Leaders Fund  
First State Global Emerging Markets Sustainability Fund  
First State Global Listed Infrastructure Fund  
First State Global Property Securities Fund  
First State Global Resources Fund  
First State Greater China Growth Fund  
First State Indian Subcontinent Fund  
First State Latin America Fund  
First State Worldwide Equity Fund  
First State Worldwide Sustainability Fund

### **Initial offer periods**

During an initial offer period, the initial price of Shares in the relevant Fund will be 100p (exclusive of any initial charge) for Class A and Class B Shares and €1 (exclusive of any initial charge) for Class A Euro Shares and Class B Euro Shares and US\$ 1 (exclusive of any initial charge) for Class A USD Shares and Class B USD Shares. Subject to payment being received prior to the close of the initial offer period Shares in the relevant Fund will be allotted to investors. Any subscriptions received after the cut off time will be processed on the next Dealing Day and Shares shall be issued at the relevant Net Asset Value per Share of the relevant Fund as determined on the Dealing Day on which they are issued.

Each Fund will be invested in accordance with its investment policy once Shares have been allotted to those investors who subscribe during the initial offer period. The period of time taken to invest will depend on the view taken of the market generally and of individual stocks in particular. Investors will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. If an application for subscription is not successful, the subscription monies will be returned where permitted by applicable law without interest. Following the initial offer period, Shares shall be issued at the relevant Net Asset Value per Share as determined on the Dealing Day on which they are issued.

Certain Funds have Classes of Shares which have not launched at the publication date of this Prospectus. Where this is the case, Shares in the relevant Fund will be made available at a date to be determined by the ACD.

### **Allocation of income and assets to funds**

Each Fund has a specific portfolio of assets to which that Fund's assets and liabilities are attributable. So far as the Shareholders are concerned each Fund is treated as a separate entity.

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company in respect of or attributable to that Fund and, within the Funds, charges will be allocated between Classes in accordance with the term of issue of Shares of those Classes.

Any liabilities, expenses, costs and charges specific to a Class will be allocated to that Class and otherwise shall be allocated between Classes by the ACD in a manner which is fair to Shareholders generally but they will normally be allocated to all Classes pro rata to the value of the net assets of the relevant Classes.

Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which is fair to the Shareholders of the Company generally but they will normally be allocated to all Funds equally.

## **GENERAL INFORMATION**

First State Investments ICVC is an investment company with variable capital incorporated in England and Wales under registered number IC23 and authorised by the FCA with effect from 25th February 1999. The Company has been certified by the FCA as complying with the conditions necessary for it to enjoy rights conferred by the EU Directive on Undertakings for Collective Investment in Transferable Securities.

Shareholders of the Company are not liable for the debts of the Company.

### **Address for Service**

The registered office of the Company is the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

### **Base Currency**

The base currency of the Company and each Fund is Pounds Sterling. Sterling Shares are issued and redeemed in Sterling, Euro Shares will be issued and redeemed in Euros and US Dollar Shares will be issued and redeemed in US Dollars.

Share Capital:   Maximum £100,000,000,000  
                          Minimum £100

Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the Net Asset Value of each of the Funds.

### **Accounting Periods**

The annual accounting period of the Company ends each year on 31st July (the accounting reference date). The interim accounting period ends each year on 31st January.

### **Income Allocations**

Allocations of income are made in respect of the income available for allocation in each accounting period.

Distributions of income for each Fund which issues net income Shares only are paid quarterly as set out in Appendix I on or before 30 September (annual income allocation date), 31 December, 31 March (interim allocation date) and 30 June in each year.

Distributions of income for each Fund which issues net income and net accumulation Shares or net accumulation Shares only will be made twice yearly as set out in Appendix I on or before 30 September (annual income allocation date) and 31 March (interim income allocation date) in each year.

A re-investment facility is available. If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Company.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Fund in respect of that period, and deducting the charges and expenses of the relevant Fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments which the ACD considers appropriate after consulting the auditors.

In this context, the income expected to be distributed will be calculated as a yield based on the Fund at an assumed constant size. At no time will the cumulative distributions made to Shareholders exceed the cumulative net income earned by the Fund.

### **Annual Reports**

Annual reports of the Company will be published within four months of each annual accounting period and half-yearly reports will be published within two months of each interim accounting period and both will be available to Shareholders on request. Shareholders will receive copies of the annual and half-yearly short report on publication.

Copies may be inspected at the offices of the ACD at 3rd Floor, 30 Cannon Street, London EC4M 6YQ. Copies may also be obtained from the ACD at that address.

### **Documents of the Company**

The following documents may be inspected free of charge during normal business hours on every business day at the offices of the ACD at 3rd Floor, 30 Cannon Street, London EC4M 6YQ:

- (a) the most recent annual and half yearly reports of the Company;
- (b) the Instrument of Incorporation (and any amending instrument of incorporation); and
- (c) the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD upon request. The ACD may make a charge at its discretion for copies of documents.

### **Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been, or, in respect of (h) below, will be entered into by the Company, the ACD or the Investment Manager and are, or may be, material:

- (a) the ACD Agreement dated 23 March 1999 between the Company and the ACD;

- (b) the Depositary Agreement dated 23 March 1999 between the Company, the ACD and The Royal Bank of Scotland plc, novated in favour of the Depositary by a deed of novation dated 3 October 2011 between the Company, the Depositary, the ACD and The Royal Bank of Scotland plc;
- (c) the Investment Management Agreement dated 31 December 1998 between the ACD and the Investment Manager as amended by letter agreements from time to time;
- (d) the Administration Agreement dated 1 September 2005 between the ACD and the Registrar, which amended and replaced the Registrar's Agreement dated 23 March 1999 between the Company, the ACD and the Registrar;
- (e) the Novation Agreement in respect of the Investment Management Agreement dated 31 August 2001 between First State Investments (UK) Limited, Colonial First State Investment Managers (UK) Limited and First State Investment Management (UK) Limited;
- (f) the Agreement dated 8 September 2006 between the Investment Manager and Colonial First State Asset Management (Australia) Limited in relation to the First State Global Resources Fund, the First State Global Property Securities Fund, the First State Asian Property Securities Fund and the First State Global Listed Infrastructure Fund as amended with effect from 12 September 2008 by agreement inter alia adding the First State Global Agribusiness Fund;
- (g) the Agreement dated 24 October 2003 between the Investment Manager and First State Investments (Hong Kong) Limited in relation to the First State Greater China Growth Fund;
- (h) the Agreement dated on or around 1 December 2012 between the Investment Manager and First State Investments (Singapore) in relation to the First State Global Emerging Markets Fund, the First State Global Emerging Markets Leaders Fund, First State Indian Subcontinent Fund, First State Latin America Fund and First State Worldwide Equity Fund;
- (i) the Custodian Agreement dated 10 August 2011 between the Depositary and State Street Bank and Trust Company; and
- (j) the Fund Administration Services Agreement dated 22 September 2010 between the ACD, First State Investment Services (UK) Limited and State Street Bank and Trust Company in relation to the appointment of State Street Bank and Trust Company as an Administrator to provide various fund administration services in respect of the Funds.

Details of the above contracts are given under the heading 'Management and Administration' on pages 66 to 72.

### **The Authorised Corporate Director**

Below are details of the Directors representing the Authorised Corporate Director.



### **Richard Wastcoat (Non-Executive Director)**

Richard was appointed to the position in October 2011. Richard is responsible for ensuring effective governance and oversight of First State Investments executive function. He also challenges the Board of the ACD and provides independent thinking on strategy and business development.

Richard is one of the most experienced and prominent figures in the UK fund management industry. During his twenty five year career at Fidelity he worked in a number of senior management roles in Asia and Europe. He was chief executive of its UK mutual fund business from 1999 until his retirement in 2008. During this period, Richard held several concurrent roles, which involved overseeing Fidelity's businesses in Spain, the Nordic Region, the Middle East and Africa, and India. He also spent seven years of his career at Fidelity based in Hong Kong.

Richard was a member of the board of the Investment Management Association (IMA) and currently serves on the board at Duncan Lawrie Holdings and the Chartered Institute for Securities & Investment. He holds a BS in Business Administration from Lehigh University in Bethlehem, Pennsylvania.

### **Kanesh Lahkani, Head of Distribution (EMEA) and Global Consultant Relationships**

Kanesh is the EMEA executive committee member of First State Investments responsible for all aspects of client relationship management, consultant relations, sales and marketing of the wholesale and institutional businesses.

Prior to joining First State Investments in May 2011, Kanesh worked at State Street Global Advisors where he was the senior managing director and head of the UK and Middle East businesses. He was also a director of State Street Global Advisors India. Before this, he held senior positions in European relationship management, consultant relations and business development at Barclays Global Investors. Kanesh gained investment consulting experience at Frank Russell and was co-director of the Manager Research Group at the time of leaving. He started his career in investment as an assistant portfolio manager at Premium Management in London.

### **Grant Ferguson, Head of Projects and Operations (EMEA)**

Grant is responsible for the effective management of the project portfolio as well as ensuring that the teams providing investment operations, retail dealing and client servicing, performance and attribution, and client reporting services deliver a high quality outcome to their customers, both internal and external. He is also responsible for coordinating the activities of the other service divisions in EMEA.

Grant is a member of the First State Investments EMEA Executive Committee and is also a member of the First State Investments UK Risk and Compliance Committee and a number of subsidiary boards.

Grant has been with First State Investments, and a member of the Executive Committee, since 2000 as Head of Information Technology, and has been involved in a number of successful global strategic initiatives and system developments.

Prior to joining First State Investments, Grant worked with Newton Investment Management Limited for five years and Capital House Investment Management for five years. Grant also worked at Wood McKenzie & Company for ten years latterly as a performance measurement consultant.

### **James Breyley, Chief Financial Officer (EMEA)**

James Breyley is the EMEA Chief Financial Officer of First State Investments. James is responsible for the finance function including statutory reporting, management reporting, local tax matters and financial control for the business in EMEA.

Prior to joining First State Investments (“FSI”) in May 2012, James worked for FSI’s parent, the Commonwealth Bank of Australia (CBA), in a range of roles, most recently as Financial Controller for CommInsure. Previously James worked at ING Australia and Zurich Financial Services Australia. James is a member of the Institute of Chartered Accountants in Australia.

### **Chris Turpin, Managing Director (EMEA) and Global Head of Product**

Chris Turpin is Managing Director, EMEA and Global Head of Product at FSI.

In his role as Managing Director, Chris is responsible for the clients, business development and operations of FSI in Europe, the Middle East and Africa (EMEA). As Global Head of Product he oversees the strategic development and on-going management of FSI’s products across our EMEA, Asian, Australian and American businesses. He is a Board Director for FSI in the UK, Singapore and Hong Kong.

Prior to joining FSI in September 2003, Chris worked at Northern Trust Global Investments as Director of Product Management. He commenced his career at Price Waterhouse in London specialising in the investment management industry.

Chris is an Associate of the UK Society of Investment Professionals (ASIP), a Regular Member of the CFA Institute and a Chartered Alternative Investment Analyst (CAIA). He holds an MA (Hons) from the University of Edinburgh.

### **Notice provisions**

All notices or other documents sent by the Company to a Shareholder will be sent by normal post to the last address notified in writing to the Company by each Shareholder.

### **Provision of Fund Accounting services**

The ACD employs the company below to provide fund accounting services to each Fund.

**State Street Bank and Trust Company**, One Lincoln Street, Boston Massachusetts 02111, USA, chartered as a limited liability trust company in the Commonwealth of

Massachusetts. Registered in England under company number FC010828 and branch number BR002088 and having its branch address at 20 Churchill Place, Canary Wharf, London E14 5HJ. Authorised and Regulated by the FCA.

### **Complaints**

The ACD has established procedures in accordance with FCA requirements for the effective handling of complaints by clients. All complaints concerning products or services provided by First State Investments (UK) Limited, should be sent to: The Complaints Coordinator, First State Investments (UK) Limited, 23 St. Andrew Square, Edinburgh EH2 1BB. A copy of First State Investments' complaints handling procedure is available on request and a copy will be supplied automatically to a complainant following receipt of a complaint by the ACD. An eligible complainant may subsequently complain directly to the Financial Ombudsman Service at: The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

### **Exercise of voting rights**

The ACD has a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of each Fund. A summary of this strategy is available by contacting the Client Services Team at the ACD's office at 23 St Andrew Square, Edinburgh, EH2 1BB and, upon request and free of charge, the Client Services Team will provide the details of the actions taken on the basis of this strategy in relation to each Fund.

### **Changes to the Company or the Funds**

Where any changes are proposed to be made to the Company or a Fund the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Shareholder approval will be required. If the change is regarded as significant, 60 days' prior written notice will be given to Shareholders. If the change is regarded as notifiable, Shareholders will receive suitable notice of the change.

## **CHARACTERISTICS OF SHARES**

### **Share classes**

#### **Classes of Share within the Funds**

The Company may issue several Classes of Share in respect of each Fund. Currently Sterling Shares are available for subscription in each Fund. These Classes of Share are distinguished on the basis of criteria for minimum subscription, minimum holding and initial and annual charges. The details of each of the current subscription and holding criteria are set out in Appendix I.

The ACD has discretion to allow other investors to apply lower minima than those in Appendix I in respect of any Class of Shares.

The details of the initial charges applicable are set out in Appendix I as are the details of the annual management charges. As a result of differences in annual management charges for the different Share Classes, monies may be deducted from Classes of the same Fund in unequal proportions. In these circumstances the proportionate interests of the Classes within a Fund will be adjusted accordingly.

The types of Shares presently available in each Fund and Class are set out in the details of the relevant Funds in Appendix I.

Each Share Class may be currency hedged or unhedged, for further information see the paragraphs headed "Currency Hedged Share Classes" below.

### **Switching**

Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in a Class or a Fund for Shares in another Class or Fund. Details of this switching facility and the restrictions are set out on page 25 to 26.

### **Income and Accumulation Shares**

At present the Share Classes have either income Shares, accumulation Shares or both. Each allocation of income made in respect of any Fund at a time when more than one Class is in issue in respect of that Fund will be done by reference to the relevant Shareholder's proportionate interests in the scheme property of the Fund in question. Tax vouchers for both income and accumulation Shares will be issued showing the amount of the distributions and tax credit.

Holders of income Shares will receive distributions with a tax credit attached. Shareholders can choose to have their distribution of income paid direct to their bank or building society current account. Alternatively, Shareholders may choose to have their income distributions automatically reinvested, to purchase further Shares of the same type, Class and Fund at the prevailing price of those Shares without attracting an initial charge. For regular savings plans invested in income Shares the income distribution is automatically reinvested in Shares of the same type, Class and Fund.

Holders of accumulation Shares do not receive payments of income. Any income (net of the tax credit) arising in respect of an accumulation Share is automatically

accumulated and is reflected in the price of each accumulation Share. No initial charge is levied on this accumulation.

Where both income and accumulation Shares are in existence in relation to a Fund, the relevant Shareholder's proportionate interest in the scheme property of the Fund represented by each accumulation Share increases as income is accumulated. Further, in these circumstances, the income of the Fund is allocated as between income Shares and accumulation Shares according to the relevant Shareholders' proportionate interests in the scheme property of the Fund represented by the accumulation Shares and income Shares in existence at the end of the relevant accounting period.

### **Class P Shares:**

#### **Special Characteristics**

A fee adjustment mechanism will apply to each Fund which offers Class P Shares ("the relevant Fund"), which is currently only available in the First State Global Opportunities Fund. The current annual management fee will remain at the level set out in Appendix I in the circumstances covered by the fee adjustment mechanism as described below. The annual management fee for Class P Shares may be increased from the current level by the ACD after giving 60 days' written notice to shareholders if it is deemed by the ACD to be a significant change.

An adjustment factor may be applied to the current annual management charge of Class P Shares as follows. Each month following the launch of Class P Shares in the relevant Fund, the performance (return) of the relevant Fund will be compared on a rolling twelve month period against the return of other UK authorised funds in its peer group sector, which in the case of the relevant Fund is the relevant Investment Management Association sector (currently the Global Growth sector). The ranking of the relevant Fund within this sector will be determined using independent information provided by Lipper Hindsight.

The ACD will use quartile rankings provided as at the last working day of the previous month by Lipper Hindsight. If the performance (return) of the relevant Fund is in the first quartile for its sector group in the previous month based on a rolling 12 month period, then the effective rate of the management fee will not be reduced. If the performance (return) of the relevant Fund fails to be included in the first quartile for the relevant sector group in the previous month, then the ACD will waive part or all of the management fee so that the effective rate of the management fee within the relevant Fund for the subsequent one month period will be reduced to the following levels:

- \* in the event of second quartile ranking, the effective management fee will become 0.75% per annum;
- \* in the event of a third quartile ranking, the effective management fee will become 0.40% per annum; and
- \* in the event of a fourth quartile ranking, the effective management fee will become 0% per annum.

Any waiver of the management fee will be effective from the 10th day of each month and will be accrued daily as set out in this Prospectus. The adjusted rate of management fee will remain at this level through to the 9th day on the following month when it will be re-adjusted, if required, dependent on the relevant Fund's performance (return) against its peer group sector.

The auditors of the Company, PricewaterhouseCoopers LLP, independently verify that the ACD has applied its fees appropriately in accordance with the COLL Sourcebook and the Prospectus.

### **Currency Hedged Share Classes**

For Currency Hedged Share Classes, the intention will be to hedge from the currency of denomination of certain (but not necessarily all) assets of the relevant Fund into the currency of the Share Class concerned.

It is intended to carry out such hedging through the utilisation of various techniques, including entering into over-the-counter ("OTC") currency forward contracts and foreign exchange swap agreements, together the "currency hedge transactions". In cases where the underlying currency of the assets is not liquid, or where the underlying currency of the assets is closely linked to another currency, proxy hedging may be used, as further described in Appendix I.

The ACD will review the hedging position of each Currency Hedged Share Class on a daily basis but will only adjust the hedge where there is a material change in the Net Asset Value of the Class concerned. Shareholders should be aware that Currency Hedged Share Classes aim to minimise the effect of currency fluctuations between the currency of certain (but not necessarily all) assets of the Fund and the currency of the Currency Hedged Share Class concerned. However, investors in the Currency Hedged Share Classes will still be exposed to the market risks that relate to the underlying investments in a Fund and to any exchange rate risks that arise from the investment policy of the Fund that are not fully hedged and to other risks as further set out under the section headed "Risk Factors".

All costs, expenses, gains and losses incurred/accrued from the currency hedge transactions will be borne on a pro rata basis by all Currency Hedged Share Classes denominated in the same currency issued within the same Fund.

Investors should be aware that any currency hedging process may not give a precise hedge. Furthermore, there is no guarantee that the hedging will be totally successful. Investors in the Currency Hedged Share Classes may have exposure to currencies other than the currency of their Share Class.

Currency Hedged Share Classes can be identified by the suffix "(hedged)" appearing after the currency denomination of the Share Class mentioned.

## **BUYING, SELLING, CONVERTING AND SWITCHING SHARES**

Investors will be treated as retail clients for the purpose of dealing in Shares.

The dealing office of the ACD is open from 8.00 am to 5.00 pm on each Dealing Day to receive requests for buying, selling and switching Shares. If we receive your application before 12 noon (UK Time) the share price will be determined at that day's valuation point. If we receive an order to buy or sell after 12 noon (UK time), the price will be determined at the following day's valuation point. This is known as "forward pricing".

### **Buying shares**

#### **Procedure**

Sterling Shares, Euro Shares and US Dollar Shares can be bought either by sending a completed application form to the ACD, in writing in a format approved by the ACD, or by telephoning the ACD on 0800 587 3388. This service is only available to clients who can confirm that they have received the relevant Key Investor Information Document pre-sale, where relevant. It should be noted that an agreement to buy or sell Shares in writing or by telephone is a legally binding contract. Application forms may be obtained from the ACD, which shall contain a representation that you have received and read the Key Investor Information Document.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant (including in, but not limited to, the relevant circumstances listed on page 32), any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Subscriptions may be either lump sum or regular monthly contributions, in each case subject to the investment minima set out in Appendix I. Investors wishing to make regular monthly contributions should complete the Direct Debit Mandate section of the application form. The ACD will normally deduct monthly contributions from the account of the investor making regular monthly contributions on the 15th day of every month, or the next working day.

Shares may not be issued other than to a person who, in writing to the ACD, shall (a) represent that they are not a US Person and are not purchasing the Shares for the account or benefit of a US Person, (b) agree to notify the ACD promptly if, at any time while they remain a holder of any Shares, they should become a US Person or shall hold any Shares for the account or benefit of a US Person, and (c) agree to compensate the Company and the ACD from and against any losses, damages, costs or expenses arising in connection with a breach of the above representation and agreements.

### **Documents the purchaser will receive**

Applications for the purchase of Shares will not be acknowledged but a contract note giving details of the Shares purchased and the price used will be issued by the end of the business day following the later of receipt of the application to purchase Shares, or the valuation point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Unless payment was made with the submission of an application form, settlement is due on receipt by the purchaser of the contract note by return of post. The ACD may, at its discretion, delay issuing Shares until payment is received.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Company's register of shareholders. Statements in respect of periodic distributions on Shares will show the number of Shares held by the recipient. Individual statements of a Shareholder's (or, when Shares are jointly held, the first-named holder's) Shares will also be issued at any time on request by the registered holder. The ACD reserves the right to make a charge for more than two such statements issued to a holder in a calendar year.

The Company has the power to issue bearer shares but there are no present plans to do so.

The ACD may at its discretion accept subscriptions lower than the minimum amount.

Monthly subscriptions may be made into Class A Shares denominated in Sterling of any Fund, provided a minimum of £50 per month is invested.

### **Investor Money**

All cash received from investors will, pending investment, be credited to a non-interest bearing client money account.

In addition any cash held on an investor's behalf will also be held and protected within a non-interest bearing client money account.

### **Redeeming shares**

#### **Procedure**

Every Shareholder has the right to require that the Company redeem his Shares on any Dealing Day and the Company will be required to redeem them in accordance with the procedures set out below.

Requests to redeem Shares on any Dealing Day may be made to the ACD by telephone on 0800 587 3388 from 8:00 am to 5:00 pm (UK time) or in writing to the ACD. Instructions to redeem are irrevocable.

#### **Documents the redeeming Shareholder will receive**

A contract note giving details of the number and price of Shares sold will be sent to the redeeming Shareholder (the first-named, in the case of joint Shareholders) together (if sufficient instructions in writing have not already been given) with a form of renunciation for completion and execution by the Shareholder (and, in the case of a joint holding, by all the joint holders), no later than the end of the business day following the later of the request to redeem Shares or the day of the valuation point by reference to which the redemption price is determined. Cheques in satisfaction of the redemption monies will be issued within four business days of the later of (a) the receipt by the ACD of the form of renunciation (or other sufficient instructions in writing) duly signed by all the relevant shareholders and completed as to the



appropriate number of Shares, together with any other appropriate evidence of title and (b) the valuation point following receipt by the ACD of the request to redeem.

### **Minimum Redemption**

Part of a Shareholder's holding may be sold but the ACD reserves the right to refuse a redemption request if the value of the Shares to be redeemed in any Class is less than the applicable minimum redemption amount for that Class as set out in Appendix I.

Where the value of the remaining holding of Shares of any Class following the redemption would be less than the applicable minimum holding for that Class (see Appendix I) a Shareholder may be required to redeem his entire Shareholding.

### **Switching**

Subject to the qualifications below, a holder of Shares in a Fund may at any time switch all or some of his Shares of one Class or Fund ('the Original Shares') for Shares of another Class or Fund ('the New Shares'), subject to the holder in question being eligible to subscribe for such New Shares. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the valuation points applicable at the time the Original Shares are repurchased and the New Shares are issued.

Switching may be effected either by telephone on 0800 587 3388 or in writing to the ACD.

The ACD may at its discretion charge a fee on the switching of Shares between Funds. These fees are set out on pages 28 to 29. If the switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Fund concerned, the ACD may, if it thinks fit, switch the whole of the applicant's holding of Original Shares to New Shares or refuse to effect any switch of the Original Shares. No switch will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. The general provisions on procedures relating to redemption will apply equally to a switch. In the event that Original Shares are switched for New Shares of a different currency, redemption proceeds will be converted into the appropriate currency at the rate of exchange available to the ACD at the valuation point on the Dealing Day on which such Shares are switched and the cost of conversion of Shares from one currency Class to another will be deducted from the amount applied in subscribing for Shares of the other Class. A duly completed switching request (which shall contain a representation that you have received and read the Key Investor Information Document) must be received by the ACD before the valuation point on a Dealing Day in the Fund or Funds concerned, to be dealt with at the prices at those valuation points on that Dealing Day, or at such other date as may be approved by the ACD. Switching requests received after a valuation point will be held over until the next day which is a Dealing Day in the relevant Fund or Funds.

The ACD may adjust the number of New Shares to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Original Shares as may be permitted pursuant to the COLL Sourcebook. A Shareholder who switches Shares in

one Fund for Shares in any other Fund (or who switches between Classes of Share) will not be given a right by law to withdraw from or cancel the transaction.

It should be noted that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption and will for persons subject to United Kingdom taxation be a realisation for the purposes of capital gains taxation, although a switch of Shares between different Classes in the same Fund is generally not regarded as constituting a disposal for the purposes of capital gains taxation as a matter of HM Revenue & Customs practice.

## **Conversions**

Subject to the qualifications below, the ACD may in its absolute discretion and at the request of a holder of Shares in a Fund, at any time convert all or some Original Shares held by the holder concerned for New Shares in that Fund, subject to the holder in question being eligible to subscribe for such New Shares. The number of New Shares created will be determined by reference to the respective prices of the New Shares and Original Shares at the valuation points applicable at the time the conversion is effected.

Conversions may be requested either by telephone on 0800 587 3388 or in writing to the ACD.

Conversions will be transacted free of charge. If the conversion would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Fund concerned, the ACD may, if it thinks fit, apply the conversion to the whole of the applicant's holding of Original Shares to New Shares or refuse to effect any conversion of the Original Shares.

No conversion will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. In the event that Original Shares are converted for New Shares of a different currency, shares will be converted into the currency of the New Shares at the rate of exchange available to the ACD at the valuation point on the Dealing Day on which such conversion is effected.

A duly completed conversion request (which shall contain a representation that you have received and read the Key Investor Information Document) must be received by the ACD before the valuation point on a Dealing Day in the Fund or Funds concerned, to be dealt with at the prices at those valuation points on that Dealing Day, or at such other date as may be approved by the ACD. Conversion requests received after a valuation point will be held over until the next day which is a Dealing Day in the relevant Fund or Funds.

For persons subject to UK taxation, a conversion will generally not constitute a disposal for the purposes of capital gains taxation as a matter of HM Revenue & Customs practice.

Unless otherwise agreed by the ACD, conversions will not be available to the holders of Currency Hedged Share Classes in any Fund.

The ACD may exercise its discretion only to allow conversions to occur on the date on which income distributions have been made in respect of the relevant Fund to ensure proper treatment of capital and income in accordance with the FCA Rules.

### **Price per share in each Fund and each class**

The price per Share at which Shares are subscribed for by an investor is the sum of the Net Asset Value of a Share after any dilution adjustment is applied. The price per Share at which Shares are redeemed is the Net Asset Value per Share less any applicable redemption charge. The application of the dilution adjustment is described on pages 29 to 31. In addition an initial charge may be charged on the subscription amount as described on page 28.

### **Pricing basis**

The Company deals on a forward pricing basis. A forward price is the price calculated at the next valuation point after the subscription or redemption is accepted.

### **Publication of prices**

The most recent prices of Shares will appear on [www.firststateinvestments.com](http://www.firststateinvestments.com) and are also available by calling 0800 587 4141. Leading newspapers and financial magazines may carry Share prices from time to time. Prices for Funds that are marketed in continental Europe may be published locally. For reasons beyond the control of the ACD, this may not necessarily be the current price.

### **Stamp Duty Reserve Tax**

The ACD has reserved the right to charge potential investors and investors a provision for stamp duty reserve tax (SDRT) on the issue, redemption or transfer of Shares, although it is not normally the ACD's policy to take such a charge. Further details are set out in the Taxation Section.

### **General**

To satisfy a request for the subscription, redemption or switch of Shares, the ACD will normally sell Shares to or re-purchase Shares from Shareholders to meet such requests. The ACD is entitled to hold Shares for its own account and to satisfy requests for sale from its own holding. In some circumstances and in accordance with the COLL Sourcebook, the Company will issue or cancel Shares to meet such requests. The COLL Sourcebook requires the ACD to procure the issue or cancellation of Shares by the Company where necessary to meet any obligation to sell or redeem Shares. The ACD is under no obligation to account to the Company or to Shareholders for any profit it makes on the issue, reissue or cancellation of Shares and will not do so.

The amount to be charged by or paid to the ACD for the subscription of a Share by the ACD will not be more than the price of a Share notified to the Depositary at the relevant valuation point plus any initial charge.

The amount to be paid by the ACD for the redemption of a Share will not be less than the price of a Share notified to the Depositary at the relevant valuation point minus any redemption charge.

## **Market Timing**

The ACD may refuse to accept a new subscription, or a switch from another Fund if it has reasonable grounds for refusing to accept a subscription or a switch. In particular, the ACD may exercise this discretion if it believes the investor or potential investor has been engaged in, or intends to engage in market timing activities.

## **Dealing charge**

### **Initial charge:**

The ACD may impose a charge on the subscription of Shares at its discretion, which will be added to the consideration payable for the subscription of the Shares. The maximum initial charge which may be imposed by the ACD in respect of each Class of Share is as set out in Appendix I. The initial charge is payable to the ACD. The ACD is permitted to increase the initial charge payable on the purchase of Shares (or to introduce such a charge where none is currently payable) in accordance with the COLL Sourcebook and as described below.

Currently the ACD applies a mandatory 4% initial charge on investments in to the following Funds: the First State Asia Pacific Fund; the First State Indian Subcontinent Fund; the First State Latin America Fund; the First State Asia Pacific Sustainability Fund; the First State Greater China Growth Fund, the First State Global Emerging Markets Fund and the First State Global Emerging Markets Sustainability Fund. On these Funds the initial charge is applicable to investments made in to Class A Shares and Class B Shares and applies to all lump sum investments, new regular investments and ISA transfers.

### **Redemption charge:**

The ACD may make a charge on the redemption of Shares. At present no redemption charge is levied on any Class of Share. Shares issued while this Prospectus is in force will not be subject to any redemption charge in the future.

In the event that a redemption charge is introduced in the future it will only be levied on Shares issued after the date of introduction of the charge. Shares will be deemed to be redeemed in the order in which they were purchased for the purposes of making a charge on redemption.

In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the ACD.

### **Switching Fee:**

On the switching of Shares between Funds the Instrument of Incorporation authorises the Company to impose a switching fee. The ACD may at its discretion charge a fee on the switching of Shares between Funds. The switching fee is payable to the ACD.

With the exception of switches into the First State Global Emerging Markets Fund; the First State Indian Subcontinent Fund; the First State Latin America Fund; the First State Asia Pacific Sustainability Fund; the First State Greater China Growth Fund, the First State Asia Pacific Fund and the First State Global Emerging Markets

Sustainability Fund, the switching fee between the same Class of Share in different Funds will, at the ACD's discretion, be 0.5% of the value of the Shares being switched. The switching fee which will apply on switches into the First State Global Emerging Markets Fund; the First State Indian Subcontinent Fund; the First State Latin America Fund; the First State Asia Pacific Sustainability Fund; the First State Greater China Growth Fund; the First State Asia Pacific Fund and the First State Global Emerging Markets Sustainability Fund will, at the ACD's discretion, be 4% of the value of the Shares being switched.

The switching fee for switching Shares in one Class of a Fund for Shares in another Class of the same Fund is up to 1% of the value of the Shares being switched.

### **Increases in dealing charges**

Any increase in the initial charge, redemption charge or switching fee deemed by the ACD to be significant (rather than fundamental) may be made by the ACD after giving 60 days' written notice to Shareholders. A fundamental change in the initial charge, redemption charge or switching fee may only be made after shareholder approval.

### **Other Dealing Information**

#### **Dilution adjustment**

The basis on which the Company's investments are valued for the purpose of calculating the issue and redemption price of Shares as stipulated in the COLL Sourcebook and the Instrument of Incorporation is summarised on pages 36 to 38. However, the actual cost of purchasing or selling a Fund's investments may be higher or lower than the mid-market value used in calculating the Share price due to dealing charges, taxes, and any spread between the buying and selling prices of the investments. Under certain circumstances this may have an adverse effect on a Shareholder's interest in the Fund, known as 'dilution'. The FCA's rules allow the cost of dilution to be met directly from the Fund's assets or to be recovered from investors on the purchase or redemption of shares.

The ACD has the power to make a dilution adjustment, but may only exercise this power for the purpose of reducing dilution in a Fund, or to recover any amount which it has already paid, or reasonably expects to pay in the future in relation to the issue or cancellation of Shares.

If the ACD decides not to make a dilution adjustment, this decision must not be made for the purposes of creating a profit or avoiding a loss for the account of the ACD.

The price of each Class of Share in a Fund will be calculated separately but any dilution adjustment will in percentage terms affect the price of Shares of each Class identically.

In determining the rate of any dilution adjustment the ACD may, in order to reduce volatility, take account of the trend of a Fund to expand or to contract, and the transaction in Shares at a particular valuation point.

The ACD reserves the right at its sole discretion to impose a dilution adjustment.

For example,

- (a) on a Fund experiencing net purchases (i.e. purchases less redemptions) as this could lead to trading which results in a dilutive effect;
- (b) on a Fund experiencing net redemptions (i.e. redemptions less purchases) as this could lead to trading which results in a dilutive effect;
- (c) where there may be a dilutive effect which, in the opinion of the ACD requires the application of a dilution adjustment in the interests of existing/continuing Shareholders and potential Shareholders.

On any Dealing Day when the Company neither issues nor cancels Shares in a Fund the price of Shares in that Fund will not contain any dilution adjustment.

The ACD's decision on whether or not to make a dilution adjustment, and the level of adjustment to make in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances in the future. In each case the decision as to whether or not to apply an adjustment will be made on a fair and reasonable basis. The ACD agrees its procedures with the Depositary from time to time.

For further information on how dilution adjustment may affect the price of Shares, see "Calculation of dilution adjustment" on page 38.

A dilution adjustment may not need to be made on every Dealing Day. Although it is not possible to predict accurately whether dilution will occur, for illustrative purposes, the following table details the maximum dilution adjustment, and the number of days on which an adjustment was made for each Fund during the period 1 August 2012 to 31 July 2013:

	<b>Estimate of maximum dilution adjustment:</b>		<b>Number of days on which a dilution adjustment was made</b>
	<b>Upwards adjustments</b>	<b>Downwards adjustments</b>	
	(%)	(%)	
First State Asia Pacific Fund	0.562200	0.582600	1
First State Asia Pacific Leaders Fund	0.439900	0.476000	0
First State Asia Pacific Sustainability Fund	0.591500	0.611900	0
First State Asian Property Securities Fund	0.495600	0.493800	56
First State Emerging Markets Bond Fund	0.502700	0.502700	3
First State Global Agribusiness Fund	0.590200	0.581300	12

First State Global Opportunities Fund	0.397400	0.336800	8
First State Global Emerging Markets Fund	0.748000	0.737400	2
First State Global Emerging Markets Leaders Fund	0.608300	0.617200	2
First State Global Emerging Markets Sustainability Fund	0.842800	0.790300	1
First State Global Listed Infrastructure Fund	0.347500	0.292200	6
First State Global Property Securities Fund	0.389200	0.363200	10
First State Global Resources Fund	0.575200	0.442500	3
First State Greater China Growth Fund	0.665500	0.642200	1
First State Indian Subcontinent Fund	0.602100	0.600700	2
First State Latin America Fund	1.244800	1.228800	0
First State Worldwide Equity Fund	0.441500	0.352400	11
First State Worldwide Sustainability Fund*	0.597800	0.405800	11

\*First State Worldwide Sustainability Fund was launched on 1 November 2012. As a result, given the time period of this table is from the 1 August 2012 – 31 July 2013, no data for this fund was available over this time period.

## Money Laundering

Legislation in force in the United Kingdom requires the ACD to take steps to identify and prevent money laundering. These steps include verification of the identity of Shareholders. The ACD may therefore conduct electronic searches of databases and other publicly available data to verify a Shareholder's identity. If a Shareholder's identity cannot be verified electronically further information will be requested from the Shareholder. Until satisfactory proof of identity is provided the ACD reserves the right to (i) reject any requests from a Shareholder to purchase, transfer or redeem Shares or (ii) withhold any payments due to a Shareholder in respect of its shareholding. Should a request be made to remit funds to a Shareholder's bank account which differs from the bank account information held by the ACD in respect of that Shareholder, verification of the new bank account details will be requested before redemption proceeds are released to that account. The ACD shall not be liable for any share price movements which occur during delays resulting from money laundering requirements being satisfied and will not pay any interest in respect of payments withheld in these circumstances.

The ACD may be required to collect additional information from Shareholders, throughout the duration of the relationship, between the ACD and its Shareholders, as

required by local laws, regulations or contractual obligations with other jurisdiction's tax authorities, such as the US IRS.

In addition to collecting additional information, the ACD may require Shareholders to provide self-certifications or additional documents as required by local laws, regulations or contractual obligations with other jurisdiction's tax authorities, such as the US IRS.

## **Transfers**

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer unless an SDRT provision has been paid.

Shares may not be transferred other than to a person who, in writing to the ACD, shall (a) represent that they are not a US Person and are not purchasing the Shares for the account or benefit of a US Person, (b) agree to notify the ACD promptly if, at any time while they remain a holder of any Shares, they should become a US Person or shall hold any Shares for the account or benefit of a US Person, and (c) agree to compensate the Company and the ACD from and against any losses, damages, costs or expenses arising in connection with a breach of the above representation and agreements.

## **Restrictions and compulsory transfer and redemption**

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in circumstances (the 'relevant circumstances'):

- (a) which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) which would require the Company, the ACD or the Investment Manager to be registered under any law or regulation of any country or territory or cause the Company to apply for registration or comply with any registration requirements in respect of any of its Shares whether in the United States, Canada or any other jurisdiction in which it is not currently registered; or
- (c) which would (or would if other Shares were acquired or held in the circumstances), in the opinion of the ACD, result in the Company, its Shareholders, the ACD or the Investment Manager incurring any liability to taxation or suffering any other legal, regulatory, pecuniary or other adverse consequence which it or they might not have otherwise suffered; or
- (d) where such person is a US Person or is holding the Shares for the account or benefit of a US Person (other than pursuant to an exemption available under the applicable US law).
- (e) Where such person is resident or otherwise located in Canada. The Company is not currently qualified for sale in Canada, and the Company or the ACD are



neither registered nor exempt from registration as a dealer, adviser or investment fund manager, in any province or territory of Canada. Any investment in Shares by or on behalf of a person resident or otherwise located in Canada is prohibited. From time to time the Company may accept investment from such persons at its discretion.

For the purposes of the “relevant circumstances” above, “Investment Manager” shall include First State Investment Management (UK) Limited and any other person appointed by the ACD and/or the Company to provide investment management and/or investment advisory services in respect of the Scheme Property of the Company or in respect of a Fund.

In connection with the relevant circumstances, the ACD may, inter alia, reject at its discretion any application for the purchase, sale or switching of Shares.

If, at any time, a Shareholder shall become a US Person or shall hold any Shares on behalf or for the account of a US Person, that Shareholder shall notify the ACD immediately.

If it comes to the notice of the ACD that any Shares (‘affected Shares’) are owned directly or beneficially in any of the relevant circumstances or by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case, the ACD may give notice to the holder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the repurchase of such Shares in accordance with the COLL Sourcebook. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer his affected Shares to a person qualified to own them or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected Shares pursuant to the COLL Sourcebook.

A person who becomes aware that he is holding or owns affected Shares in any of the relevant circumstances or by virtue of which he is not qualified to hold such affected Shares, shall forthwith, unless he has already received a notice as aforesaid, either transfer all his affected Shares to a person qualified to own them or give a request in writing to the Company for the redemption of all his affected Shares pursuant to the COLL Sourcebook.

### **In specie redemptions**

If a Shareholder requests the redemption or cancellation of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned, arrange that in place of payment of the price of the Shares in cash, the Company cancels the Shares and transfers scheme property or, if required by the Shareholder, the net proceeds of sale of relevant scheme property, to the Shareholder. A deal is classed as ‘substantial’ if the Shares represent over 5% (or such smaller percentage as the ACD may decide) of the Fund’s value. Before the proceeds of the cancellation of Shares become payable, the ACD must give notice in writing to the

Shareholder that the scheme property or the proceeds of sale of scheme property will be transferred to that Shareholder.

The ACD will select the scheme property to be transferred in consultation with the Depositary, but will only do so where the Depositary has taken reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of the Shareholders.

The scheme property to be transferred or the proceeds of sale of the relevant scheme property shall be subject to the retention by the Company of scheme property or cash equivalent in value to any SDRT to be paid in relation to the redemption of Shares.

### **Issue of shares in exchange for in specie assets**

The ACD may arrange for the Company to issue Shares in exchange for assets other than money, but will only do so where the Depositary has taken reasonable care to ensure that the Company's acquisition of those assets in exchange for the Shares would not be likely to result in any material prejudice to the interests of Shareholders of the Fund concerned.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund.

### **Suspension of dealings in the Company**

The ACD may, with the agreement of the Depositary, or must if the Depositary so requires, temporarily suspend the issue, cancellation, sale, redemption and switch of Shares in any or all of the Funds, without prior notice to Shareholders if, in accordance with the COLL Sourcebook, the ACD or the Depositary is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of Shareholders or potential Shareholders. Any suspension will only be for such period as is justified having regard to the interests of Shareholders.

During a suspension, the obligations relating to the creation, cancellation and the issue and redemption of Shares, contained in the COLL Sourcebook, will cease to apply in respect of the Fund concerned. The ACD will comply with as much of the obligations in the COLL Sourcebook relating to the valuation and pricing of Shares as is practicable in the light of the suspension.

The ACD will notify Shareholders affected by the suspension of dealing as soon as practicable after the suspension commences. Such notification will draw Shareholders' attention to the exceptional circumstances which resulted in the suspension and the ACD will keep Shareholders informed about the suspension including, if known, its likely duration. The ACD and the Depositary will conduct a formal review of the suspension at least every 28 days in accordance with the COLL Sourcebook.

However, during the period of suspension the ACD may, at its discretion, agree to issue, redeem or switch Shares at prices calculated by reference to the first valuation point after resumption of dealing.

Re-calculation of the Share price for the purpose of sales and purchases will commence on the next relevant valuation point following the ending of the suspension.

**Governing Law**

All deals in Shares are governed by the laws of England and Wales.

## **VALUATION OF THE COMPANY**

The price of a Share in the Company is calculated by reference to the Net Asset Value of the Fund to which it relates. The Net Asset Value per Share of a Fund is currently calculated at 12 noon (UK time), on each Dealing Day.

The ACD may at any time during a business day carry out an additional valuation if the ACD considers it desirable to do so.

### **Calculation of the Net Asset Value**

The value of the scheme property of the Company or of a Fund (as the case may be) is the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the scheme property (including receivables) of the Company (or the Fund) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraph 3 below) or a contingent liability transaction is valued as follows and the prices used are (subject as follows) the most recent prices which it is practicable to obtain as follows:
  - (a) units or shares in a collective investment scheme:
    - (i) if a single price for buying and selling units or shares is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - (iii) if in the opinion of the ACD the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
  - (b) any other transferable security:
    - (i) if a single price for buying and selling the security is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the ACD, is fair and reasonable;

- (c) property other than that described in (a) and (b) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 3. Cash and amounts held in current and deposit accounts and in other time-related deposits are valued at their nominal values.
- 4. Property which is a contingent liability transaction is treated as follows:
  - (a) if it is a written option (and the premium for writing the option has become part of the scheme property), the amount of the net valuation of premium receivable is deducted. If the property is an off-exchange option the method of valuation is to be agreed between the ACD and the Depositary;
  - (b) if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
  - (c) if the property is an off-exchange derivative, it will be included at a valuation method agreed between the ACD and the Depositary;
  - (d) if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).
- 5. In determining the value of the scheme property, all instructions given to issue or cancel Shares are assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 6. Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted are assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 7. Futures or contracts for differences which are not yet due to be performed, and unexpired and unexercised written or purchased options, are not to be included under paragraph 6.
- 8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property.
- 9. An estimated amount for anticipated tax liabilities at that point including (as applicable and without limitation) capital gains tax, income tax, corporation tax and VAT, stamp duty, stamp duty reserve tax, overseas taxes and duties will be deducted.
- 10. An estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day will be deducted.

11. The principal amount of any outstanding borrowings, whenever repayable, and any accrued but unpaid interest on borrowings will be deducted.
12. An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
13. Any other credits or amounts due to be paid into the scheme property will be added.
14. Currencies or values in currencies other than sterling shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.
15. A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.
16. There must be only a single price for any unit as determined from time to time by reference to a particular valuation point.

### **Calculation of dilution adjustment**

The ACD may make a dilution adjustment when calculating the price of a Share. In deciding whether to make a dilution adjustment the ACD must use the following bases of valuations:

1. When by reference to any valuation point the aggregate value of the Shares of all Classes of a Fund issued exceeds the aggregate value of Shares of all Classes cancelled:
  - (a) any adjustment must be upwards; and
  - (b) the dilution adjustment must not exceed the ACD's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been if the scheme property had been valued on the best available market offer basis plus dealing costs; or
2. When by reference to any valuation point the aggregate value of the Shares of all Classes of a Fund cancelled exceeds the aggregate value of Shares of all Classes issued:
  - (a) any adjustment must be downwards; and
  - (b) the dilution adjustment must not exceed the ACD's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been if the scheme property had been valued on the best available market bid basis less dealing costs.

## **FEES AND EXPENSES**

### **General**

All fees or expenses payable by a Shareholder or out of Scheme Property are set out in this section.

The fees, costs and expenses relating to the authorisation and incorporation and establishment of the Company, the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company in connection with the offer of the Funds referred to in this Prospectus will be paid by the ACD or its associates.

The establishment costs of any new Fund which is established after the date of this Prospectus will either be paid by the ACD or its associates or will be paid out of the property of the new Fund. The ACD will decide at the time of establishing the new Fund, how such establishment costs will be borne.

The Company may also pay out of the property of the Company charges and expenses incurred by the Company, which will include the following expenses:

- (a) the fees and expenses payable to the ACD (which will include the fees and expenses payable to the Investment Manager and Fund Administrator);
- (b) the fees and expenses payable to the Depositary (which will include the fees and expenses payable to the Custodian);
- (c) the fees and expenses in respect of establishing and maintaining the register of shareholders (and any plan register) and related functions;
- (d) expenses incurred in acquiring and disposing of investments;
- (e) expenses incurred in distributing income to Shareholders;
- (f) fees in respect of the publication and circulation of details of the price of the Company's Shares;
- (g) the fees and expenses of the auditors and tax, legal and other professional advisers of the Company;
- (h) the costs of convening and holding Shareholder meetings (including meetings of Shareholders in any particular Fund);
- (i) the costs of printing and distributing reports, accounts and any prospectus, publishing prices and any costs incurred as a result of periodic updates of any prospectus and any other administrative expenses, including the costs and expenses of any Key Investor Information Document;
- (j) taxation duties payable by the Company;
- (k) interest on and charges incurred in borrowings;

- (l) any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;
- (m) fees of the FCA under the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed;
- (n) any costs, fees and expenses incurred by any person in relation to an issue of Shares in exchange for assets (including fees for professional services, preparation, drafting, printing and posting of any circulars, meetings held and the implementation of such exchange and issue) may be borne by the Company at the discretion of the ACD. Such costs, fees and expenses may be charged to the assets of each Fund and Class (acquiring such assets) in such proportions as the ACD may determine; and
- (o) all costs and expenses incurred in the currency hedge transactions will be borne on a pro rata basis by all Currency Hedged Share Classes denominated in the same currency issued within the same Fund.

VAT is payable on these charges where appropriate.

It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in the future the fees connected with the listing will be payable by the Company.

Fees and expenses are charged against the income property of the Fund concerned except in the case of First State Asian Property Securities Fund, the First State Emerging Markets Bond Fund, the First State Global Property Securities Fund and the First State Global Listed Infrastructure Fund where fees and expenses will be charged against the capital property of the Fund concerned. The reason for charging these expenses against capital is to seek to increase the amount of distributable income but this may be achieved by foregoing the potential for future capital growth. This will have the effect of lowering the capital value of your investment. Thus on redemptions of holdings, Shareholders may not receive back the full amount invested.

Expenses are allocated between capital and income in accordance with the COLL Sourcebook.

If a Fund acquires units in another collective investment scheme (a “Second Scheme”) that is managed directly or indirectly by the ACD or by a company with which the ACD is linked by way of common management or control or by way of a direct or indirect holding of more than 10% of the issued or voting share capital of such company, no management charge may be charged against the assets of such Fund in respect of any such investment. Moreover, the Company may not charge against the assets of a Fund any initial or redemption charge payable in respect of any units that it may acquire or hold in any such Second Scheme.

### **Charges payable to the ACD**

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual management fee out of each Fund in respect of each Class of Share. The



annual management fee is accrued on a daily basis by reference to the Net Asset Value of the Fund on the prior Dealing Day and the amount due for each month is payable on the last working day of the month. The current management charges for the Funds are set out in Appendix I.

The ACD is also entitled to all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, as set out above.

The ACD may only introduce a new category of remuneration for its services or increase the amount of its remuneration payable out of the scheme property in accordance with the COLL Sourcebook and as described below.

Any increase in the ACD's remuneration would be a significant change and may be made by the ACD after giving 60 days' written notice to Shareholders. Any introduction by the ACD of a new category of remuneration or expense for its services would be a fundamental change and would require the approval of Shareholders.

Special provisions apply to the calculation of the ACD's remuneration for Class P Shares. See page 21 to 22 for details.

### **Depositary's Fee**

The Depositary receives for its own account a periodic fee which will accrue and is due monthly on the last business day in each calendar month in respect of that day and the period since the last business day in the preceding month and is payable within seven days after the last business day in each month. The fee is calculated by reference to the value of each Fund within the Company on the last business day of the preceding month except for the first accrual which is calculated by reference to the first valuation point of the relevant Fund. The rate of the periodic fee is agreed between the ACD and the Depositary and is payable out of the property attributable to each Fund. The actual charge is calculated on a sliding scale on the following basis:

- 0.030 % per annum of the first £70,000,000.00 of the aggregate scheme property
- 0.025 % per annum of the next £50,000,000.00 of the aggregate scheme property
- 0.010 % per annum of the balance of the scheme property of each Fund

These rates can be varied from time to time in accordance with the Regulations.

The first accrual in relation to any Fund within the Company will take place in respect of the period beginning on the day on which the first valuation of that Fund is made and ending on the last business day of the month in which that day falls.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to the transaction handling and safekeeping of the Scheme Property as follows:

<b>Item</b>	<b>Range</b>
Transaction Charges <sup>1</sup>	£5 to £75
Custody Charges <sup>2</sup>	0.001% to 0.4%

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last business day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. The Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money or engaging in stock lending transactions in relation to a Fund and may sell, or deal in the sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the Regulations.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument, the Regulations or by the general law.

On a winding up of a Fund the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the Regulations by the Depositary.

Any increase in the Depositary's remuneration, or the introduction of further categories of expenses which the Depositary will be entitled to recover, may be made by the ACD, in accordance with the COLL Sourcebook. If such increase or introduction is deemed by the ACD to be a significant rather than a fundamental change, 60 days' written notice to Shareholders will be given.

Expenses not directly attributable to a particular Fund will be allocated between Funds within the Company. In each such case such expenses and disbursements will also be payable if incurred by any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

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<sup>1</sup> Transaction Charges are for the underlying securities traded in local market exchanges

<sup>2</sup> Custody Charges are for the asset value under administration in each securities market

Fund Risk Table	Risks																				
Fund Name	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
First State Asia Pacific Fund	•	•		•	•				•												
First State Asia Pacific Leaders Fund	•	•		•	•															•	
First State Asia Pacific Sustainability Fund	•	•		•	•				•											•	
First State Asian Property Securities Fund	•	•		•		•		•	•				•	•						•	
First State Emerging Markets Bond Fund	•	•								•	•				•	•	•	•	•	•	
First State Global Agribusiness Fund	•	•			•	•		•	•		•									•	
First State Global Emerging Markets Fund	•	•		•	•				•												
First State Global Emerging Markets Leaders Fund	•	•		•	•															•	
First State Global Emerging Markets Sustainability Fund	•	•		•	•				•											•	
First State Global Listed Infrastructure Fund	•	•				•		•	•	•				•				•		•	•
First State Global Opportunities Fund	•								•											•	
First State Global Property Securities Fund	•					•		•	•				•	•				•		•	
First State Global Resources Fund	•	•				•		•	•			•								•	
First State Greater China Growth Fund	•	•		•	•		•		•											•	
First State Indian Subcontinent Fund	•	•	•				•		•											•	
First State Latin America Fund	•	•							•											•	•
First State Worldwide Equity Fund	•	•							•											•	
First State Worldwide Sustainability Fund	•	•							•											•	

A	<b>General Risks</b>			<b>Fund Specific Risks</b>
A1	Generic Risks		B	Emerging Market Risk
A2	Investment Risk		C	Indian Subcontinent Risk
A3	Market Risk		D	China Market Risk
A4	Liquidity Risk		E	Investment in China A Shares Risk
A5	Currency Risk		F	Industry or Sector Risk
A6	Specialist Investment Risk		G	Single Country Risk
A7	Inflation Risk		H	Single Sector Risk
A8	Credit Risk		I	Smaller Companies Risk
A9	Taxation Risk		J	Listed Infrastructure Risk
A10	Risk of change of Laws, Regulations, Political and Economic Conditions		K	Investment in Agriculture and Related Opportunities
A11	Risk of Suspension		L	Investment in the Resources Sector
A12	Derivatives Risk		M	Property Securities Risk
A13	Effect of Initial Charge		N	Charges against Capital Risk
A14	Dilution Adjustment		O	Reliability of Credit Ratings Risk
A15	Aggregation of Orders		P	Interest Rate Risk
A16	Liabilities of the Fund		Q	High Yield Risk
			R	Currency Hedged Share Classes Risk
			S	Below Investment Grade Debt Securities Risk
			T	Eurozone Crisis
			U	Concentration Risk

## **RISK FACTORS**

An investment in a Fund comes with a significant degree of risk. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds.

It is not possible to identify every risk relevant to investing in a Fund. However, the significant risks of investing in the Funds are detailed below.

The Fund Risk Table (Page 43) also indicates which risks are particularly relevant to the Funds, but the list and table does not purport to be exhaustive. These risks should be carefully considered by investors.

### **GENERAL RISKS**

**A.** The following risks are general risks and are applicable to all the Funds:

#### **A1. Generic Risks**

All of the Funds are actively managed and therefore the returns seen by an investor may be higher or lower than their benchmark return. A benchmark is an index against which a fund measures its performance. Benchmark returns are the returns of that index.

Investment performance is not guaranteed, past performance is no guarantee of future performance.

There may also be variation in performance between Funds with similar investment objectives.

An investor selling their investment after a short period may not get back the amount originally invested, even if the price of their investment has not fallen.

If regular withdrawals are made from an investment, either by taking distributed income or by selling shares and if the level of withdrawals exceeds the rate of investment growth of the Fund, an investor's capital will be eroded.

Governments may change the tax rules which affect investors or the Funds.

There can be no assurance that any appreciation in value of investments will occur.

There is no assurance that the investment objectives of any Fund will actually be achieved.

#### **A2. Investment Risk**

The investments in securities made by each Fund are subject to normal market fluctuations and other risks inherent in investing in securities. For example, the value of equity securities varies from day to day in response to activities of individual companies and general market and economic conditions. The value of investments and the income from them, and therefore the Net Asset Value of Shares can go down as

well as up and an investor may lose money. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase.

### **A3. Market Risk**

In falling financial markets there may be increased volatility. Market prices in such circumstances may defy rational analysis or expectation for prolonged periods of time, and can be influenced by large market movements as a result of short-term factors, counter-speculative measures or other reasons. Market volatility of a large enough magnitude can sometimes weaken what is deemed to be a sound fundamental basis for investing in a particular market or stock. Investment expectations may therefore fail to be realised in such instances.

### **A4. Liquidity Risk**

In certain circumstances, a Fund may not be able to purchase or sell assets in a timely manner and/or at a reasonable price, as not all securities invested in by a Fund will be listed or rated and consequently liquidity may be low. Furthermore, shares or units in certain underlying investments may trade less frequently and in smaller quantities than others. If this is the case, sufficient cash may not be available to pay out redemptions and an investor may not be able to get their money back when wanted.

### **A5. Currency Risk**

Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment. Investments for some Funds will be made in assets denominated in various currencies and exchange rate movements may affect the value of an investment favourably or unfavourably, separately from the gains or losses otherwise made by such investments.

The Shares denominated in Sterling will be issued and redeemed in Sterling, those denominated in Euro will be issued and redeemed in Euros and those denominated in US Dollar will be issued and redeemed in US Dollar. Certain of the assets of Funds may, however, be invested in securities and other investments which are denominated in currencies other than Sterling, Euro or US Dollar. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates.

### **A6. Specialist Investment Risk**

Many of the Funds are specialist in nature and invest in specific sectors, industries, markets or regions. Investment in these specialised areas may result in greater risk than investment in a broader range of sectors, industries, markets or regions. Please see the Fund Specific Risks for these risks.

### **A7. Inflation Risk**

Inflation may affect the future buying power of an investment in the Funds. Therefore if the returns on an investment made have not beaten the rate of inflation it will have less buying power in the future.

### **A8. Credit Risk**

In conducting its trading activities, the Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Most of the Fund's investments are in listed securities where settlement is on a delivery-versus-payment basis, however there may still be circumstances where the Company would incur a loss if a counterparty failed to perform its contractual obligations.

### **A9. Taxation Risk**

Potential investors' attention is drawn to the taxation risks associated with an investment in the Company. Please see the section headed "Taxation" on pages 58 to 65. The taxation treatment of Shareholders (including but not limited to, Shareholders who hold Shares in a Fund through ISAs) is subject to tax law and HM Revenue & Customs practice which may change in the future. The tax summary in this prospectus is not a guarantee to any investor of the tax consequences of investing in a Fund.

### **A10. Risk of Change of Laws, Regulations, Political and Economic Conditions**

Changes in the applicable laws, regulations, political and economic conditions may affect substantially and adversely the business and prospects of a Fund. In addition, possible changes to the laws and regulations governing permissible activities of the Fund, the ACD and the Investment Manager and any of their respective affiliates or delegates could restrict or prevent a Fund, the ACD or the Investment Manager from continuing to pursue the Fund's investment objectives or to operate the Fund in the manner currently contemplated.

### **A11. Risk of Suspension**

The calculation of the Net Asset Value of a Fund may be temporarily suspended in accordance with the procedures set out in the section of the Prospectus headed "Suspension of Calculation of Net Asset Value". In such an event, the Fund may be unable to dispose of its investments. A delay in the disposal of a Fund's investments may adversely affect both the value of the investments being disposed of, and the value and liquidity of the Fund (see 'Suspension of dealings in the Company' on page 34).

### **A12. Derivatives Risk**

Under the Regulations, derivatives can be used for the purposes of Efficient Portfolio Management ("EPM") as well as to meet the investment objective of the Funds. Derivatives can be exchange traded or OTC derivatives.

**No Funds currently invest in derivatives as part of their investment objectives but the ACD may establish additional Funds from time to time which may so invest.**

**The Funds may invest in derivatives for the purposes of EPM. Please see Appendix III for further details.**

The use of derivative instruments and hedging transactions may or may not achieve their intended objective and involves special risks.

Performance and value of derivative instruments depend on the performance or value of the underlying asset. Derivative instruments involve cost, may be volatile, and may involve a small investment relative to the risk assumed. Their successful use may depend on the ACD and/or the Investment Manager's ability to predict market

movements. Risks include delivery failure, default by another party or the inability to close out a position because the trading market becomes illiquid. Some derivative instruments are particularly sensitive to changes in interest rates. The risk of loss to a Fund for a swap transaction on a net basis depends on which party is obliged to pay the net amount to the other party. If the counterparty is obliged to pay the net amount to the Fund, the risk of loss to the Fund is the loss of the entire amount that the Fund is entitled to receive; if the Fund is obliged to pay the net amount, the Fund's risk of loss is limited to the net amount due. OTC derivative instruments involve a higher degree of risks as OTC markets are less liquid and regulated.

### **A13. Effect of initial charge**

Where an initial charge is imposed, an investor who sells their Shares after a short period may not realise the amount originally invested. Therefore, Shares should be viewed as a long term investment.

### **A14. Dilution Adjustment**

Investors should note that in certain circumstances a dilution adjustment may be made on their purchase or redemption of Shares (see "Other Dealing Information" on pages 29 to 31).

### **A15. Aggregation of Orders**

In managing the Funds, the ACD may combine orders for the Funds with those of other clients. This procedure may operate on some occasions to the disadvantage of the Funds and on others to the advantage of the Funds.

### **A16. Liabilities of the Fund**

Each Fund is a segregated portfolio, whose assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

Shareholders are not, however, liable for the debts of the Company or the Funds. A Shareholder is not liable to make any further payment to the Company after paying the purchase price of Shares.

## **FUND SPECIFIC RISKS**

The following risks are Fund specific risks and are applicable to certain Funds only.

### **B. Emerging Market Risk**

Applicable to the First State Asia Pacific Fund, the First State Asia Pacific Leaders Fund, the First State Asia Pacific Sustainability Fund, the First State Asian Property Securities Fund, First State Emerging Markets Bond Fund, the First State Global



Agribusiness Fund, the First State Global Emerging Markets Fund, the First State Global Emerging Markets Leaders Fund, the First State Global Emerging Markets Sustainability Fund, the First State Global Listed Infrastructure Fund, the First State Global Resources Fund, the First State Greater China Growth Fund, the First State Indian Subcontinent Fund, the First State Latin America Fund, the First State Worldwide Equity Fund and the Worldwide Sustainability Fund.

Where Funds invest in some overseas markets these investments may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities. Investment in emerging markets may involve a higher risk than investment in more developed markets. Investors should consider whether or not investment in such Funds is either suitable for or should constitute a substantial part of an investor's portfolio.

Companies in emerging markets may not be subject:

- (i) to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;
- (ii) to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

Restrictions on foreign investment in emerging markets may preclude investment in certain securities by certain Funds and, as a result, limit investment opportunities for the Funds.

Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

### **C. Indian Subcontinent Risk**

Applicable to the First State Indian Subcontinent Fund.

The First State Indian Subcontinent Fund invests to a large extent in companies incorporated in or listed on Regulated Markets in India and the other countries of the Indian subcontinent.

The liquidity of the Shares and the Net Asset Value of the Shares may be affected generally by changes in Indian Government policy (including exchange rates and controls), interest rates and taxation, social and religious instability and political, economic or other developments in or affecting India and the other countries of the Indian subcontinent.

The Indian stock market has experienced substantial fluctuations in the prices of listed securities. Allegations of fraudulent transactions have led to crises of confidence in Indian stock exchanges and their temporary closure.

Accounting, financial and other reporting standards in India are not equivalent to those in more developed countries. Differences may arise in areas such as valuations of property and other assets, accounting for depreciation, deferred taxation, inventory obsolescence, contingent liabilities and foreign exchange transactions. Accordingly, less information may be available to investors than would be available in relation to investments elsewhere. SEBI, the principal regulator of the Indian securities market, received statutory authority in 1992 to oversee and supervise the Indian securities markets. Accordingly, as securities law and regulations in India are evolving, the ability of SEBI to promulgate and enforce rules regulating market practices is uncertain.

The Indian stock exchanges have been subject to broker defaults, failed trades and settlement delays. SEBI can impose restrictions on trading, limitations on price movements and margin requirements in certain securities. The increased volume of trading on the Indian stock exchanges as a result of the inflow of foreign investment has caused severe settlement difficulties resulting in significant delays in the settling of trades and registering of transfers of securities.

The Indian stock exchanges may be more volatile than the stock markets of more developed countries.

India is a country that comprises diverse religious and ethnic groups. It is the world's most populous democracy and has a well-developed and stable political system. Ethnic issues and border disputes have, however, given rise to ongoing tension in the relations between India and Pakistan, particularly over the region of Kashmir. In addition, cross-border terrorism could weaken regional stability in South Asia. These issues could affect investor sentiment.

India's political, social and economic stability is commensurate with its developing status. Certain developments, beyond the control of the Company, such as the possibility of nationalisation, expropriations, confiscatory taxation, political changes, government regulation, social instability, diplomatic disputes, or other similar developments could adversely affect the Company's investments.

In spite of overall cross-party consensus on economic reforms, reforms favouring investment in India may only be introduced slowly or may not be introduced at all.

Being an agrarian economy, severe monsoons or drought conditions could hurt India's agricultural production and dampen momentum in some sectors of the Indian economy, which could adversely affect the Company's investments and the performance of the Funds.

## **D. China Market Risk**

Applicable to the First State Asia Pacific Fund, the First State Asia Pacific Leaders Fund, the First State Asia Pacific Sustainability Fund, the First State Asian Property Securities Fund, the First State Global Emerging Markets Fund, the First State Global Emerging Markets Leaders Fund, the First State Global Emerging Markets Sustainability Fund and the First State Greater China Growth Fund, .

The value of a Fund's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in China. Accounting, auditing and reporting standards in China may not provide the same degree of investor protection or information to investors as would generally apply in more established securities markets. Furthermore, the legislative framework in China for the purchase and sale of investments and in relation to beneficial interests in those investments is relatively new and untested.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations. Under the prevailing tax policy in China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that these tax incentives will not be abolished in the future.

## **E. Investment in China A Shares Risk**

Applicable to the First State Asia Pacific Fund, the First State Asia Pacific Leaders Fund, the First State Asia Pacific Sustainability Fund, the First State Global Agribusiness Fund, the First State Global Emerging Markets Fund, the First State Global Emerging Markets Leaders Fund, the First State Global Emerging Markets Sustainability Fund and the First State Greater China Growth Fund.

The Investment Manager has a licence to act as a Qualified Foreign Institutional Investor ("QFII") to enable it to invest in China A shares on behalf of the Company or certain Funds or other collective investment schemes for which it acts as investment manager. This will allow the Company or its sub-funds to get exposure to China A shares either directly (to the extent permissible under the COLL Sourcebook) or indirectly, through investment in such other collective investment schemes ("Second Schemes"). Exposure to China A shares involves the taking of certain risks which are inherent in such an investment, including the following:

Certain restrictions imposed by the Chinese government on QFIIs may have an adverse effect on the Fund's or the Second Scheme's liquidity and performance. Accordingly, the Company, the sub-fund or the Second Scheme may not be able to sell or decrease exposure to such shares even in the event that it wishes to do so.

China A Shares are subject to certain rules and regulations which are promulgated by the Government of the People's Republic of China. These rules and regulations may be applied inconsistently or not at all and are subject to change at any time.

There can be no certainty that the China A shares will not attract a liability to tax in the future. This tax may be levied on any capital gain that such shares have or on any other aspect of such shares. There can be no certainty of the level of tax which will apply or the period which it will be levied in respect of. The Investment Manager as QFII may retain an amount from the performance of such shares to be able to satisfy any such liability in the event that it arises.

The prevailing rules and regulations governing QFIIs impose restrictions on investments, minimum investment holding periods and repatriation of principal and profits in relation to China A Shares, which will restrict the ability of the Company, the Funds and any Second Schemes to invest in China A Shares and any related instruments.

The nature of the Company's interest in the shares may create a conflict of interest with the Company the Second Scheme and the Investment Manager. However, in accordance with its conflicts of interest policy, the Investment Manager will endeavour to treat the Company and its sub-funds fairly in the event that any such conflict arises.

## **F. Industry or Sector Risk**

Applicable to the First State Asian Property Securities Fund, First State Global Agribusiness Fund, First State Global Listed Infrastructure Fund, First State Global Property Securities Fund and the First State Global Resources Fund.

Where a Fund invests primarily in fast growing economies or limited or specialist sectors, it may be subject to greater risk and above average market volatility than an investment in a broader range of securities covering different economic sectors. Technology and technology-related industries may be subject to greater government regulation than many other industries. Accordingly, changes in governmental policies and the need for regulatory approvals may have an adverse effect on these industries. Additionally, companies in those industries will be subject to the inherent risks of developing technologies, competitive pressures and other factors particularly affecting the technology sector and are dependent upon consumer and business acceptance as new technologies evolve.

Where a Fund invests in specialist sectors such as the agricultural sector, it may also be subject to greater risk from changing supply and demand relationships, adverse weather, natural disasters, livestock diseases, governmental policies and trade regimes, as well as international economic and political developments. As a result, the value of such Fund may be subject to adverse and sudden changes.

## **G. Single Country Risk**

Applicable to the First State Greater China Growth Fund and the First State Indian Subcontinent Fund.

Where a Fund invests primarily in a single country, it may be subject to greater risk and above average market volatility than an investment in a broader range of securities covering multiple countries.

## **H. Single Sector Risk**

Applicable to the First State Asian Property Securities Fund, the First State Global Agribusiness Fund, the First State Global Listed Infrastructure Fund, the First State Global Property Securities Fund and the First State Global Resources Fund, .

Investments in single sector funds offer the possibility of higher returns, but may involve a higher degree of risk.

## **I. Smaller Companies Risk**

Applicable to all Funds except the First State Asia Pacific Leaders Fund and the First State Global Emerging Markets Leaders Fund.

Funds investing in smaller companies invest in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

## **J. Listed Infrastructure Risk**

Applicable to the First State Global Listed Infrastructure Fund.

Where investment is made in new infrastructure projects during the construction phase, some residual risk will remain that the project will not be completed within budget, within the agreed timeframe or to the agreed specifications.

The operations of infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events, such as cyclones, earthquakes, landslides, floods, explosion, fire, terrorist attack, major plant breakdown, pipeline or electricity line rupture or other disaster. Operational disruption, as well as supply disruption, could adversely impact the cashflows available from these assets.

National and local environmental laws and regulations affect the operations of infrastructure projects. Standards are set by these laws and regulations are imposed regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities for the violation of such standards, and establish, in certain circumstances, obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted. These laws and regulations may have a detrimental impact on the financial performance of infrastructure projects.

## **K. Investment in Agriculture and Related Opportunities Risk**

Applicable to the First State Global Agribusiness Fund.

The First State Global Agribusiness Fund invests in both the agricultural and related sectors on a global basis. There are a number of specific risks arising as a consequence of such investments, including, but not limited to the following:

- The value of the First State Global Agribusiness Fund's investments will be exposed to global and local economic factors affecting agricultural industries and property values;
- Future legislation and/or other regulation in relation to the activities of undertakings in which the First State Global Agribusiness Fund invests directly or indirectly may adversely affect the value of the First State Global Agribusiness Fund's investments;
- The First State Global Agribusiness Fund may be indirectly exposed to a concentration of investment in a small number of territories or geographical regions;
- The First State Global Agribusiness Fund may invest directly or indirectly in undertakings that produce genetically modified food, which may be subject to restrictions in future; and
- Agricultural business is seasonal, and the value of the First State Global Agribusiness Fund's investments may fluctuate accordingly and may further be affected by changes in weather conditions.

## **L. Investments in the Resources Sector Risk**

Applicable to the First State Global Resources Fund.

As a Fund investing primarily in the global resources sector, the First State Global Resources Fund is subject to the risks associated with global resources investments, in addition to the general risks of the stock market. This means that the Fund may be more vulnerable to price fluctuations and other factors that particularly affect the resources sector than a more broadly diversified portfolio. There is no guarantee that the Investment Manager will be able to adequately anticipate or react to these various risks and vulnerabilities.

## **M. Property Securities Risk**

Applicable to the First State Asian Property Securities Fund and the First State Global Property Securities Fund.

Certain Funds invest in property securities such as real estate investment trusts ("REITs") and similar property investment vehicles. Property values rise and fall in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations. When economic growth is slow, demand for property decreases and prices may decline. Property values may also

decrease because of overbuilding, increases in property taxes and operating expenses, changes in environmental regulations or hazards, uninsured casualty or condemnation losses, or a general decline in regional values. Property securities such as REITs may be affected by any changes in the value of the properties owned and other factors, and their prices tend to go up and down. A property security's performance depends on the types and locations of the properties it owns and on how well it manages those properties. A decline in rental income may occur because of extended vacancies, increased competition from other properties, tenants' failure to pay rent or poor property management. A property security's performance also depends on the issuer's ability to finance property purchases and renovations and manage its cash flows.

#### **N. Charges against capital**

Applicable to the First State Asian Property Securities Fund, the First State Emerging Markets Bond Fund, the First State Global Listed Infrastructure Fund and the First State Global Property Securities Fund.

Fees and expenses are charged against the capital of certain Funds. Deducting expenses from capital reduces the potential for capital growth and on any redemption Shareholders may not receive back the full amount invested.

#### **O. Reliability of Credit Ratings**

Applicable to the First State Emerging Markets Bond Fund.

The ratings of fixed-income securities by institutions such as Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating of an issuer is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in the credit risk of securities within each rating category. In the event of a downgrade in the credit ratings of a security or an issuer issuing a security, the value of a Fund investing in such security may be adversely affected.

#### **P. Interest Rate Risk**

Applicable to the First State Emerging Markets Bond Fund.

Where a Fund invests primarily in fixed income securities, the value of the Fund's investments fluctuates in response to movements in interest rates. If rates go up, the value of debt securities fall; if rates go down, the value of debt securities rise. Bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. Periods of high interest rates and recession may adversely affect the issuer's ability to pay interest and principal, and to obtain additional business.

#### **Q. High Yield Risk**

Applicable to the First State Emerging Markets Bond Fund.

To the extent that the Fund invests in lower-rated debt securities, these securities, while usually offering higher yields, generally have more risk and volatility than high-rated securities, because of reduced credit worthiness, liquidity and greater chance of default.

## **R. Currency Hedged Share Classes Risk**

Applicable to the First State Emerging Markets Bond Fund, the First State Global Listed Infrastructure Fund and the First State Global Property Securities Fund.

Investors in Currency Hedged Share Classes should be aware that, whilst the intention will be to hedge from the currency of denomination of certain (but not all) assets of the relevant Fund into the currency of the Classes concerned, the currency hedging process may not give a precise hedge. Hedging transactions are designed to reduce, as much as possible, the currency risk for investors. However, there is no guarantee that the hedging will be totally successful and no hedging strategy can eliminate currency risk entirely. Should a hedging strategy be incomplete or unsuccessful, the value of that Fund's assets and income can remain vulnerable to fluctuations in currency exchange rate movements.

Investors should be aware that there may be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the relevant Fund. The gains/losses on and the costs of such hedging transactions will accrue solely to the relevant Currency Hedged Share Class.

Any currency exposure of a Currency Hedged Share Class may not be combined with or offset against that of any other Share Class of the relevant Fund. The currency exposure of the assets attributable to a Currency Hedged Share Class may not be allocated to other Share Classes.

Investors in the Currency Hedged Share Classes may have exposure to currencies other than the currency of their Share Class and may also be exposed to the risks associated with the instruments used in the hedging process.

In the case of a net investment flow to or from a Currency Hedged Share Class, the hedging strategies may not be accurately adjusted and reflected in the net asset value of the relevant Class until the following or subsequent business day following the day on which the instruction was accepted.

## **S. Below Investment Grade Debt Securities Risk**

Applicable to the First State Emerging Markets Bond Fund.

Certain Funds may invest in securities which are below investment grade (as described in more detail in the investment policies of the relevant Funds). Below investment grade debt securities are speculative and involve a greater risk of default and price changes than investment grade debt securities due to changes in the issuer's creditworthiness. Low rated debt securities generally offer a higher current yield than higher grade issues. However, the market prices of below investment grade debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty. The market for lower rated debt



securities may not be liquid at all times. In a relatively illiquid market a Fund may not be able to acquire or dispose of such securities quickly and as such a Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

**T. Eurozone crisis**

It is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Company and the Funds is impossible to predict.

**U. Concentration Risk**

Applicable to the First State Global Listed Infrastructure Fund and the First State Latin America Fund.

Where a Fund invests in a relatively small number of companies, it may be subject to greater risk of the Fund suffering proportionately higher loss should the shares in a particular company decline in value or otherwise be adversely affected than a Fund that invests in a large number of companies.

## **TAXATION**

### **General**

The information below is a general guide based on current United Kingdom tax laws and HM Revenue & Customs published practice as at the date of this Prospectus, both of which are subject to change. It summarises the tax position of the Company and of investors who are United Kingdom resident and hold Shares as investments. The bases and rates of taxation and reliefs from taxation may change in the future (possibly with retrospective effect). Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

### **The Company**

The Funds are sub-funds of an open-ended investment company to which The Authorised Investment Funds (Tax) Regulations 2006 apply. Each Fund will be treated as a separate entity for UK tax purposes.

The Funds are generally exempt from UK corporation tax on capital gains realised on the disposal of investments (including capital profits on interest-paying investments and derivative contracts but excluding gains realised on the disposal of certain offshore fund holdings) held within them.

The Funds will each be subject to UK corporation tax at currently 20% on some types of income but after deducting allowable management expenses (which include the agreed fees of the ACD and Depositary), charges and, where relevant, the gross amount of any interest distributions made (or treated as made) by the Fund either by way of cash distribution or through accumulation or re-investment in the Fund. UK and overseas dividends or any part of dividend distributions from authorised funds which relate to UK or overseas dividends, which are received by the Fund are not subject to corporation tax if the distribution falls into an exempt class. The exempt classes include distributions from controlled companies, distributions in respect of non-redeemable ordinary shares and distributions in respect of portfolio holdings where the recipient holds less than 10% of the issued share capital of the payer. Other types of income, for example, interest distributions from authorised investment funds and bank deposit interest are taxable, subject to the deduction of allowable management expenses.

Where a Fund suffers foreign tax on income received, this may in some instances be offset against corporation tax payable by the Funds (or deducted from the taxable income) by way of double tax relief. However, it is likely that foreign tax on overseas dividends cannot be offset and will be a tax cost to the Fund.

In some circumstances the Fund may suffer local capital gains tax on gains realised upon sale, redemption or other disposal of investments in certain jurisdictions. In such instances the local capital gains tax suffered will be a tax cost of the Fund.

Gains realised upon sale, redemption or other disposal of interests in “offshore funds” (as defined by Part 8 of the Taxation (International and Other Provisions) Act 2010 which are not reporting funds for UK tax purposes are charged to tax as income and

not as a capital gain. The Funds are accordingly not exempt from tax on such gains. Shareholders may not receive credit for tax on offshore income gains. To the extent that the Funds invest in reporting funds there may be an annual amount of reportable income from the reporting funds which will be recognised within the distributable income of the Funds regardless of whether the income is received by the Fund or not.

Under the Funds of Alternative Investment Funds (FAIFs) regime, UK funds investing more than 50% of their gross asset value in non-reporting offshore funds will be exempt from UK tax on any offshore income gains realised on the disposal of interests in non-reporting funds. However, any gains realised by UK investors on disposal of shares in funds falling within the regime will be subject to tax as income. It is not the intention of the Company that any Fund should automatically fall within the regime (or elect for the regime to apply), however this will be kept under review.

The tax elected funds (TEF) regime is elective for any authorised investment fund meeting the required conditions and has the effect of moving the point of taxation from the fund to the investors such that broadly investors will be taxed as if they hold underlying assets directly. It is not the intention of the Company that any Fund should enter the regime at present, however this will be kept under review.

## **Shareholders**

### **Income**

For the purposes of UK taxation, the same consequences will follow whether a Fund's income is distributed to a Shareholder or accumulated on its behalf. Reference in the following paragraphs to a distribution of a Fund are of equal application where income is accumulated.

Distributions made by a Fund may, for UK tax purposes, be either dividend distributions or interest distributions, depending on the nature of the income of the Fund. Interest distributions can be made only where the Fund is a "bond fund" which is where the market value of the Fund's "qualifying investments", broadly interest-bearing investments, (including holdings in collective investment schemes that pay interest distributions and cash on deposit), exceeds 60% of the market value of all its assets throughout the accounting period to which it relates. Accordingly, a Fund that does not qualify as a bond fund can only make dividend distributions.

### *Shareholders within the charge to UK income tax*

### **Dividend distributions**

An individual Shareholder who is resident for tax purposes in the United Kingdom is entitled to a tax credit in respect of any dividend distribution or deemed distribution made by a Fund (after deducting any equalisation payment) and is subject to income tax on the aggregate of the dividend distribution and the tax credit (the "gross dividend"). The value of the tax credit is equal to one-ninth of the net dividend distribution (i.e. 10% of the gross dividend). Thus on a dividend distribution of £90 the tax credit will be £10. Distributions plus tax credits will be treated as the top slice of an individual's income. A UK resident individual who is not liable to tax will not be able to reclaim the tax credit from HM Revenue & Customs. In the case of a UK

resident individual liable to basic rate tax only, the tax credit will match the individual's tax liability on the dividend distribution and there will be no further tax to pay and, again, no right to claim any repayment from HM Revenue & Customs.

Shareholders liable to UK income tax at the higher rate or the additional rate must account to HM Revenue & Customs for any further tax due on the gross dividend. Higher rate tax payers will be liable to income tax at the rate of 32.5% to the extent that the gross dividend, when treated as the top slice of taxable income, falls above the threshold for higher rate income tax, but may offset the 10% tax credit against this liability. Additional rate tax payers will be liable to income tax at the additional rate of 37.5% to the extent that the gross dividend, when treated as the top slice of taxable income, falls above the threshold for additional higher rate income tax (£150,000 for the 2013/2014 tax year) but may offset the 10% tax credit against this liability. In other words, higher rate and additional rate taxpayers will be liable to pay an effective rate of income tax equivalent to 25% or 30.55% respectively of the net amount distributed or accumulated.

### **Interest distributions**

On receipt of an interest distribution, a UK resident individual Shareholder will be deemed to receive a payment of yearly interest (the "gross amount" of the interest distribution) from which tax has been deducted at source at the basic rate (currently 20%). Thus on receipt of an interest distribution of £80 such an individual is deemed to receive income of £100 (the gross amount) from which £20 tax has been deducted. The individual will be subject to income tax on the gross amount of the interest distribution treated as paid to him, but will be entitled to credit the amount of tax deducted at source against such income tax liability. A UK resident individual shareholder who is not liable to UK income tax will be able to reclaim the tax deducted at source from HM Revenue & Customs.

For a UK resident individual who is liable to basic rate income tax, the amount of tax deducted at source will match the individual's tax liability on the interest distribution and there will be no further tax to pay but no right to claim any repayment from HM Revenue & Customs. In the case of a UK resident individual who is liable to income tax at the higher rate (currently 40%) or additional rate (currently 45%), the amount of tax deducted at source will be credited against part of the income tax liability. Such an individual will have to pay additional tax of 20% in the case of a higher rate taxpayer or 25% in the case of an additional rate taxpayer, of the gross amount of the interest distribution, to the extent that such an amount when treated as the top slice of his or her taxable income, falls above the threshold for higher rate income tax or additional higher rate income tax, respectively.

*Shareholders within the charge to UK corporation tax*

### **Dividend distributions**

Shareholders within the charge to UK corporation tax receive dividend distributions 'streamed' into franked and unfranked income depending on the underlying income of the Fund, if any, which has been subject to UK corporation tax. The franked stream is treated as franked investment income in the hands of the corporate Shareholder. The unfranked stream is treated as an annual payment from which income tax at the basic

rate of 20% is deemed to have been deducted, the gross amount of which will be chargeable to corporation tax.

Where foreign dividend income is subject to UK tax and foreign tax has been credited in arriving at the UK tax liability, the distribution of such income will be treated as unfranked foreign dividends with a deemed foreign tax credit. The percentages to be used to calculate the allocation between franked investment income, unfranked income and any unfranked foreign dividends received will be set out on the tax vouchers accompanying dividend distributions.

The corporate streaming rules also limit the maximum amount of income tax that may be reclaimed from the HM Revenue & Customs on the unfranked streams. The maximum amount reclaimable by a corporate Shareholder is (broadly) the corporate Shareholder's portion of the Fund's net liability to corporation tax in respect of gross income for the distribution period in question, although all of it together with the deemed foreign tax credit if any, is available for offset against the Shareholder's UK corporation tax liability. The tax voucher will state the Fund's net liability to corporation tax in respect of the gross income. Additional information may also be provided on the tax voucher, for example, the net liability per Share.

### **Interest distributions**

Shareholders who are eligible to receive interest distributions gross include, inter alia, companies within the charge to UK corporation tax, UK charities, UK tax exempt pension funds and ISA plan managers, provided that evidence is received of their eligibility to receive such payments gross.

Where interest distributions are made net, a UK resident corporate Shareholder will be treated as receiving a payment of yearly interest (the "gross amount" of the interest distribution) from which tax has been deducted at the basic rate (currently 20%). Such a Shareholder will be liable to corporation tax on the gross amount of the interest distribution, but will be entitled to credit for the tax deducted at source, and repayment of any excess of the tax so deducted over that Shareholder's liability to UK corporation tax.

### **Corporate debt tax regime**

Under the corporate debt tax regime in the UK, if at any time during a corporate Shareholder's accounting period, a Fund fails to satisfy the "qualifying investments test", a corporate Shareholder's holding in the Fund is treated as a creditor loan relationship. As such, the corporate Shareholder will generally be taxed on the increase in the fair value of its holding during that period (rather than on disposal), or will obtain tax relief on any equivalent decrease in market value.

A Fund fails to satisfy the "qualifying investments" test at any time where more than 60% of its assets by market value consist of "qualifying investments". "Qualifying investments" are broadly those which yield a return directly or indirectly in the form of interest and include cash, government and corporate debt, certain derivative contracts and interests in certain collective investment schemes.

## **Income Equalisation**

The first income allocation received by an investor after buying the Shares may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital, and should be deducted from the acquisition cost of the income Shares (but not accumulation Shares) for capital gains purposes. Equalisation will be applied to all Funds.

## **Tax on Chargeable Gains**

Shareholders who are resident in the UK for tax purposes may be liable to capital gains tax or, if a company, corporation tax in respect of gains arising from the sale, transfer or other disposal of Shares. Exchanges of Shares in one Fund for Shares in another Fund are treated as a disposal and may give rise to a liability to capital gains tax or corporation tax on chargeable gains. However, switches between Classes within a Fund should not give rise to a liability to capital gains tax or corporation tax on chargeable gains where the Classes each have the same rights to income and capital before and after the switch. Where the Classes do not have the same rights to income and capital, for example where a Class is hedged, a switch may give rise to a liability to capital gains tax or corporation tax on chargeable gains.

Where accumulation Shares are held, the accumulated income should be added to the allowable cost when calculating the gain. Where income is reinvested in new shares, these will be separate assets for capital gains tax purposes.

Individuals are only liable to capital gains tax if their total chargeable gains (net of allowable losses) in the year exceed the annual exemption (£10,900 for the 2013/2014 tax year). Individual Shareholders who are basic rate income taxpayers will be liable to tax at 18% on any gains net of capital losses in excess of the annual exemption. Individual shareholders who are higher rate or additional rate income taxpayers will be liable to tax at 28% on any gains net of capital losses in excess of the annual exemption. Individual Shareholders will find further information, in the HM Revenue and Customs Help Sheets for the capital gains tax pages of their tax returns.

Shareholders within the charge to UK corporation tax are chargeable to corporation tax on all such gains and net capital gains will normally be added to the profits charged to corporation tax. Indexation relief will be available.

In the unlikely event that a Fund is terminated because it is no longer commercially viable this may result in a distribution of capital to Shareholders potentially resulting in a capital gain or loss (and therefore a potential tax liability) at that time.

## **Non-Taxpayers**

### **Dividend distributions**

Charities and pension funds and ISA plan managers cannot reclaim the tax credit on dividend distributions.

Shareholders who are not resident in the UK may be entitled to a repayment of part of the tax credit attached to a dividend distribution. This entitlement is dependent on the

terms of any double taxation agreement between the UK and the Shareholder's country of residence; typically these provide for little if any payment in respect of dividend distributions.

### **Interest distributions**

UK charities, UK tax exempt pension funds and ISA plan managers eligible to receive interest distributions gross, provided that evidence is received of their eligibility to receive such payments gross.

A non-UK resident Shareholder will receive interest distributions gross, inter alia, if he has certified that he is not resident. Otherwise, Shareholders resident outside the UK are treated for UK tax purposes as receiving a payment of yearly interest from a UK company from which tax has been deducted at the basic rate. Such Shareholders may be able to reclaim all or part of the amount deducted at source under a double taxation agreement between the UK and their jurisdiction of residence. Local law may, in addition, provide for a credit in respect of any UK tax suffered against any local tax payable, but Shareholders should seek advice in this regard.

The position for non-UK resident corporate Shareholders is the same as for non-resident individuals.

### **EU Savings Directive**

The EU Council Directive 2003/48/EC on taxation of savings income (the "Directive") requires Member States of the European Union ("Member States") to provide to the tax authorities of other Member States details of payments of interest and other similar income (which in the case of a collective investment fund may include income arising as a result of the sale and redemption of the fund's shares) paid by a person established in a Member State who is a "paying agent" for the purposes of the Directive to an individual (or certain "residual entities") resident for the purposes of the Directive in another Member State. However, Austria and Luxembourg are operating a system of withholding tax for a transitional period unless during such period they elect otherwise. The current rate of withholding tax in those jurisdictions is 35%. On the basis that the Company is authorised as a "UCITS Scheme", it is considered that payments of savings income by the Company out of the property of a Fund would fall within the scope of the Directive where the relevant Fund's investments are interest bearing securities to the necessary extent and depending on the investment portfolio of that Fund.

With effect from 1 January 2015, Luxembourg has announced that it will end the transitional period and introduce the automatic exchange of information between Member States.

The ACD, Fund Administrator, Registrar or paying agent may require Shareholders to provide any information regarding tax status, identity or residency in order to satisfy the disclosure requirements in the Directive and Shareholders will be deemed by their subscription for Shares in the Company to have authorised the automatic disclosure of such information by the ACD, Fund Administrator, Registrar or paying agent or other relevant person to the relevant tax authorities and to notify the ACD, Fund

Administrator, Registrar or paying agent of any update to information previously provided by them to the ACD, Fund Administrator, Registrar or paying agent.

### **Other local tax authority requirements**

The Company will report personal and payment information of relevant Shareholders to the local tax authorities in accordance with local laws and regulations.

The Company will report personal and payment information of relevant Shareholders to other jurisdiction's tax authorities, such as US IRS, as required by local laws or regulations, or pursuant to contractual obligations with such foreign tax authorities.

### **UK information reporting regime**

The Company is required to report to HM Revenue & Customs details of interest distributions paid to UK, and many non-UK, investors. Dividend distributions and payments made to ISA investors are unaffected.

### **Withholdings and Deductions**

The Company will be required to withhold parts of certain payments to certain Shareholders as required by local laws, regulations or contractual obligations with other jurisdiction's tax authorities, such as the US IRS.

The Company will be required to account for tax on the value of the Shares redeemed or transferred at the applicable rate unless it has received from the transferee sufficient documentation to confirm that the Shareholder is not a person in respect of whom it is necessary to deduct tax.

The Company reserves the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising. The Company reserves the right to refuse to register a transfer of Shares until it receives sufficient information as prescribed by the relevant authority to avoid such withholding.

### **Stamp duty reserve tax**

#### **General**

Stamp duty reserve tax (SDRT) applies to surrenders and certain transfers of Shares in the Funds. SDRT is technically a liability of the relevant Fund and there are various ways in which the Fund may recover the cost. The ACD may charge an SDRT provision increasing the amount paid for Shares on their acquisition and/or decreasing the amount received on their redemption. The Company has decided on the following policy for paying SDRT.



## **The SDRT System**

The SDRT system imposes a 0.5% charge on the weekly value of surrenders (i.e. the redemption, switching and certain transfers) of Shares to the ACD or Company. This basic charge to SDRT may be reduced, as follows:

- (1) if more Shares in a Fund are surrendered than issued over the relevant period, the tax is reduced proportionately; and
- (2) if a Fund is invested in assets themselves exempt from stamp duty and SDRT, such as bonds and non-UK shares, the tax is reduced proportionately. This will reduce the tax liability to nil where a Fund is invested entirely in exempt investments.

## **SDRT Policy on Surrenders**

Any SDRT payable will normally be borne by the Fund whatever the size of the deal. For the 12 month period from 1 August 2011 to 31 July 2012 a SDRT provision was not made on any occasion and therefore the ACD does not currently expect a SDRT provision to be required in the future. In exceptional cases, the ACD may look to a Shareholder or potential Shareholder to pay the SDRT liability, in which case the Share proceeds will be reduced or cost of Shares increased as appropriate. In the unlikely event that it would be charged, the maximum rate would be 0.5%.

## **SDRT Policy on Transfers**

Transfers of Shares from one Shareholder to another may be exempt from SDRT depending on the circumstances. Shareholders transferring Shares should complete a stock transfer form in the normal way including any appropriate certificate of the type required for exemption from stamp duty. Where there is no appropriate certificate, evidence of an exemption from SDRT should be submitted to the ACD with the stock transfer form. In other cases, where SDRT applies to transfers, the ACD has decided that any SDRT triggered will normally be paid by the relevant Fund. In exceptional cases, they may recover it from the parties to the transaction.

The ACD considers that paying SDRT out of a Fund will not have a significant effect on its performance.

## **Future position**

The Chancellor announced in his March 2013 Budget that the SDRT charge on unit trusts and OEICs will be abolished with effect from 1 April 2014.

## **MANAGEMENT AND ADMINISTRATION**

### **Regulatory Status**

The ACD, the Depositary, the Custodian, the Fund Administrator and the Investment Manager are authorised and regulated by the FCA of 25 The North Colonnade, Canary Wharf, London E14 5HS.

### **Authorised Corporate Director**

The Authorised Corporate Director of the Company is First State Investments (UK) Limited which is a private company limited by shares incorporated in England and Wales under the Companies Act 1985 on 12 September 1988.

### **Share capital**

The share capital of the ACD is as follows:

Authorised	£2,000,000 ordinary shares of £1 each
Issued	£2,000,000 ordinary shares of £1 each
Paid up	£2,000,000 ordinary shares of £1 each

### **Ultimate Holding Company**

The ACD's ultimate holding company is the Commonwealth Bank of Australia which is incorporated in Australia.

The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Regulations.

### **Terms of Appointment:**

The ACD Agreement provides that the appointment of the ACD may be terminated upon 12 months' written notice by either the ACD or the Company, although in certain circumstances the agreement may be terminated forthwith by notice in writing by the ACD to the Company or the Depositary, or by the Depositary or the Company to the ACD. Termination cannot take effect until the FCA has approved the change of director.

The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the agreement. The ACD Agreement provides indemnities to the ACD other than for matters arising by reason of its negligence, default, breach of duty or breach of trust in the performance of its duties and obligations.

From time to time the ACD may hold Shares in the Company as principal. However, such Shares are held by the ACD to facilitate the efficient management of the

Company and the ACD does not actively seek to make profit from holding Shares as principal.

An affected person (the ACD, Depositary, Investment Manager, or any of their associates, or the Auditor of the Company) is under no obligation to account to another affected person or to Shareholders for any profit or other benefit they make on dealing in Shares of the Company, any transaction in Scheme Property, or the supply of services to the scheme.

The ACD receives payments on an annual basis from the Depositary in return for having appointed the Depositary as the preferred supplier of services to the funds operated by the ACD. The ACD is not obliged to account to the Funds or to the shareholders for these payments.

The ACD is under no obligation to account to the Depositary or the Shareholders for any profit it makes on the issue or reissue of Shares or cancellation of Shares which it has redeemed. The fees to which the ACD is entitled are set out on pages 39 to 40 and Appendix I.

### **The Depositary**

The Depositary of the Company is National Westminster Bank Plc, a public limited company incorporated in England & Wales.

The Depositary is responsible for the safekeeping of all the scheme property of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the provisions of the COLL Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income of the Funds.

The appointment of the Depositary has been made under an agreement dated 23 March 1999 between the Company, the ACD and The Royal Bank of Scotland plc, as novated by a deed of novation dated 3 October 2011 between the Company, the ACD, the Depositary and The Royal Bank of Scotland plc (the “Depositary Agreement”).

### **Principal Business Activity**

The principal business activity of the Depositary is banking.

### **Ultimate Holding Company:**

The Royal Bank of Scotland Group plc - incorporated in Scotland.

### **Terms of Appointment**

The Depositary provides its services under the terms of a Depositary Agreement which may be terminated by three months’ notice given by either the Company or the Depositary, provided that the Depositary may not retire voluntarily except on the appointment of a new depositary. Subject to the COLL Sourcebook, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depositary. The Depositary is entitled to the fees, charges and expenses detailed under ‘Depositary’s Fee’ on pages 41 to 42. The Depositary Agreement provides for the indemnification of the Depositary by the

Company against, all actions, claims, costs, charges, losses, liabilities, damages and/or expenses incurred or suffered by the Depositary in connection with the execution or exercise by the Depositary, any Sub-custodian or Agent or their agents of the rights, powers, duties, authorities and/or discretions under the Depositary Agreement and/or the COLL Sourcebook and in respect of any liability incurred by the Depositary as a consequence of its safekeeping of any of the property of the Company (or incurred by it as a consequence of the safekeeping of any of the property of the Company by anyone retained by it to assist it to perform its function of the safekeeping of the property of the Company) except (in either case) any liability for any failure by the Depositary to exercise due care and diligence in the discharge of its functions in respect of the Company or out of fraud or where recovery is actually made from another person.

### **The Custodian**

State Street Bank and Trust Company was appointed to act as custodian to the Company with effect from 22 November 2010 pursuant to an agreement between The Royal Bank of Scotland plc and State Street Bank and Trust Company, following the change of depositary from The Royal Bank of Scotland plc to National Westminster Bank Plc, State Street Bank and Trust Company's appointment as custodian to the Company was renewed with effect from 10 August 2011 by agreement between National Westminster Bank Plc and State Street Bank and Trust Company (the "Custody Agreement").

### **Terms of Appointment**

The Custody Agreement provides for the appointment of the Custodian subject to termination on not less than 90 days' notice by the Custodian to the Depositary and on 60 days' notice by the Depositary to the Custodian. Both parties can terminate the Custody Agreement at any time and without notice in the event that certain insolvency events occur to the other. The Depositary is responsible for the payment of the fees and such costs, expenses and disbursements as may be agreed from time to time. The Custodian has agreed to use such skill and care as would reasonably be expected of a professional custodian. The Custodian will be liable for losses arising from its negligence, wilful default or fraud but in the absence of fraud, negligence or wilful default by the Custodian or any sub-custodian the Depositary has indemnified the Custodian and its sub-custodians against all losses and reasonable legal, professional and other expenses suffered or incurred by the Custodian or its sub-custodian in connection with the Custody Agreement.

### **The Investment Manager**

The ACD has appointed First State Investment Management (UK) Limited to provide investment management and advisory services to the ACD.

The Investment Manager was appointed on 31 August 2001 by a novation agreement dated 31 August 2001 novating an earlier agreement dated 31 December 1998 between the ACD and Colonial First State Investment Managers (UK) Limited ('the Investment Management Agreement').

The appointment of the Investment Manager (and subsequently any delegate) may be terminated by the ACD immediately on notice where it is determined that it is in the best interests of Shareholders to do so.

Notwithstanding the ACD's right to terminate the Investment Management Agreement on immediate notice as described above, the Investment Management Agreement may be terminated by either party on three months' notice in writing.

The Investment Manager has full power and authority under the Investment Management Agreement to delegate any and all of its discretions and powers under the Investment Management Agreement to any other person, provided that the Investment Manager shall remain fully responsible to the ACD for the acts and omissions of any such person. Such delegation is subject to the approval of the ACD.

Under the Investment Management Agreement the ACD provides indemnities to the Investment Manager (except in the case of any matter arising as a result of the Investment Manager's negligence or default). The ACD may be entitled to recover from the Company amounts paid by the ACD under the indemnities in the Investment Management Agreement.

First State Investment Management (UK) Limited is in the same group of companies as the ACD. Its registered office is at 23 St Andrew Square, Edinburgh, EH2 1BB. The principal activity of the Investment Manager is acting as an investment manager and adviser.

The Investment Manager is authorised and regulated by the FCA.

The Investment Manager's fees are paid by the ACD out of its remuneration under the ACD Agreement.

The Investment Manager has delegated, or, in respect of (c) below, intends to delegate the investment management of (a) the First State Global Resources Fund, the First State Asian Property Securities Fund, the First State Global Property Securities Fund, the First State Global Listed Infrastructure Fund and the First State Global Agribusiness Fund to Colonial First State Asset Management (Australia) Limited (CFSAMA) a company registered in Australia, by agreement dated 8 September 2006 (as amended), (b) the First State Greater China Growth Fund to First State Investments (Hong Kong) Limited (FSIHK), a company registered in Hong Kong, by agreement dated 24th October 2003, and (c) the First State Global Emerging Markets Fund, the First State Global Emerging Markets Leaders Fund, the First State Indian Subcontinent Fund, the First State Latin America Fund and the First State Worldwide Equity Fund to First State Investments (Singapore) (FSIS), a company registered in Singapore, by agreement dated on or around 1 December 2012.

FSIS may from time to time rely on services provided to it by the Investment Manager for each of the First State Global Emerging Markets Fund, the First State Global Emerging Markets Leaders Fund, the First State Indian Subcontinent Fund, the First State Latin America Fund and the First State Worldwide Equity Fund under a service agreement(s) between the Investment Manager and FSIS.

Each of CFSAMA, FSIHK and FSIS have the authority of the Investment Manager to make decisions in respect of the First State Global Resources Fund, the First State Asian Property Securities Fund, the First State Global Property Securities Fund, the First State Global Listed Infrastructure Fund, the First State Global Agribusiness Fund, the First State Greater China Growth Fund, the First State Global Emerging Markets Fund, the First State Global Emerging Markets Leaders Fund, the First State Indian Subcontinent Fund, the First State Latin America Fund and the First State Worldwide Equity Fund as appropriate on behalf of the Investment Manager. CFSAMA, FSIHK and FSIS are not authorised by the FCA. Each of CFSAMA, FSIHK and FSIS are associates of the Investment Manager and the ACD. Each of these agreements may be terminated on not less than one month's notice and CFSAMA, FSIHK and FSIS will be liable to the Investment Manager for loss arising from wilful misconduct, bad faith, negligence or fraud in the performance of their duties.

### **The Fund Administrator**

The ACD and one of its group companies, First State Investment Services (UK) Limited (together, for the purposes of this and the following paragraph, the "Client"), has appointed State Street Bank and Trust Company to provide certain administration services to the Company by an Agreement signed on 22 September 2010 (the "Fund Administration Services Agreement").

### **Terms of Appointment**

The Fund Administration Services Agreement provides for the appointment of the Fund Administrator subject to termination by either party on not less than 6 months' notice in writing, such notice to take effect no earlier than the end of the Initial Term. Both parties can terminate the Fund Administration Services Agreement at any time on written notice in the event that certain insolvency events occur to the other. In addition, the Fund Administration Services Agreement can be terminated on 30 days' notice if material breach of the Fund Administration Services Agreement has occurred and not been remedied. The Initial Term is the period of 5 years from the effective date, 24 November 2010. In the event that termination occurs during the Initial Term, the Client shall pay to the Fund Administrator a pro rata amount of costs and losses the Fund Administrator has incurred or will incur as set out in the Fund Administration Services Agreement. The Fund Administrator has agreed to provide the administration services under the Fund Administration Services Agreement in accordance with best industry practice, as defined. The Client has agreed to indemnify the Fund Administrator against all losses, liabilities etc paid by the Fund Administrator to a third party in connection with any third party claim under the Agreement or otherwise in connection with the Fund Administrator's proper performance of the Services.

### **Registrar**

The ACD has appointed The Bank of New York Mellon (International) Limited to act as registrar to the Company.

### **Terms of Appointment:**

The Bank of New York Mellon (International) Limited was originally appointed as Registrar by an agreement dated 23rd March 1999 with the Company and the ACD,

which agreement was amended and replaced by an Administration Agreement dated 1 September 2005 between The Bank of New York Europe Limited (now called The Bank of New York Mellon (International) Limited) and the ACD (“Administration Agreement”).

The Administration Agreement may be terminated by either party on 9 months’ notice in writing to the other. In addition, termination may be possible in certain circumstances without notice, for instance if either party breaches the other’s confidentiality or if either party goes into liquidation.

The registered office of the Registrar is at One Canada Square, London E14 5AL.

### **The Auditor**

The auditors of the Company are PricewaterhouseCoopers LLP.

### **Legal Advisers**

The Company is advised by Simmons & Simmons LLP.

### **Register of Shareholders**

The Register of Shareholders is maintained by the Registrar at 12 Blenheim Place, Edinburgh EH7 5ZR and may be inspected during normal business hours by any Shareholder or any Shareholder’s duly authorised agent.

If any Shareholder requires evidence of title to Shares then upon such proof of identity as it shall reasonably require the ACD will provide the Shareholder with a certified copy of the relevant entry in the Register. Shareholders must notify the Registrar of any change of address. Shareholders may also notify the ACD of any change in address by telephoning the ACD on 0800 587 4141.

### **Conflicts of Interest**

The ACD, the Investment Manager and other associated companies may, from time to time, act as investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Funds. It is therefore possible that the ACD, or the Investment Manager and other associated companies may in the course of their business have potential conflicts of interest with the Company or a particular Fund. The ACD, the Investment Manager and other associated companies will, however, have regard in such event to their obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD will ensure that the Company and the other funds it manages are fairly treated.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the

interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will disclose these to shareholders in an appropriate format.

The Depositary may, from time to time, act as the depositary of other companies.

### **Delegation**

Subject to exceptions in the COLL Sourcebook, the ACD and the Depositary may retain (or arrange for the Company to retain) the services of other persons to assist them in performing their contractual functions. In relation to certain functions the ACD and the Depositary will not be liable for the actions of those appointed provided certain provisions in the COLL Sourcebook apply.



## **SHAREHOLDER MEETINGS AND VOTING RIGHTS**

### **Annual General Meeting**

The Company elected to dispense with Annual General Meetings with effect from 19 December 2005. Copies of service contracts between the Company and the ACD are available upon request.

### **Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

Shareholders may also requisition a general meeting of the Company. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

The Depositary also has the power to convene a meeting using a procedure similar to that used by Shareholders requisitioning a meeting as set out above.

### **Notice and Quorum**

Shareholders will receive at least 14 days' notice of a Shareholders' meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. If, at an Adjourned Meeting, a quorum is not present after a reasonable time from the time for the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum. Notices of Meetings and Adjourned Meetings will be sent to Shareholders at their registered addresses.

### **Voting Rights**

At a meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price(s) of all the Shares in issue at the date seven days before the notice of meeting was sent out.

An instrument appointing a proxy may be in any usual or common form or any form approved by the ACD. The person appointed to act as a proxy need not be a Shareholder.

A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate of the ACD is entitled to vote at any meeting of the Company except in

respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions. An associate in relation to any person is defined as an undertaking in the same group as that person, an appointed representative of the first person or of any undertaking in the same group and any other person whose business or domestic relationship with the first person or its associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealing with third parties.

“Shareholders” in this context means Shareholders entered on the register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

### **Powers of a Shareholders’ Meeting**

The Company’s Instrument of Incorporation and the COLL Sourcebook empower Shareholders in general meeting to approve or require various steps (generally subject to FCA approval).

These matters include:

- the removal of the ACD;
- changes to some of the matters contained in the Instrument of Incorporation and this Prospectus;
- fundamental changes to the Company or a Fund or Funds; and
- a scheme of arrangement involving the Company.

In accordance with the COLL Sourcebook other provisions may be changed by the ACD without approval of Shareholders in a general meeting.

Except where the COLL Sourcebook or the Instrument of Incorporation require an extraordinary resolution (which needs a majority of 75% of the votes validly cast for such resolution to be passed) any resolution will be passed by a simple majority of the votes validly cast.

### **Class and Fund Meetings**

The above provisions, unless the context otherwise requires, apply to meetings of Classes and meetings of Funds as they apply to general meetings of Shareholders but by reference to Shares of the Class or Fund concerned and the Shareholders and prices of such Shares.

## WINDING UP

The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under Chapter 7.3 of the COLL Sourcebook. A Fund may only be wound up under the COLL Sourcebook.

Where the Company or a Fund are to be wound up under the COLL Sourcebook, such winding up may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the COLL Sourcebook if there is a vacancy in the position of ACD at the relevant time.

The Company may be wound up or a fund terminated under the COLL Sourcebook if:

- (a) an extraordinary resolution to that effect is passed by Shareholders; or
- (b) when the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a Fund is to be wound up, including where the share capital of the Company is below its prescribed minimum or (in relation to any Fund) the Net Asset Value of the Fund is less than £5,000,000, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund; or
- (c) on the date of effect stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or the relevant Fund.

On the occurrence of any of the above:

- (a) Chapters 5 and 6.2 and 6.3 of the COLL Sourcebook relating to 'Investment and Borrowing Powers' and 'Dealing' and 'Valuations and Pricing' will cease to apply to the Company or the particular Fund;
- (b) The Company will cease to issue and cancel Shares in the Company or the particular Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the particular Fund;
- (c) No transfer of a Share shall be registered and no other change to the register will be made without the sanction of the ACD;
- (d) Where the Company is being wound-up, the Company will cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- (e) The corporate status and powers of the Company and, subject to the preceding provision of (a) and (d) above, the powers of the ACD will remain until the Company is dissolved.

The ACD will, as soon as practicable after the Company or the Fund falls to be wound up, realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the scheme property of the Company or the Fund. In the case of the Company, the ACD shall publish notice of the commencement of the winding up of the Company in the London Gazette. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Fund, give notice in writing to shareholders. When the ACD has caused all of the scheme property to be realised and all of the liabilities of the Company or the particular Fund to be realised, the ACD will arrange for the Depositary to also make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining, in proportion to their holdings in the Company or the particular Fund.

As soon as reasonably practicable after completion of the winding up of the Company or the particular Fund, the Depositary will notify the FCA that it has done so.

On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company, will be paid into court within one month of dissolution.

Following the completion of a winding up of either the Company or a Fund, the ACD must prepare a final account showing how the winding up took place and how the scheme property was distributed. The auditors of the Company will make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder.

On a winding up, the liabilities of the Company attributable or allocated to a particular Fund under the COLL Sourcebook will be met to the extent possible out of the scheme property attributable or allocated to that particular Fund.

## **APPENDIX I - INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUNDS**

The eligible securities markets and eligible derivatives markets in which the Funds may invest are set out in Appendix II. A detailed statement of the general investment and borrowing restrictions and the extent to which the Company may employ efficient portfolio management techniques is set out in Appendix III.

If any Fund intends to make use of financial derivative instruments for any purpose other than efficient portfolio management or to hedge against market or currency risks, this will be specified in “Appendix I – Investment Objectives, Policies and other details of the Funds”.

The First State Emerging Markets Bond Fund, First State Global Listed Infrastructure Fund and the First State Global Property Securities Fund may engage in the following currency hedging techniques:

- (i) hedging by proxy whereby the Company effects a hedge of the Base Currency of the Fund (or currency exposure of the assets of the Fund) against exposure in one currency by instead selling (or purchasing) another currency closely related to it, provided however that these currencies are indeed likely to fluctuate in the same manner;
- (ii) cross-hedging whereby the Company sells a currency to which it is exposed and purchases more of another currency to which the Fund may also be exposed, the level of the Base Currency being left unchanged, provided however that all such currencies are captured within the Fund’s investment policy. The technique is used as an efficient method to gain the desired currency and asset exposures;
- (iii) anticipatory hedging whereby the decision to take a position on a given currency and the decision to have some securities held in a Fund’s portfolio denominated in that currency are separate, provided however that the currency which is bought in anticipation of a later purchase of underlying portfolio securities is a currency of a country which is within the Fund’s investment policy.

For the avoidance of doubt the investment policy of each Fund may be achieved through investment in collective investment schemes to the extent permitted by the limits set out in Appendix III.

## FIRST STATE ASIA PACIFIC FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests in equities in the Asia Pacific region (excluding Japan, including Australasia).

### Fund details

Class of share available	Class A	Class B
Net accumulation shares	Yes	Yes
Net income shares	Yes	Yes
Minimum initial subscription	£1,000	£500,000
Minimum subsequent subscription	£500	£50,000
Minimum holding	£1,000	£500,000
Minimum redemption/switch amount	£500	£50,000
Investment under regular savings scheme	£50 per month	n/a
Current annual management charge <sup>4</sup>	1.75%	1.00%
Maximum initial charge	4.0%	4.0%
Annual management charge taken from Income		
Income allocation dates	Semi-annually on or before 30 September and 31 March	

<sup>3</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE ASIA PACIFIC LEADERS FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests in large and mid capitalisation equities in the Asia Pacific region (excluding Japan, including Australasia). ●

### Fund details

Class of share available	Class A	Class A Euro	Class B	Class B Euro
Net accumulation shares	Yes	Yes	Yes	Yes
Net income shares	Yes	Yes	Yes	Yes
Minimum initial subscription	£1,000	€1,000	£500,000	€500,000
Minimum subsequent subscription	£500	€500	£50,000	€50,000
Minimum holding	£1,000	€1,000	£500,000	€500,000
Minimum redemption/switch amount	£500	€500	£50,000	€50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a
Current annual management charge <sup>5</sup>	1.5%	1.5%	0.85%	0.85%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%
Annual Management Charge Taken				
From Income				
Income allocation dates	Semi-annually on or before 30 September and 31 March			

- Clarification point: Large and mid capitalisation typically refers to equities with a minimum market capitalisation of US\$ 1 billion and a minimum free float of US\$ 500 million. "Australasia" refers to Australia, New Zealand and other South East Asian countries.

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>5</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE ASIA PACIFIC SUSTAINABILITY FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests in equities in the Asia Pacific region (excluding Japan, including Australasia). The Fund invests in companies which are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate. ●

### Fund details

Class of share available	Class A	Class A Euro	Class B	Class B Euro
Net accumulation shares	Yes	Yes	Yes	Yes
Net income shares	No	No	No	No
Minimum initial subscription	£1,000	€1,000	£500,000	€500,000
Minimum subsequent subscription	£500	€500	£50,000	€50,000
Minimum holding	£1,000	€1,000	£500,000	€500,000
Minimum redemption/switch amount	£500	€500	£50,000	€50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a
Current annual management charge <sup>4</sup>	1.55%	1.55%	0.90%	0.90%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Income				
Income allocation dates	Semi-annually on or before 30 September and 31 March			

● Clarification point: The Fund's emphasis on sustainability development incorporates three key features in making investment decisions. These are:

- I. company classification (identifying companies whose management are believed able to manage sustainability risks and opportunities facing their companies, seeking out sustainability companies with a positive sustainable development impact);
- II. integration of environmental, social and corporate governance factors into investment analysis;
- III. engagement with and exit from companies based on our own research and external global norms-based screening (the fund manager will engage senior management on any identified environmental, social and governance issues, and exit a stock if insufficient progress is made).

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststate.co.uk](http://www.firststate.co.uk) or contact the ACD's Retail Dealing team for further information.

<sup>4</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.



## FIRST STATE ASIAN PROPERTY SECURITIES FUND

**Investment Objective:** The Fund aims to achieve a total investment return consistent with income and long term capital growth.

**Investment Policy:** The Fund primarily invests in a broad selection of Asian securities issued by real estate investment trusts or companies that own, develop or manage real property. The Fund may also invest in Australian and New Zealand securities of a similar type.

### Fund details

Class of share available	Class A	Class A Euro	Class B	Class B Euro
Net accumulation shares	Yes	Yes	Yes	Yes
Net income shares	Yes	Yes	Yes	Yes
Minimum initial subscription	£1,000	€1,000	£500,000	€500,000
Minimum subsequent subscription	£500	€500	£50,000	€50,000
Minimum holding	£1,000	€1,000	£500,000	€500,000
Minimum redemption/switch amount	£500	€500	£50,000	€50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a
Current annual management charge <sup>5</sup>	1.5%	1.5%	0.85%	0.85%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Capital				
Income allocation dates	Semi-annually on or before 30 September and 31 March			

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>5</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE EMERGING MARKETS BOND FUND

**Investment Objective:** The Fund aims to achieve a total investment return from income and capital appreciation.

**Investment Policy:** The Fund primarily invests in debt securities issued or guaranteed by governments, financial institutions or companies in Emerging Markets. The Fund may also invest in securities which are economically linked to Emerging Markets. The majority of the Fund will be invested in debt securities denominated in US dollars.

The Fund will invest at least 80 per cent of its net assets in bonds and other debt securities issued or guaranteed by governments of Emerging Markets or their agencies, and by companies established or having significant operations in Emerging Markets.

The Fund may invest in investment grade, non-investment grade and unrated debt securities. The Fund may hold more than 30 per cent of its net assets in debt securities rated below investment grade.

### Fund details

Class of share available	Class A (Hedged)	Class A Euro (Hedged)	Class A USD	Class B (Hedged)	Class B Euro (Hedged)	Class B USD
Net accumulation shares	Yes	Yes	Yes	Yes	Yes	Yes
Net income shares	Yes	Yes	Yes	Yes	Yes	Yes
Minimum initial subscription	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000
Minimum subsequent subscription	£500	€500	\$500	£50,000	€50,000	\$50,000
Minimum holding	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000
Minimum redemption/switch amount	£500	€500	\$500	£50,000	€50,000	\$50,000
Investment under regular savings scheme	£50 per Month	n/a	n/a	n/a	n/a	n/a
Current annual management charge <sup>6</sup>	1.25%	1.25%	1.25%	0.60%	0.60%	0.60%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Capital						
Income allocation dates	Semi-annually on or before 30 September and 31 March					

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>6</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE GLOBAL AGRIBUSINESS FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests primarily in a diversified portfolio of equity and equity related instruments of issuers in the agribusiness sector, and which are listed, traded or dealt in on regulated markets worldwide.

The sector includes but is not limited to companies involved in the production, processing, transporting, trading and marketing of soft commodities, as well as those that supply products and services (including seeds, fertilisers, crop nutrients, agricultural equipment and water) to the agricultural industry.

Soft commodities include amongst others coarse grains, soyabeans, sugar, coffee, cocoa, palm oil, livestock, forestry, pulp and water. The Fund will not invest in physical commodities or derivatives relating to commodities.

### Fund details

Class of share available	Class A	Class A Euro	Class A USD	Class B	Class B Euro	Class B USD
Net accumulation shares	Yes	Yes	Yes	Yes	Yes	Yes
Net income shares	No	No	No	No	No	No
Minimum initial subscription	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000
Minimum subsequent subscription	£500	€500	\$500	£50,000	€50,000	\$50,000
Minimum holding	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000
Minimum redemption/switch amount	£500	€500	\$500	£50,000	€50,000	\$50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a	n/a	n/a
Current annual management charge <sup>7</sup>	1.5%	1.5%	1.5%	0.85%	0.85%	0.85%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Income						
Income allocation dates	Semi-annually on or before 30 September and 31 March					

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>7</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE GLOBAL EMERGING MARKETS FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests worldwide in equities in emerging economies, including those of companies listed on developed market exchanges whose activities predominantly take place in emerging market countries. ●

### Fund details

Class of share available	Class A	Class B
Net accumulation shares	Yes	Yes
Net income shares	No	No
Minimum initial subscription	£1,000	£500,000
Minimum subsequent subscription	£500	£50,000
Minimum holding	£1,000	£500,000
Minimum redemption/switch amount	£500	£50,000
Investment under regular savings scheme	£50 per month	n/a
Current annual management charge <sup>8</sup>	1.75%	1.00%
Maximum initial charge	4.0%	4.0%
Annual management charge taken from Income		
Income allocation dates	Semi-annually on or before 30 September and 31 March	

● Clarification point: Emerging Economies are defined as countries which are not classified as developed markets by MSCI or FTSE, or which are categorised by the World Bank as middle or low-income, or which are not members of the Organisation for Economic Co-operation and Development.

<sup>8</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE GLOBAL EMERGING MARKETS LEADERS FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests worldwide in large and mid capitalisation equities in emerging economies, including those of companies listed on developed market exchanges whose activities predominantly take place in, emerging market countries.●

### Fund details

Class of share available	Class A	Class A Euro	Class B	Class B Euro
Net accumulation shares	Yes	Yes	Yes	Yes
Net income shares	No	No	Yes	No
Minimum initial subscription	£1,000	€1,000	£500,000	€500,000
Minimum subsequent subscription	£500	€500	£50,000	€50,000
Minimum holding	£1,000	€1,000	£500,000	€500,000
Minimum redemption/switch amount	£500	€500	£50,000	€50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a
Current annual management charge <sup>9</sup>	1.5%	1.5%	0.85%	0.85%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Income				
Income allocation dates	Semi-annually on or before 30 September and 31 March			

- Clarification point: Large and mid capitalisation typically refers to equities with a minimum market capitalisation of US\$ 1 billion and a minimum free float of US\$ 500 million. Emerging Economies are defined as countries which are not classified as developed markets by MSCI or FTSE, or which are categorised by the World Bank as middle or low-income, or which are not members of the Organisation for Economic Co-operation and Development.

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>9</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE GLOBAL EMERGING MARKETS SUSTAINABILITY FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests in a diversified portfolio of securities of issuers established or having significant operations in emerging economies and listed, traded or dealt in on regulated markets worldwide. The fund invests in companies which are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate.●

### Fund details

Class of share available	Class A	Class A Euro	Class B	Class B Euro
Net accumulation shares	Yes	Yes	Yes	Yes
Net income shares	No	No	No	No
Minimum initial subscription	£1,000	€1,000	£500,000	€500,000
Minimum subsequent subscription	£500	€500	£50,000	€50,000
Minimum holding	£1,000	€1,000	£500,000	€500,000
Minimum redemption/switch amount	£500	€500	£50,000	€50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a
Current annual management charge <sup>10</sup>	1.55%	1.55%	0.90%	0.90%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Income				
Income allocation dates	Semi-annually on or before 30 September and 31 March			

● Clarification point: The Fund's emphasis on sustainability development incorporates three key features in making investment decisions. These are:

- I. company classification (identifying companies whose management are believed able to manage sustainability risks and opportunities facing their companies, seeking out sustainability companies with a positive sustainable development impact);
- II. integration of environmental, social and corporate governance factors into investment analysis;
- III. engagement with and exit from companies based on our own research and external global norms-based screening (the fund manager will engage senior management on any identified environmental, social and governance issues, and exit a stock if insufficient progress is made).

Emerging Economies are defined as countries which are not classified as a developed markets by MSCI or FTSE, or which are categorised by the World Bank as middle or low-income, or which are not members of the Organisation for Economic Co-operation and Development.

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststate.co.uk](http://www.firststate.co.uk) or contact the ACD's Retail Dealing team for further information.

<sup>10</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE GLOBAL LISTED INFRASTRUCTURE FUND

**Investment Objective:** The Fund aims to achieve a total investment return consistent with income and long term capital growth.

**Investment Policy:** The Fund invests in a diversified portfolio of listed infrastructure and infrastructure related securities from around the world.

### Fund details

Class of share available	Class A	Class A Euro	Class A Euro (Hedged)	Class A (Hedged) USD	Class B	Class B (Hedged)	Class B Euro	Class B Euro (Hedged)	Class B USD
Net accumulation shares	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Net income shares	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Minimum initial subscription	£1,000	€ 1,000	€ 1,000	£1,000	\$1,000	£500,000	£500,000	€500,000	\$500,000
Minimum subsequent subscription	£500	€500	€500	£500	\$500	£50,000	£50,000	€50,000	\$50,000
Minimum holding	£1,000	€1,000	€1,000	£1,000	\$1000	£500,000	£500,000	€500,000	\$500,000
Minimum redemption/switch amount	£500	€500	€500	£500	\$500	£50,000	£50,000	€50,000	\$50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current annual management charge <sup>11</sup>	1.5%	1.5%	1.5%	1.5%	1.5%	0.85%	0.85%	0.85%	0.85%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Capital									
Income allocation dates									

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>11</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE GLOBAL OPPORTUNITIES FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests in equities worldwide, in any economic sector.

### Fund details

Class of share available	Class A	Class A Euro	Class A USD	Class B	Class B Euro	Class B USD	Class P Δ
Net accumulation shares	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Net income shares	No	No	No	No	No	No	No
Minimum initial subscription	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000	£500,000
Minimum subsequent subscription	£500	€500	\$500	£50,000	€50,000	\$50,000	£50,000
Minimum holding	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000	£500,000
Minimum redemption/switch amount	£500	€500	\$500	£50,000	€50,000	\$50,000	£50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a	n/a	n/a	n/a
Current annual management charge <sup>12</sup>	1.5%	1.5%	1.5%	0.75%	0.75%	0.75%	1.0%
Maximum initial charge	4.0%	4.0%	4%	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Income							
Income allocation dates	Semi-annually on or before 30 September and 31 March						

Δ Class P Shares have a fee adjustment mechanism. See page 21 to 22 for special characteristics.

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>12</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.



## FIRST STATE GLOBAL PROPERTY SECURITIES FUND

**Investment Objective:** The Fund aims to achieve a total investment return consistent with income and long term capital growth.

**Investment Policy:** The Fund primarily invests in a broad selection of securities issued by real estate investment trusts or companies that own, develop or manage real property from around the world.

### Fund details

Class of share available	Class A	Class A Euro	Class A Euro Hedged	Class A Hedged USD	Class A USD	Class B	Class B Hedged	Class B Euro	Class B Euro Hedged	Class B USD
Net accumulation shares	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Net income shares	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Minimum initial subscription	£1,000	€ 1,000	€1,000	£1,000	\$1,000	£500,000	£500,000	€500,000	€500,000	\$500,000
Minimum subsequent subscription	£500	€500	€500	£500	\$500	£50,000	£50,000	€50,000	€50,000	\$50,000
Minimum holding	£1,000	€1,000	€1,000	£1,000	\$1,000	£500,000	£500,000	€500,000	€500,000	\$500,000
Minimum redemption/switch amount	£500	€500	€500	£500	\$500	£50,000	£50,000	€50,000	€50,000	\$50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current annual management charge <sup>13</sup>	1.5%	1.5%	1.5%	n/a	1.5%	0.85%	0.85%	0.85%	0.85%	0.85%
Maximum initial charge	4.0%	4.0%	4.0%	n/a	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Capital										
Income allocation dates	Semi-annually on or before 30 September and 31 March									

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>13</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE GLOBAL RESOURCES FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests in equities in the natural resources and energy sectors worldwide.

### Fund details

Class of share available	Class A	Class A Euro	Class A USD	Class B	Class B Euro	Class B USD
Net accumulation shares	Yes	Yes	Yes	Yes	Yes	Yes
Net income shares	No	No	No	No	No	No
Minimum initial subscription	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000
Minimum subsequent subscription	£500	€500	\$500	£50,000	€50,000	\$50,000
Minimum holding	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000
Minimum redemption/switch amount	£500	€500	\$500	£50,000	€50,000	\$50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a	n/a	n/a
Current annual management charge <sup>14</sup>	1.5%	1.5%	1.5%	0.85%	0.85%	0.85%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Income						
Income allocation dates	Semi-annually on or before 30 September and 31 March					
US\$-priced minimums						
Minimum initial subscription	1,500	n/a		750,000	n/a	
Minimum subsequent subscription	750	n/a		75,000	n/a	
Minimum holding	1,500	n/a		750,000	n/a	

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>14</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE GREATER CHINA GROWTH FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests in equity and equity type securities issued by companies established or having a predominant part of their economic activities in the People's Republic of China, Hong Kong and Taiwan.

### Fund details

Class of share available	Class A	Class A Euro	Class B	Class B Euro
Net accumulation shares	Yes	Yes	Yes	Yes
Net income shares	No	No	No	No
Minimum initial subscription	£1,000	€1,000	£500,000	€500,000
Minimum subsequent subscription	£500	€500	£50,000	€50,000
Minimum holding	£1,000	€1,000	£500,000	€500,000
Minimum redemption/switch amount	£500	€500	£50,000	€50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a
Current annual management charge <sup>15</sup>	1.75%	1.75%	1.00%	1.00%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from Income				
Income allocation dates	Semi-annually on or before 30 September and 31 March			

<sup>15</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE INDIAN SUBCONTINENT FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund will comprise investments in a diversified portfolio of companies of the Indian subcontinent. The Fund concentrates on securities that are listed, traded or dealt in on Regulated Markets in the Indian subcontinent and instruments issued by companies established, operating or having a predominant part of their economic activities in the Indian subcontinent and listed on other Regulated Markets.

### Fund details

Class of share available	Class A	Class A Euro	Class B	Class B Euro	Class B USD
Net accumulation shares	Yes	Yes	Yes	Yes	Yes
Net income shares	No	No	No	No	No
Minimum initial subscription	£1,000	€ 1,000	£500,000	€ 500,000	\$500,000
Minimum subsequent subscription	£500	€500	£50,000	€ 50,000	\$50,000
Minimum holding	£1,000	€1,000	£500,000	€ 500,000	\$500,000
Minimum redemption/switch amount	£500	€500	£50,000	€ 50,000	\$50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a	n/a
Current annual management charge <sup>16</sup>	1.75%	1.75%	1.0%	1.0%	1.0%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%	4.0%
Annual management charge taken from					
Income					
Income allocation dates	Semi-annually on or before 30 September and 31 March				

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>16</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE LATIN AMERICA FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund invests primarily in a diversified portfolio of equity and equity related instruments of issuers established or having significant operations in Latin America and listed, traded or dealt in on regulated markets worldwide.

### Fund details

Class of share available	Class A	Class A Euro	Class B	Class B Euro
Net accumulation shares	Yes	Yes	Yes	Yes
Net income shares	No	No	No	No
Minimum initial subscription	£1,000	€1,000	£500,000	€500,000
Minimum subsequent subscription	£500	€500	£50,000	€50,000
Minimum holding	£1,000	€1,000	£500,000	€500,000
Minimum redemption/switch amount	£500	€500	£50,000	€50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a
Current annual management charge <sup>17</sup>	1.75%	1.75%	1.00%	1.00%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%
Annual Management Charge Taken From Income				
Income allocation dates	Semi-annually on or before 30 September and 31 March			

<sup>17</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE WORLDWIDE SUSTAINABILITY FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund will seek to invest in a diverse portfolio of equity securities which are listed, traded or dealt in on any of the Regulated Markets worldwide.

The Fund is not managed to a benchmark and may have exposure to developed or emerging markets whilst maintaining its geographical diversity.

The Fund invests in companies which are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate.●

### Fund details

Class of share available	Class A	Class A Euro	Class A USD	Class B	Class B Euro	Class B USD
Net accumulation shares	Yes	Yes	Yes	Yes	Yes	Yes
Net income shares	Yes	Yes	Yes	Yes	Yes	Yes
Minimum initial subscription	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000
Minimum subsequent subscription	£500	€500	\$500	£50,000	€50,000	\$50,000
Minimum holding	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000
Minimum redemption/switch amount	£500	€500	\$500	£50,000	€50,000	\$50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a	n/a	n/a
Current annual management charge <sup>18</sup>	1.75%	1.75%	1.75%	1.0%	1.0%	1.0%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Annual Management Charge Taken From Income						
Income allocation dates	Semi-annually on or before 30 September and 31 March					

● Clarification point: The Fund's emphasis on sustainability development incorporates three key features in making investment decisions. These are:

- I. company classification (identifying companies whose management are believed able to manage sustainability risks and opportunities facing their companies, seeking out sustainability companies with a positive sustainable development impact);
- II. integration of environmental, social and corporate governance factors into investment analysis;
- III. engagement with and exit from companies based on in-house ESG research (the fund manager will engage senior management on any identified environmental, social and governance issues, and exit a stock if insufficient progress is made).

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststate.co.uk](http://www.firststate.co.uk) or contact the ACD's Retail Dealing team for further information.

<sup>18</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## FIRST STATE WORLDWIDE EQUITY FUND

**Investment Objective:** The Fund aims to achieve long-term capital growth.

**Investment Policy:** The Fund will seek to invest in a diverse portfolio of equity securities which are listed, traded or dealt in on any of the Regulated Markets worldwide.

The Fund is not managed to a benchmark and may have exposure to developed or emerging markets whilst maintaining its geographical diversity.

The Fund may invest in any industry.

### Fund details

Class of share available	Class A	Class A Euro *	Class A USD	Class B	Class B Euro *	Class B USD
Net accumulation shares	Yes	Yes	Yes	Yes	Yes	Yes
Net income shares	Yes	Yes	Yes	Yes	Yes	Yes
Minimum initial subscription	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000
Minimum subsequent subscription	£500	€500	\$500	£50,000	€50,000	\$50,000
Minimum holding	£1,000	€1,000	\$1,000	£500,000	€500,000	\$500,000
Minimum redemption/switch amount	£500	€500	\$500	£50,000	€50,000	\$50,000
Investment under regular savings scheme	£50 per month	n/a	n/a	n/a	n/a	n/a
Current annual management charge <sup>19</sup>	1.75%	1.75%	1.75%	1.00%	1.00%	1.00%
Maximum initial charge	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Annual Management Charge Taken From Income						
Income allocation dates	Semi-annually on or before 30 September and 31 March					

\* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the website [www.firststateinvestments.com](http://www.firststateinvestments.com) or contact the ACD's Retail Dealing team for further information.

<sup>19</sup> The annual management charge for a share class can be amended by the ACD on 60 days' notice to investors prior to any amendment.

## APPENDIX II - ELIGIBLE SECURITIES AND DERIVATIVES MARKETS

All Funds may deal through securities markets established in EEA States on which transferable securities admitted to official listing in the EEA State are dealt in or traded.

In addition, up to 10% in value of any Fund may be invested in transferable securities which are not approved securities.

The following are the eligible securities and derivatives markets for the Funds:

Fund	Securities Markets	Derivatives Markets
First State Indian Subcontinent Fund	<p>Any market established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt or traded.</p> <p>Plus</p> <p><b>China</b></p> <p>Shanghai Stock Exchange</p> <p>Shenzhen Stock Exchange</p> <p>Hong Kong Exchange and Clearing Limited</p> <p><b>Canada</b></p> <p>The TMX Group</p> <p>TSX Venture Exchange</p> <p><b>India</b></p> <p>Bombay Stock Exchange</p> <p>National Stock Exchange of India</p> <p><b>Malaysia</b></p> <p>Bursa Malaysia</p> <p><b>Sri Lanka</b></p> <p>Colombo Stock Exchange</p> <p><b>Singapore</b></p> <p>Singapore Stock Exchange</p> <p><b>United Kingdom</b></p> <p>Alternative Investment Market (AIM)</p> <p><b>United States of America</b></p> <p>Any securities exchange registered</p>	<p>Any market established in an EEA State on which derivatives admitted to official listing in the EEA State are dealt or traded.</p> <p>Plus</p> <p><b>China</b></p> <p>Hong Kong Exchange and Clearing Limited</p> <p><b>Canada</b></p> <p>The TMX Group</p> <p><b>India</b></p> <p>Bombay Stock Exchange</p> <p>National Stock Exchange of India</p> <p><b>Singapore</b></p> <p>Singapore Stock Exchange</p> <p><b>United States of America</b></p> <p>NYSE Amex Equities</p> <p>Chicago Board Options Exchange</p> <p>CME Group</p> <p>Kansas City Board of Trade</p> <p>New York Board of Trade</p> <p>New York Mercantile Exchange</p> <p>New York Stock Exchange</p> <p>NYSE Arca</p> <p>NASDAQ OMX Future Exchange</p> <p>NASDAQ OMX PHLX</p>



<b>Fund</b>	<b>Securities Markets</b>	<b>Derivatives Markets</b>
	as a national stock exchange, NASDAQ and OTC markets regulated by FINRA (The Financial Industry Regulatory Authority)	
First State Asia Pacific Fund First State Asia Pacific Leaders Fund First State Asia Pacific Sustainability Fund First State Asian Property Securities Fund	Any market established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt or traded. Plus <b>Australia</b> Australian Securities Exchange <b>China</b> Shanghai Stock Exchange Shenzhen Stock Exchange Hong Kong Exchange and Clearing Limited <b>India</b> Bombay Stock Exchange National Stock Exchange of India <b>Indonesia</b> Indonesia Stock Exchange <b>Japan</b> Fukuoka, Nagoya, Osaka, Sapporo and Tokyo Stock Exchanges and the Tokyo Over-The-Counter Market (including JASDAQ) supervised by the Securities Dealers Association of Japan. <b>Korea</b> Korea Exchange <b>Malaysia</b> Bursa Malaysia <b>New Zealand</b> New Zealand Exchange <b>Philippines</b> Philippine Stock Exchange <b>Sri Lanka</b> Colombo Stock Exchange	Any market established in an EEA State on which derivatives admitted to official listing in the EEA State are dealt or traded. Plus <b>Australia</b> Australian Securities Exchange <b>China</b> Hong Kong Exchange and Clearing Limited <b>India</b> Bombay Stock Exchange National Stock Exchange of India <b>Japan</b> Osaka Stock Exchange Tokyo Stock Exchange <b>Korea</b> Korea Exchange Inc <b>New Zealand</b> New Zealand Exchange <b>Singapore</b> Singapore Exchange <b>United States of America</b> NYSE Amex Equities Chicago Board Options Exchange CME Group Kansas City Board of Trade New York Board of Trade New York Mercantile Exchange New York Stock Exchange NYSE Arca NASDAQ OMX Future Exchange NASDAQ OMX PHLX

<b>Fund</b>	<b>Securities Markets</b>	<b>Derivatives Markets</b>
	<b>Singapore</b> Singapore Exchange <b>Thailand</b> Stock Exchange of Thailand <b>Taiwan</b> Taiwanese Stock Exchange Gre Tai Securities Market <b>United Kingdom</b> Alternative Investment Market (AIM) <b>United States of America</b> Any securities exchange registered as a national stock exchange, NASDAQ and OTC markets regulated by FINRA (The Financial Industry Regulatory Authority)	
First State Global Emerging Markets Fund First State Global Emerging Markets Leaders Fund First State Global Emerging Markets Sustainability Fund	Any market established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt or traded. Plus <b>Australia</b> Australia Securities Exchange <b>Brazil</b> BM&F BOVESPA S.A. <b>Canada</b> The TMX Group TSX Venture Exchange <b>Chile</b> Santiago Stock Exchange <b>China</b> Shanghai Stock Exchange Shenzhen Stock Exchange Hong Kong Exchange and Clearing Limited <b>Colombia</b> Bolsa de Valores de Colombia <b>Egypt</b>	Any market established in an EEA State on which derivatives admitted to official listing in the EEA State are dealt or traded. Plus <b>Australia</b> Australia Securities Exchange <b>Canada</b> The TMX Group <b>China</b> Hong Kong Exchange and Clearing Limited <b>India</b> Bombay Stock Exchange National Stock Exchange of India <b>Japan</b> Osaka Stock Exchange Tokyo Stock Exchange <b>Korea</b> Korea Exchange Inc <b>Mexico</b> Mexican Derivatives Exchange <b>Singapore</b>

<b>Fund</b>	<b>Securities Markets</b>	<b>Derivatives Markets</b>
	<p>Egyptian Stock Exchange</p> <p><b>India</b></p> <p>Bombay Stock Exchange</p> <p>National Stock Exchange of India</p> <p><b>Indonesia</b></p> <p>Indonesia Stock Exchange</p> <p><b>Israel</b></p> <p>Tel-Aviv Stock Exchange</p> <p><b>Japan</b></p> <p>Fukuoka, Nagoya, Osaka, Sapporo and Tokyo Stock Exchanges and the Tokyo Over-The-Counter Market (including JASDAQ) supervised by the Securities Dealers Association of Japan.</p> <p><b>Korea</b></p> <p>Korea Exchange</p> <p><b>Malaysia</b></p> <p>Bursa Malaysia</p> <p><b>Mexico</b></p> <p>Mexican Stock Exchange</p> <p><b>Peru</b></p> <p>Lima Stock Exchange</p> <p><b>Philippines</b></p> <p>Philippine Stock Exchange</p> <p><b>Singapore</b></p> <p>Singapore Exchange</p> <p><b>South Africa</b></p> <p>JSE Securities Exchange</p> <p><b>Sri Lanka</b></p> <p>Colombo Stock Exchange</p> <p><b>Switzerland</b></p> <p>SIX Swiss Exchange</p> <p><b>Thailand</b></p> <p>Stock Exchange of Thailand</p> <p><b>Taiwan</b></p> <p>Taiwanese Stock Exchange</p> <p>Gre Tai Securities Market</p>	<p>Singapore Exchange</p> <p><b>United States of America</b></p> <p>NYSE Amex Equities</p> <p>Chicago Board Options Exchange</p> <p>CME Group</p> <p>Kansas City Board of Trade</p> <p>New York Board of Trade</p> <p>New York Mercantile Exchange</p> <p>New York Stock Exchange</p> <p>NYSE Arca</p> <p>NASDAQ OMX Future Exchange</p> <p>NASDAQ OMX PHLX</p>

<b>Fund</b>	<b>Securities Markets</b>	<b>Derivatives Markets</b>
	<p><b>Turkey</b> Istanbul Stock Exchange</p> <p><b>United Arab Emirates</b> Abu Dhabi Securities Exchange</p> <p><b>United Kingdom</b> Alternative Investment Market (AIM)</p> <p><b>United States of America</b> Any securities exchange registered as a national stock exchange, NASDAQ or OTC markets regulated by FINRA (The Financial Industry Regulatory Authority)</p>	
First State Greater China Growth Fund	<p>Any market established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt or traded.</p> <p>Plus</p> <p><b>China</b> Shanghai Stock Exchange Shenzhen Stock Exchange Hong Kong Stock Exchange and Clearing Limited</p> <p><b>Singapore</b> Singapore Exchange</p> <p><b>Taiwan</b> Taiwanese Stock Exchange Gre Tai Securities Market</p> <p><b>United States of America</b> Any securities exchange registered as a national stock exchange NASDAQ or OTC markets regulated by FINRA (The Financial Industry Regulatory Authority)</p>	<p>Any market established in an EEA State on which derivatives admitted to official listing in the EEA State are dealt or traded.</p> <p>Plus</p> <p><b>China</b> Hong Kong Exchange and Clearing Limited</p> <p><b>Singapore</b> Singapore Exchange</p>
First State Latin America Fund	<p>Any market established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt or traded.</p> <p>Plus</p>	<p>Any market established in an EEA State on which derivatives admitted to official listing in the EEA State are dealt or traded.</p> <p>Plus</p>

<b>Fund</b>	<b>Securities Markets</b>	<b>Derivatives Markets</b>
	<p><b>Brazil</b> BM&amp;F BOVESPA S.A.</p> <p><b>Canada</b> The TMX Group TSX Venture Exchange</p> <p><b>Chile</b> Santiago Stock Exchange</p> <p><b>Colombia</b> Bolsa de Valores de Colombia</p> <p><b>Mexico</b> Mexican Stock Exchange</p> <p><b>Peru</b> Lima Stock Exchange</p> <p><b>United Kingdom</b> Alternative Investment Market (AIM)</p> <p><b>United States of America</b> Any securities exchange registered as a national stock exchange, NASDAQ or OTC markets regulated by FINRA (The Financial Industry Regulatory Authority)</p>	<p><b>Canada</b> The TMX Group</p> <p><b>Mexico</b> Mexican Derivatives Exchange</p> <p><b>United States of America</b> NYSE Amex Equities Chicago Board Options Exchange CME Group Kansas City Board of Trade New York Board of Trade New York Mercantile Exchange New York Stock Exchange NYSE Arca NASDAQ OMX Future Exchange NASDAQ OMX PHLX</p>
First State Emerging Markets Bond Fund	<p>Any market established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt or traded.</p> <p>Plus</p> <p>The market organised by the International Capital Market Association</p> <p>All the markets mentioned for the other funds</p>	<p>Any market established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt or traded.</p> <p>Plus</p> <p>The market organised by the International Capital Market Association</p> <p>All the markets mentioned for the other funds</p>
<p>First State Global Opportunities Fund</p> <p>First State Global Property Securities Fund</p> <p>First State Global Resources Fund</p> <p>First State Global Listed</p>	<p>Any market established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt or traded.</p> <p>Plus</p>	<p>Any market established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt or traded.</p> <p>Plus</p>

<b>Fund</b>	<b>Securities Markets</b>	<b>Derivatives Markets</b>
Infrastructure Fund First State Global Agribusiness Fund First State Worldwide Equity Fund First State Worldwide Sustainability Fund	All the markets mentioned for the other funds	All the markets mentioned for the other funds

## **APPENDIX III - INVESTMENT MANAGEMENT AND BORROWING POWERS OF THE COMPANY**

### **Investment Restrictions**

The property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits on investment set out in the Chapter 5 of the COLL Sourcebook that are applicable to UCITS schemes, and this Prospectus. These limits apply to each Fund as summarised below:

#### **1. Prudent spread of risk**

The ACD must ensure that, taking account of the investment objectives and policy of each Fund, the scheme property of each Fund aims to provide a prudent spread of risk.

Subject to the above, the rules in this Appendix III relating to the spread of investments do not apply in relation to a Fund until the expiry of a period of six months after the date on which the initial offer of that Fund commenced.

#### **2. Valuation**

(a) The value of the scheme property of each Fund means the net value of the scheme property of that Fund determined in accordance with the COLL Sourcebook, after deducting any outstanding borrowings, whether immediately due to be repaid or not.

(b) When valuing the scheme property of each Fund:

(i) the time as at which the valuation is being carried out (“the relevant time”) is treated as if it were a valuation point, but the valuation and the relevant time do not count as a valuation or a valuation point for the purposes of the COLL Sourcebook;

(ii) initial outlay is regarded as remaining part of the scheme property of the Fund; and

(iii) if the ACD, having taken reasonable care, determines that the Fund will become entitled to any unrealised profit which has been made on account of a transaction in derivatives, that prospective entitlement is regarded as part of the scheme property of that Fund.

### 3. Cover

- (a) Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in the COLL Sourcebook, it must be assumed that the maximum possible liability of the Fund under any other of those rules has also to be provided for.
- (b) Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:
  - (i) it must be assumed that in applying any of those rules, the Fund must also simultaneously satisfy any other obligation relating to cover; and
  - (ii) no element of cover must be used more than once.

### 4. Transferable Securities

- (a) A transferable security is an investment which is any of the following:
  - (i) a share (article 76 of the Regulated Activities Order);
  - (ii) a instrument creating or acknowledging indebtedness (article 77 of the Regulated Activities Order);
  - (iii) a government and public securities (article 78 of the Regulated Activities Order);
  - (iv) a instruments giving entitlement to investments (article 79 of the Regulated Activities Order; or
  - (v) a certificate representing certain securities (article 80 of the Regulated Activities Order: or
  - (vi) an alternative debenture (article 77A of the Regulated Activities Order).



- (b) An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- (c) In applying paragraph 4.(b) to an investment which is issued by a body corporate, and which is a share or an instrument creating or acknowledging indebtedness, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- (d) An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

## 5. UCITS schemes - general

- (a) The Scheme Property of each Fund must, except where otherwise provided in the COLL Sourcebook (see below regarding investment in collective investment schemes and the use of derivatives for efficient portfolio management), consist solely of any or all of:
  - (i) transferable securities;
  - (ii) approved money-market instruments;
  - (iii) units in collective investment schemes;
  - (iv) derivatives and forward transactions;
  - (v) deposits; and
  - (vi) movable and immovable property that is necessary for the direct pursuit of the business of the UCITS;
- (b) Each Fund is restricted to mainly holding transferable securities. Transferable securities held within each Fund must (subject to paragraph 5.(c)) be:

- (i) admitted to or dealt in on an eligible market as described below in paragraph 7.(c)(i) or 7.(d); or
- (ii) dealt in on an eligible market as described below in paragraph 7.(c)(ii); or
- (iii) recently issued transferable securities, provided that:
  - (A) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
  - (B) such admission is secured within a year of issue.
- (c) However, the Fund may invest no more than 10% in value of Scheme Property in transferable securities other than those referred to in paragraph 5(b) above.
- (d) Each Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
  - (i) the potential loss which each Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
  - (ii) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder;
  - (iii) reliable valuation is available for it as follows:
    - (A) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

- (B) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

(iv) appropriate information is available for it as follows:

- (A) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
- (B) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;

(v) it is negotiable; and

(vi) its risks are adequately captured by the risk management process of the ACD.

(e) Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

- (i) not to compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder; and
- (ii) to be negotiable.

- (f) It is not intended that the Company will have an interest in any immovable property or tangible movable property.

6. Closed end funds constituting transferable securities

- (a) A unit in a closed end fund shall be taken to be transferable security for the purposes of investment by a UCITS scheme such as the Company, provided it fulfils the criteria for transferable securities set out in paragraph 5.(d), and either:

- (i) where the closed end fund is constituted as an investment company or a unit trust:

- (A) it is subject to corporate governance mechanism applied to company's; and

- (B) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection or

- (ii) where the closed end fund is constituted under the law of contract:

- (A) it is subject to corporate governance mechanisms equivalent to those applied to companies and

- (B) it is managed by a person who is subject to national regulation for the purpose of investor protection.

7. Eligible markets regime

- (a) To protect investors, the markets on which investments of the Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold. The eligible markets for the Funds are set out in Appendix II.

- (b) Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non approved securities applies and exceeding this limit because a

market ceases to be eligible will generally be regarded as an inadvertent breach.

- (c) A market is eligible for the purposes of the rules if it is:
  - (i) a regulated market; or
  - (ii) a market in an EEA State which is regulated, operates regularly and is open to the public.
  - (iii) any market within 7(d).
- (d) A market not falling within paragraph 7(c)(i) and 7(c)(ii) is eligible for the purposes of the FCA Regulations if:
  - (i) the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the scheme property;
  - (ii) the market is included in a list in the Prospectus; and
  - (iii) the Depositary has taken reasonable care to determine that:
    - (A) adequate custody arrangements can be provided for the investment dealt in on that market; and
    - (B) all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- (e) In paragraph 7.(d) a market must not be considered appropriate unless it:
  - (i) is regulated;
  - (ii) operates regularly;
  - (iii) is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator;
  - (iv) is open to the public
  - (v) is adequately liquid; and

(vi) has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

8. Transferable securities linked to other assets

(a) A UCITS scheme may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a UCITS scheme provided the investment:

(i) fulfils the criteria for transferable securities set out in COLL Sourcebook 5.2.7A R; and

(ii) is backed by or linked to the performance of other assets, which may differ from those in which a UCITS scheme can invest.

(b) Where an investment in 8(a) contains an embedded derivative component (see COLL Sourcebook 5.2.19R (3A)), the requirements of this section with respect to derivatives and forwards will apply to that component.

9. Spread: general

(a) This rule on spread does not apply to government and public securities.

(b) For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.

(c) Not more than 20% in value of the scheme property is to consist of deposits with a single body.

(d) Not more than 5% in value of the scheme property of a Fund is to consist of transferable securities issued by any single body.

(e) The limit of 5% in paragraph 9(d) is raised to 10% in respect of up to 40% in value of the scheme property of a Fund. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.

- (f) The limit of 5% in 9.(d) is raised to 25% in value of the scheme property in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Fund's Scheme Property.
- (g) In applying paragraph 9.(d) and 9.(e) certificates representing certain securities are to be treated as equivalent to the underlying security.
- (h) The combined exposure to any one counterparty arising from OTC derivative transactions and efficient portfolio management techniques (i.e. including stock lending, repos and/or reverse repos) must not exceed 5% in value of the scheme property of each Fund. This limit is raised to 10% where the counterparty is an Approved Bank.
- (i) Not more than 20% in value of the scheme property of a Fund is to consist of transferable securities issued by the same group (as referred to in paragraph 9(b)).
- (j) In applying the limits in paragraphs 9(c), 9(d), 9(e), 9(g) and 9(h), and subject to paragraph 9(f), not more than 20% in value of the scheme property of each Fund is to consist of any combination of two or more of the following:
  - (i) transferable securities (including covered bonds) issued by; or
  - (ii) deposits made with;
  - (iii) exposures from OTC derivatives transactions made with a single body; or
  - (iv) efficient portfolio management techniques.

#### 9A. Counterparty risk and issuer concentration

- (a) The ACD must ensure that counterparty risk arising from OTC derivative transactions or efficient portfolio management techniques is subject to the limits set out in paragraphs 9(h) and 9(j) above.
- (b) When calculating the exposure of a Fund to a counterparty to an OTC derivative in accordance with the limits in paragraph 9(h) the

ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

- (c) The ACD may net the OTC derivative positions of a Fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Fund.
- (d) The netting agreements in paragraph 9A(c) above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Fund may have with that same counterparty.
- (e) The ACD may reduce the exposure of scheme property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- (f) The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 9A(i) below when it passes collateral to an OTC counterparty on behalf of a Fund.
- (g) Collateral passed in accordance with paragraph 9A(f) may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Fund.
- (h) In relation to the exposure arising from OTC derivatives as referred to in paragraph 9(10) the ACD must include any exposure to OTC derivative counterparty risk in the calculation.
- (i) The ACD must calculate the issuer concentration limits referred to in paragraph 9 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.

10. Spread: Government and public securities

- (a) Subject to 10(c) the following paragraph applies to government and public securities (“such securities”).
- (b) No more than 35% in value of the scheme property of a Fund will be invested in such securities issued by any one body. Subject to this



there is no limit on the amount which may be invested in such securities or in any one issue.

- (c) Notwithstanding paragraph 7.(a) and subject to paragraph 10.(b), in applying the 20% limit in paragraph 9.(i) with respect to a single body, government and public securities issued by that body shall be taken into account.

## 11. Investment in collective investment schemes

A Fund may invest in units in a collective investment scheme (“second scheme”) provided the second scheme satisfies all of the following conditions and provided that no more than 10% of the value of the scheme property of the Fund is invested in second schemes:

- (a) The second scheme must be one that:
    - (i) complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
    - (ii) is recognised under the provisions of section 270 of the Act (Schemes authorised in designated countries or territories); or
    - (iii) is authorised as a non-UCITS retail scheme (provided the requirements of article 19.(1)(e) of the UCITS Directive are met); or
    - (iv) is authorised in another EEA State (provided the requirements of article 19.(1)(e) of the UCITS Directive are met); or
    - (v) is authorised by the competent authority of an OECD member country (other than another EEA State) which has:
      - (A) signed the IOSCO Multilateral Memorandum of Understanding; and
      - (B) approved the schemes management company, rules and depositary/custody arrangements.
- (provided the requirements of article 19.(1)(e) of the UCITS Directive are met);

- (b) the second scheme complies where relevant with paragraph 11.(d) below (Investment in associated collective investment schemes);
- (c) the second scheme has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes; and
- (d) Investment in associated collective investment schemes

A Fund must not invest in or dispose of units in a second scheme, which is managed or operated by (or in the case of an OEIC whose authorised corporate director is), the ACD, or an associate of the ACD, unless:

- (i) the prospectus clearly states in respect of the investing Fund that the property of that investing Fund may include such units; and
- (ii) where:
  - (A) an investment or disposal is made; and
  - (B) there is a charge in respect of such investment or disposal;

the manager of the second scheme is under a duty to pay to the Fund by the close of business on the fourth business day following that agreement to buy or to sell the amount referred to in paragraph 11.(e);

- (e) On investment, the amount referred to in paragraph 11.(d)(ii) is either:
  - (i) any amount by which the consideration paid by the Fund for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or
  - (ii) if such price cannot be ascertained by the ACD of the Fund, the maximum amount of any charge permitted to be made by the seller of units in the second scheme;
  - (iii) on disposal, the amount referred to in paragraph 11.(d)(ii) is the amount of any charge made for the account of the authorised

fund manager or operator of the second scheme or an associate of any of them in respect of the disposal; and

(f) In this clause:

(i) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy made and is to be treated as part of the price of the units and not as part of any charge; and

(ii) any switching charge made in respect of an exchange of units in one fund or separate part of the second scheme for units in another fund or separate part of that scheme is to be included as part of the consideration paid for the units.

12. Investment in warrants and nil and partly paid securities

(a) A transferable security on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the COLL Sourcebook.

13. Derivatives

(a) The Funds will not invest in derivatives, except for purposes of efficient portfolio management (“EPM”), as described below including for the purpose of hedging against market or currency risks, as described in Appendix 1- Investment Objectives, Policies and other details of the Funds.

(b) A statement of the methods used for risk management in connection with the Funds and the quantitative limits used together with the current risk yields of the main categories of investment is available from the ACD on request.

14. Significant influence

(a) The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on

substantially all matters) at a general meeting of that body corporate if:

(i) immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power to influence significantly the conduct of business of that body corporate; or

(ii) The acquisition gives the Company that power.

(b) For the purpose of paragraph 14.(a)(ii) the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## 15. Concentration

The Company:

(a) must not acquire transferable securities (other than debt securities) which:

(i) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

(ii) represent more than 10% of those securities issued by that body corporate;

(b) must not acquire more than 10% of the debt securities issued by any single issuing body;

(c) must not acquire more than 25% of the units in a collective investment scheme;

(d) need not comply with the limits in paragraphs 15.(b) to 15.(c) if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

16. Cash and near cash

- (a) Cash and near cash must not be retained in the scheme property of a Fund except to the extent that, where this may reasonably be regarded as necessary in order to enable:
  - (i) the pursuit of the Fund's investment objectives; or
  - (ii) redemption of units; or
  - (iii) efficient management of the fund in accordance with its investment objectives; or
  - (iv) other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.
- (b) During the period of any initial offer, the scheme property of a Fund may however consist of cash and near cash without limitation.

17. General power to borrow

- (a) The Company may in accordance with this paragraph and paragraph 18. borrow money for the use of a Fund on terms that the borrowing is to be repayable out of the scheme property of that Fund. This power to borrow is subject to the obligation of the Fund to comply with any restriction in the Instrument.
- (b) The Company may borrow under paragraph 17.(a) only from an Eligible Institution or an Approved Bank.
- (c) The ACD must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACD must have regard in particular to:
  - (i) the duration of any period of borrowing; and
  - (ii) the number of occasions on which resort is had to borrowing in any period.
- (d) The ACD must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Depositary. The Depositary may only give its consent as required under this paragraph on such conditions as

appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

- (e) These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes.
- (f) A Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with this paragraph 17.

18. Borrowing limits

- (a) The ACD must ensure that a Fund's borrowing does not, on any business day, exceed 10% of the value of the scheme property of that Fund.
- (b) This paragraph does not apply to "back to back" borrowing for currency hedging purposes.
- (c) In this paragraph 18, "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the scheme property in the expectation that the sum will be repaid.

19. Restrictions on lending of money

- (a) None of the money in the scheme property of a Fund may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.
- (b) Acquiring a debenture is not lending for the purposes of paragraph 19.(a) nor is the placing of money on deposit or in a current account.
- (c) Paragraph 19.(a) does not prevent the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

20. Restrictions on lending of property other than money

- (a) The scheme property of a Fund other than money must not be lent by way of deposit or otherwise.
- (b) Transactions permitted by paragraph 25. are not lending for the purposes of paragraph 20.(a).
- (c) The scheme property of a Fund must not be mortgaged.
- (d) Where transactions in derivatives or forward transactions are used for the account of a Fund, nothing in paragraph 20 prevents the Fund or the depositary at the request of the Company, from:
  - (i) lending, depositing, pledging or charging scheme property for margin requirements; or
  - (ii) transferring scheme property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to shareholders.

## 21. Underwriting

- (a) Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of the Company.

## 22. Guarantees and indemnities

- (a) The Company or the Depositary for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.
- (b) None of the scheme property of a Fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

## 23. Efficient Portfolio Management

- (a) The ACD may use the scheme property of a Fund for the purposes of EPM as follows:

- (i) The ACD may use derivative transactions or forward currency transactions as appropriate. However, such transactions must be:
  - (A) economically appropriate;
  - (B) fully covered by assets within the Fund; and
  - (C) used to achieve one or more of the following:-
    - (1) a reduction in risk,
    - (2) a reduction in cost,
    - (3) the generation of additional capital or income with no, or an acceptable low level of risk.
- (ii) Therefore, no transaction may be undertaken under these provisions if it could reasonably be regarded as speculative.
- (b) Transactions deemed to offer an acceptable low level of risk under paragraph 23(a)(i)(C)(3) above are those where the:
  - (i) transactions take advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property; or
  - (ii) transactions where the Fund receives a premium for the writing of a covered call or put option, even if the benefit arising is obtained at the expense of the chance of greater possible future benefit.
- (c) Cover for derivative transactions and forward currency transactions
  - (i) The ACD must ensure that a particular Fund's global exposure relating to derivatives and forward transactions held in that Fund does not exceed the net value of the property.
  - (ii) The ACD must calculate a Fund's global exposure on at least a daily basis, taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.



## 24. General

A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Fund but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.

## 25. Stock Lending

- (a) The entry into stock lending arrangements or repo contracts for the account of a Fund is permitted for the generation of additional income for the benefit of a Fund, and hence for its investors.
- (b) The stock lending permitted by this section may be exercised by a Fund when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for a Fund with an acceptable degree of risk.
- (c) The Company or the Depositary at the request of Company may enter into a repo contract, or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:
  - (i) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
  - (ii) the counterparty is:
    - 25.c.ii.1 an authorised person; or
    - 25.c.ii.2 a person authorised by a Home State regulator; or
    - 25.c.ii.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
    - 25.c.ii.4 a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal

banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and the Office of Thrift Supervision; and

(iii) collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 25(c)(i) and the collateral is:

25.c.iii.1 acceptable to the Depositary;

25.c.iii.2 adequate; and

25.c.iii.3 sufficiently immediate.

- (d) The counterparty for the purpose of paragraph 25(c) is the person who is obliged under the agreement referred to in paragraph 25(c)(i) to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.
- (e) Paragraph 25(c)(iii) does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.
- (f) There is no limit on the value of the Scheme Property which may be the subject of stock lending transactions.

## FUND PERFORMANCE INFORMATION AND INVESTOR RISK PROFILE

### Fund Performance

The table below sets out the performance history for each of the available Funds:

Calc	Fund	Fund Return % as at 31 December 2012					
		1 January 2012 to 31 December 2012	1 January 2011 to 31 December 2011	1 January 2010 to 31 December 2010	1 January 2009 to 31 December 2009	1 January 2008 to 31 December 2008	1 January 2007 to 31 December 2007
1	First State Asia Pacific Fund	20.02	-8.60	29.23	39.47	-19.37	36.25
1	First State Asia Pacific Leaders Fund	18.45	-7.98	26.67	34.83	-16.21	39.98
1	First State Asia Pacific Sustainability Fund	26.76	-11.04	34.84	41.89	-20.88	33.97
1	First State Asian Property Securities Fund	37.78	-19.18	18.64	26.00	-37.11	11.78
1	First State Emerging Markets Bond Fund	16.87	N/A	N/A	N/A	N/A	N/A
1	First State Global Emerging Markets Fund	20.77	-10.87	31.48	56.01	-22.97	29.23
1	First State Global Emerging Markets Leaders Fund	17.97	-6.55	28.98	49.79	-18.83	27.83
1	First State Global Emerging Markets Sustainability Fund	25.14	-14.27	38.35	N/A	N/A	N/A
1	First State Global Listed Infrastructure Fund	6.19	2.40	12.91	13.28	-13.61	N/A
1	First State Global Opportunities Fund	6.93	-4.02	11.45	15.62	-19.69	15.13
1	First State Global Property Securities Fund	17.12	-0.82	25.79	28.63	-27.67	-11.06
1	First State Global Resources Fund	-9.13	-25.81	37.26	70.43	-41.32	54.87
1	First State Greater China Growth Fund	17.64	-12.35	25.18	55.08	-25.95	44.66
1	First State Indian Subcontinent Fund	24.01	-22.75	36.93	84.69	-42.33	54.34
1	First State Latin America Fund	16.87	-9.33	33.05	N/A	N/A	N/A
1	First State Global Agribusiness Fund	11.24	-13.98	N/A	N/A	N/A	N/A
1	First State Worldwide Equity Fund	8.63	N/A	N/A	N/A	N/A	N/A

A full year's performance data is not at the date of this document available for the First State Worldwide Sustainability Fund and therefore a meaningful full year calendar performance data is not yet available for this Funds. Performance data will become available for this Fund on monthly fund fact sheets available on [www.firststateinvestments.com](http://www.firststateinvestments.com).

### **Performance calculation basis**

1 - Performance information is based on Class A accumulation shares.

Past performance should not be relied upon as a guide to future performance and is not guaranteed. The value of an investment in a fund and the income from it may go down as well as up. You may not get back the amount invested.

**Statistical Sources:** All performance data as at 31 December 2012.

**Source:** Lipper Limited calculated on a bid to bid basis, net income reinvested in GBP.

### **Investor Risk Profile**

Funds detailed in the above table are available for both retail and institutional investment. Many First State funds are specialist products and should form part of a diversified portfolio. First State recommends that investors seek financial advice before investing. Specific risk factors are detailed in the 'Risk Factors' section of this Prospectus.

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