

First State Investments ICVC

Annual Report

31 July 2018

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Authorised Corporate Director's Report

We are pleased to present the Annual Report for First State Investments ICVC (the "Company"), which provides information on each of the 25 sub-funds of the Company (each a "Fund") for the year ended 31 July 2018. The Independent Auditors' Report, which is unqualified, is set out on pages 7-8.

In this document, we provide a review of selected financial markets followed by detailed information on each of the Funds within the Company. This information includes an investment report, performance summary, top 10 holdings, country breakdowns, and financial statements for each sub-fund. Following FCA approval, termination of First State Global Resources Fund commenced on 4 July 2018. The Fund is still available for investment and will be actively managed until its expected termination date of 11 December 2018. First State Emerging Markets Local Currency Bond Fund terminated on 31 July 2018.

We hope that you find this report informative and that it answers any questions you may have about your investment with First State Investments. If you have any additional queries in relation to your investment, or one of our Funds, please contact our Client Services team on 0800 587 4141 (+44 131 525 8870 if calling from outside the UK).

Information about the Company

The Company is an open-ended investment company with variable capital. The Company is structured as an umbrella company authorised as a UCITS scheme and operates under chapter 5 of the Collective Investment Schemes Sourcebook (the "Sourcebook").

Different Funds may be established from time to time by First State Investments (UK) Limited, the authorised corporate director of the Company (the "Authorised Corporate Director" or the "ACD"), with the approval of the Financial Conduct Authority (the "FCA") and the agreement of the Company's Depositary, The Bank of New York Mellon (International) Limited. 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.

Each Fund is invested as if it were individually authorised as the type of scheme known as a UCITS scheme, as specified in the Sourcebook. For investment purposes, the assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. The shareholders are not liable for the debts of the Company.

Changes to the Prospectus and Instrument of Incorporation since 31 July 2017

During the year and up to the date of this report, the following changes were made to the Company, which were reflected in the Prospectus and/or Instrument of Incorporation:

- The FCA approved an update to the Prospectus on 1 August 2017, the main updates to the Prospectus were:
 - amendments to the Depositary of the Company from State Street Trustees Limited to The Bank of New York Mellon (International) Limited;
 - amendments to the Custodian of the Company from State Street Bank and Trust Company to The Bank of New York Mellon (International) Limited;
 - amendment to the Fund Administrator from State Street Bank and Trust Company to The Bank of New York Mellon (International) Limited;
 - inclusion of the product reference numbers for the FS All China Fund and the FS Global Emerging Markets Focus Fund;
 - amendments throughout in relation to share class hedging;
 - amendments to the material contracts in line with the changes in Depositary, Custodian and Fund Administrator;
 - amendments to the table at the start of the Fees and Expenses section;
 - amendments in relation to the Depositary fees, Transaction charges and Custody charges consequent on the change in Depositary;
 - amendments to the Taxation section and language on Gross Share Classes as a result of "Finance Act 2017, Schedule 5 – Deduction of income tax at source" and the amendments to Chapter 3, Part 15 of ITA 2007, deduction of tax from certain payments of yearly interest;
 - amendments to the Currency Hedged Share Class Risk;
 - removal of the 4% initial charge on the First State All China Fund;

- minor amendments to the RQFII language under the China market risk, point E1;
- updates to the Currency Hedged Share Class Risk;
- updates to the Management and Administration section covering the change of Fund Administrator, and updates to the Conflicts of Interest;
- reformatting of all the tables under Appendix I;
- updates to Appendix I, Fund Performance for 2016;
- inclusion of Class Z shares for all Funds in the Company;
- inclusion of Class E shares for the First State Diversified Growth Fund in the Company;
- inclusion of new bullet points for all Funds regarding:
 - Gross and Net share classes;
 - Class Z;
 - Class E (First State Diversified Fund only); and
 - the fact that not all classes are open;
- Appendix II: removal of the extra column in the first table between Thailand and Turkey;
- Appendix III: minor amendments;
- Appendix IV: amendments in line with the change of Depositary.
- The FCA approved an update to the Prospectus and the Instrument of Incorporation on 1 December 2017; the main updates to the Prospectus were:
 - addition of a new sub-fund to be called First State Indian Subcontinent All-Cap Fund;
 - commencement of the termination of the First State Emerging Markets Local Currency Bond Fund;
 - inclusion of language in relation to MiFID II;
 - inclusion of Class E under the section “Initial Offer Price” of the Prospectus;
 - update that, from 1 May 2018, distributions and redemptions will be made by bank transfer and no longer by the issuance of cheques;
 - update of the dilution adjustments numbers;
 - clarification of the impact of interest-rate risk on certain currency hedged share classes;
 - addition of Brexit risk factor in the Prospectus;
 - amendment of the Investor Risk Profile under Appendix I to include disclosure for Spanish and other Continental EU distributors regarding the availability of clean share classes;
 - clarification of the investment objective of the First State Diversified Growth Fund with the inclusion of “(gross of fees and charges)”;
 - update of the maximum expected leverage of the First State Diversified Growth Fund from 500% to 700%;
 - removal of the 4% initial charge on the First State Global Emerging Markets Focus Fund;
 - removal of the 4% initial charge on the Stewart Investors Indian Subcontinent Fund;
 - clarification under Appendix II that the Korea Eligible Securities Market is South Korea;
 - inclusion of the minimum Depositary fees (under Fees and Charges section 1.2);
 - removal of the concentration risk from FS Global Listed Infrastructure Fund;
 - removal of the 4% initial charge from the FS Indian Subcontinent All-Cap Fund.

The main updates to the Instrument of Incorporation were:

- inclusion of a new sub-fund, First State Indian Subcontinent All-Cap Fund, as part of the Schedule;
- reflection of the proposed termination of the First State Emerging Markets Local Currency Bond Fund as Part 1 of the Schedule;
- reflection of the clarification of the investment objective of First State Diversified Growth Fund; and
- additional minor amendments.

The Investment Manager

As at the date of this Report, First State Investment Management (UK) Limited, the investment manager of the Company (the “Investment Manager”), has delegated the investment management of the following Funds:

- (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, the Stewart Investors Global Emerging Markets Sustainability Fund and the Stewart Investors Worldwide Sustainability Fund to Colonial First State Asset Management (Australia) Limited, a company registered in Australia;
- (b) the First State All China Fund, the First State Greater China Growth Fund, the First State Asia All-Cap Fund, the First State Asia Focus Fund and the First State Japan Focus Fund to First State Investments (Hong Kong) Limited, a company registered in Hong Kong;
- (c) the First State Global Emerging Markets Focus Fund, the First State Indian Subcontinent All-Cap Fund, and the First State Diversified Growth Fund to First State Investments (Singapore), a company registered in Singapore; and
- (d) the Stewart Investors Asia Pacific Sustainability Fund, the Stewart Investors Asia Pacific Leaders Fund and the Stewart Investors Indian Subcontinent Fund jointly to Colonial First State Asset Management (Australia) Limited and First State Investments (Singapore).

Cross Holdings

There were no cross holdings between sub-funds in First State Investments ICVC as at 31 July 2018.

Remuneration

The table below provides an overview of the following:

- Aggregate total remuneration paid by First State Investments (UK) Limited (FSI UK) to First State Investments staff; and
 - Total remuneration of those staff of FSI UK and its delegates who are fully or partly involved in the activities of the Company;
- Aggregate total remuneration paid by Colonial First State Global Asset Management to all UCITS code staff;

| | Headcount | Total Remuneration |
|--|-----------|--------------------|
| FSI UK Staff <i>of which</i> | 17 | 3,464,121 |
| Fixed remuneration | | 1,205,860 |
| Variable remuneration | | 2,258,261 |
| FSI UK Staff and its delegates <i>of which</i> | 39 | 9,141,153 |
| Fixed remuneration | | 2,010,826 |
| Variable remuneration | | 7,130,327 |
| UCITS V Aggregate Remuneration paid to UCITS Code Staff <i>of which</i> | 61 | 38,377,446 |
| Senior Management | 21 | 8,432,307 |
| Fixed remuneration | | 1,682,441 |
| Variable remuneration | | 6,749,866 |
| Other Code Staff | 40 | 29,945,139 |
| Fixed remuneration | | 3,352,240 |
| Variable remuneration | | 26,592,899 |

- 1) Please note that, due to the roles of UCITS Code Staff, this remuneration is only in respect of the provision of services to UCITS Funds rather than as Individual's total remuneration in the year. For portfolio management staff, remuneration is apportioned on the basis of assets under management. For management and control staff, remuneration is apportioned on the basis of number of contracts over which they have influence.
- 2) FSI UK Staff are those identified employees in a senior management role employed by the FSI (UK) holdings group.

Remuneration is made up of fixed pay (i.e. salary and benefits such as pension contributions) and performance-related pay (annual and long-term incentives). Annual incentives are designed to reward performance in line with the business strategy, objectives, values and long-term interests of the ACD and the Commonwealth Bank of Australia Group. The annual incentive earned by an individual is dependent on the achievement of financial and non-financial objectives, including adherence to effective risk-management practices. The ACD provides long-term incentives that are designed to link reward with the long-term success of the ACD and to recognise the responsibility participants have in driving future success and delivering value. Long-term incentive awards are conditional on the satisfaction of corporate performance measures. The structure of remuneration packages is such that the fixed element is sufficiently large to enable a flexible incentive policy to be operated.

Employees are eligible for an annual incentive based on their individual performance, and depending on their role, the performance of their business unit and/or the group. These incentives are managed within a strict risk framework, and the Board of Directors of the ACD ("The Board") retains ultimate discretion to reduce annual incentive outcomes where appropriate.

The ACD actively manages risks associated with delivering and measuring performance. All our activities are carefully managed within our risk appetite, and individual annual incentive outcomes are reviewed. Risk is further managed through the deferral of a portion of the incentives. The deferred portion of the incentive award is subject to a risk review prior to vesting and can be reduced or forfeited.

The ACD operates a Remuneration Assurance Committee ("The Committee"). The Committee reports to the Board. The Committee reviews risk and compliance issues in relation to the vesting of deferred awards for all employees. Compliance is monitored throughout the vesting period by the Head of Risk and Compliance and their department, who reports the information to the Committee for assessment. Any risk or performance issues that may impact the vesting of deferred awards are then highlighted to the Committee, along with any recommendations for the reduction or cancellation of any deferred awards (as appropriate).

These remuneration policies apply also to other entities in the Commonwealth Bank of Australia Group to which investment management of Funds has been delegated, and those delegates are subject to contractual arrangements to ensure that policies that are regarded as equivalent are applied.

The Board adopts, and reviews annually, the general principles of the applicable remuneration policies. The Committee reviews the implementation of the remuneration policies for UCITS Code Staff at least annually for compliance with policies and procedures. No irregularities have been identified in the course of these reviews.

Statement of the Authorised Corporate Director's Responsibilities in Respect of the Financial Statements of the Company

The Open-Ended Investment Companies Regulations (SI 2001/1228, as amended) (the "OEIC Regulations") and the Sourcebook require the ACD to prepare Financial Statements for each annual and half-yearly accounting period that give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company and of its net revenue and the net capital gains on the property of the Company for the period.

In preparing the Financial Statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association, now known as The Investment Association, in May 2014 (the "IMA SORP 2014");
- comply with the Prospectus, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records that enable it to demonstrate that the Financial Statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation; and
- keep proper accounting records and manage the Company in accordance with the Sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Authorised Corporate Director

This report has been approved by the Authorised Corporate Director, First State Investments (UK) Limited, and signed on its behalf in accordance with the requirements of the OEIC Regulations and the Sourcebook.

Adrian Hilderly
Director
First State Investments (UK) Limited
11 October 2018

Statement of Depositary's Responsibilities

for the year ended 31 July 2018

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must, in the context of its role, act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Depositary's Report

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

The Bank of New York Mellon (International) Limited
Edinburgh
11 October 2018

Independent Auditors' Report to the Shareholders of First State Investments ICVC

for the year ended 31 July 2018

Report on the audit of the Financial Statements

Opinion

In our opinion, First State Investments ICVC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 July 2018 and of the net revenue and expenses and the net capital gains and losses on the scheme property of the Company and each of the sub-funds for the year/period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

First State Investments ICVC (the "Company") is an Open Ended Investment Company ('OEIC') with 25 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the balance sheets as at 31 July 2018; the statement of total return and the statement of change in net assets attributable to shareholders for the year/period then ended; the distribution tables; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of Matter – Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. First State Emerging Markets Local Currency Bond Fund was closed on 14th December 2017 and will terminate as at 31st July 2018, while the Authorised Corporate Director ('ACD') has confirmed their intention to terminate First State Global Resources Fund within one year of the date of approval of the financial statements. Accordingly the going concern basis of preparation for these funds is no longer appropriate, and their financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in the financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Conclusions relating to going concern

With the exception of the circumstances described in the Emphasis of Matter – Basis of preparation paragraph above regarding the First State Emerging Markets Local Currency Fund and the First State Global Resources Fund, we have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the sub-funds' ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

for the year ended 31 July 2018

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year/period for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities in Respect of the Financial Statements of the Company set out on page 5, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Edinburgh
11 October 2018

Summary of Significant Accounting Policies Applicable to All Sub-Funds

as at 31 July 2018

1. Accounting and distribution policies

(a) Basis of accounting

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Financial Statements of Authorised Funds, issued by the Investment Management Association (IMA), now known as The Investment Association (IA), in May 2014 (SORP 2014), and United Kingdom Generally Accepted Accounting Practice.

All Funds have been prepared on a going concern basis with the exception of the First State Emerging Markets Local Currency Bond Fund and the First State Global Resources Fund.

First State Emerging Markets Local Currency Bond Fund was closed on 14th December 2017 and the Authorised Corporate Director terminated First State Emerging Markets Local Currency Fund as at 31 July 2018 and intends to terminate First State Global Resources Fund within one year of the date of approval of the financial statements and therefore the financial statements of these Funds have been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities of the Fund continue to be stated at their fair values. No adjustments were necessary in the financial statements to reduce assets to their realisable values, to provide for liabilities arising for the termination and to reclassify long-term liabilities as current liabilities.

(b) Basis of valuation of investments

The value of the Funds as at 31 July 2018 was calculated using the bid market value of investments as at close of business on 31 July 2018, net of any accrued interest. In prior years, the close of business valuation of investments was estimated using the bid market value as at 12:00 midday on the last business day of the accounting period. Investments for which published market values are not available are included at the Authorised Corporate Director's valuation.

Collective investment schemes are valued at quoted bid prices for dual-priced Funds and at quoted prices for single-priced Funds, on the last business day of the accounting period.

Open forward currency contracts are shown in the Portfolio Statement and are valued using quoted forward rate.

Over the Counter (OTC) derivatives (including cross-currency swaps) are held at fair value.

Gains and losses, including exchange differences in the valuation of investments held at the Balance Sheet date, including unrealised exchange differences, are treated as capital.

(c) Exchange rates

Amounts in overseas currencies are translated at the exchange rates ruling at the close of business on 31 July 2018. Transactions denominated in foreign currencies are converted to sterling at the exchange rate ruling at the date of the transaction.

(d) Distribution policy

The whole of the Fund's revenue after expenses and tax must be distributed at the end of its financial year. In the event that a share class has expenses that exceed revenue, no final distribution will be paid and the deficit will be transferred from the capital property of that share class to the revenue account. Interim distributions will usually be for the whole of the revenue, after charging expenses and tax determined at the end of the interim accounting period. The Authorised Corporate Director may, however, in exceptional circumstances distribute a lesser amount, for the interim period.

First State Emerging Markets Bond Fund satisfied the qualifying investments test of Section 19 of the Authorised Investment Funds (Tax) Regulations 2006 (S2006/964) throughout the period. All distributions made are therefore made as interest distributions.

All the other Funds make dividend distributions.

(e) Recognition of revenue

Dividends on equities are recognised when the security is quoted ex-dividend. Other revenue is accounted for on an accruals basis.

Dividends from US real estate investment trusts ("REITs") are recognised as distributable revenue when the securities are quoted ex-dividend. On receipt of the capital/revenue split in the following calendar year, the allocation of the dividend is adjusted within the Financial Statements.

Dividends from UK real estate investment trusts ("UK REITs") are recognised as distributable revenue when the securities are quoted ex-dividend. Dividends received from UK REITs are split into PID (Property Income Distributions) and Non-PID components for tax purposes. Revenue arising from a UK REIT's tax-exempt rental business is colloquially known as PID revenue and is taxable in the hands of each Fund. A UK REIT may also carry out activities that give rise to taxable profits and gains. It is from these that the REIT will make a Non-PID distribution. These are treated for tax purposes in the same way as dividends from UK companies.

Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. This revenue forms part of any distribution. In the case of enhanced scrip dividends, the amount by which such dividends exceed the cash dividends is treated as capital and does not form part of the distribution.

Summary of Significant Accounting Policies Applicable to All Sub-Funds

(continued)

as at 31 July 2018

1. Accounting and distribution policies (continued)

(e) Recognition of revenue (continued)

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue. Any reported revenue from an offshore Fund, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting Fund makes this information available.

The treatment of special dividends and share buy backs is determined on a case by case basis, taking into account whether the event is income or capital by nature. The tax treatment will follow the treatment of the principal amounts.

Interest on deposits and fixed-interest securities are recognised as earned. Revenue from debt securities is accounted for on an effective yield basis.

Applying effective yield to the revenue calculation may result in either higher or lower revenue depending on whether Funds hold more bonds purchased at a discount or purchased at a premium. Where the Funds hold more bonds purchased at a discount than at a premium, income will be higher.

Where the full initial charge is levied on investment into any Fund that is soft-closed (soft-closed meaning that the Fund can still be accessed by investors, but a charge is levied in an attempt to control the size of a Fund by discouraging inflows) in the interests of protecting existing investors' returns, the Investment Manager has paid this in to the relevant Fund. This is recognised on a cash basis for the individual share classes of the soft-closed Funds. Prior to it being paid into the Fund, the Investment Manager will exercise discretion on whether to donate some or all of this revenue to charity or reimburse back to the Funds for the benefit of the existing shareholders.

(f) Treatment of expenses

All expenses, other than those relating to transaction fees, are charged against the revenue property of the Fund. In the case of First State Asian Property Securities Fund, Global Property Securities Fund, Global Listed Infrastructure Fund and Emerging Markets Bond Fund, all expenses are borne by the capital property of the Fund for distribution purposes. Management, registrar and dealing fees are charged directly to the share classes to which they relate. Other expenses are charged on a proportional basis.

(g) Taxation

Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses. Overseas dividends are disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the taxation note.

Tax is calculated using the marginal basis, i.e. the tax effect of revenue and expenditure is allocated between capital and income on the same basis as the particular item to which it relates. Deferred taxation is provided for on all timing differences that have originated but not reversed at the Balance Sheet date. Deferred taxation is not recognised on permanent differences. Any liability to deferred tax is provided at the average rate of tax enacted, or substantively enacted. Deferred tax assets are only recognised where it is more likely than not that there will be suitable taxable profits against which the future reversal of underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted to reflect the time value of money. Withholding tax on accrued overseas dividends is netted off against accrued revenue in the debtor's note.

On 1 April 2018, India introduced a taxation regime for long-term capital gains. As a result of this, the Fund introduced an accrual for incremental long-term Indian capital gains earned since 1 April 2018. Other overseas capital gains tax is recognised when paid, and no provision is made for this.

(h) Equalisation

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

(i) Dilution adjustment

On 1 February 2005, swing pricing was adopted for the Funds of the Company. 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 that results in a dilutive effect;
- (b) on a Fund experiencing net redemptions (i.e. redemptions less purchases) as this could lead to trading that results in a dilutive effect;
- (c) where there may be a dilutive effect that, in the opinion of the ACD, requires the application of a dilution adjustment in the interests of existing/continuing shareholders and potential shareholders.

See the Prospectus for full details.

Summary of Significant Accounting Policies Applicable to All Sub-Funds

(continued)

as at 31 July 2018

1. Accounting and distribution policies (continued)

(j) Derivative financial instruments

The treatment of the returns on derivative contracts depends upon the nature of the transaction. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Where the transactions are used to protect or enhance investments, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the year end are included in the Balance Sheet at their mark-to-market value.

(k) Foreign currency translation

Items included in the Company's Financial Statements are measured using the primary economic environment in which it operates (the "functional currency"). The functional currency of each Fund is GBP with the exception of First State Emerging Markets Local Currency Bond Fund, which has adopted USD as its functional currency.

The Company has adopted GBP as the presentation currency for the Company as a whole. The Company's results and financial position are translated from the respective Fund's functional currency to the Company's presentation currency, as follows:

- (a) assets and liabilities, including net assets attributable to shareholders, are translated at the closing rate at the Balance Sheet date;
- (b) proceeds from subscriptions and amounts paid on redemption of shares are translated at average rates, which approximate the rates prevailing at the dates of the transactions; and
- (c) income and expenses are translated at average exchange rates.

2. Other matters

(a) High Court claim

The European Court of Justice has held that the UK tax regime in respect of income from portfolio investments contravened the EU right to free movement of capital. Until 2009, income from portfolio investments in the UK was exempt from corporation tax, whilst dividend income from foreign portfolio investments was taxable with limited relief for foreign tax paid. The Company has made claims against HMRC for repayment of tax paid on dividend income from foreign portfolio investments in these circumstances. The claims form part of the CFC and Dividend Group Litigation, in which test cases, including the Prudential dividend test case where a Supreme Court judgement was delivered on 25 July 2018. Further litigation and actions are still ongoing in relation to various issues. The interest that each Fund has in these claims has not been recognised in the Financial Statements as the timing and amount of any benefit is uncertain. In the event claims are successful, any monies awarded by the court will be paid to the relevant Funds as a windfall to those shareholders who remain in the Fund at the date of payment of the claims.

(b) Foreign retrospective tax claims

A number of Funds are in the process of reclaiming refunds of dividend withholding tax on the basis of free movement of capital provisions in the European Union. On receipt, these amounts will be treated as windfall amounts in the Funds and will form part of any distributable income.

Investment Objective and Policy

The Fund invests primarily in a concentrated portfolio of securities issued by companies with either assets in or revenues derived from the People's Republic of China that are listed, traded or dealt in on regulated markets in China, Hong Kong, Singapore or in a member state of the OECD (Organisation for Economic Co-operation and Development).

Investment may be in cash or near cash.

The Fund may use derivatives for efficient portfolio management purposes only.

← Lower Risk

Higher Risk →

Potentially Lower Rewards

Potentially Higher Rewards

- The synthetic risk reward indicator (the SRRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 6 due to its past performance and the nature of its investments. Shares with a rating of 6 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

Single-country risk: investing in a single country may be riskier than investing in a number of different countries. Investing in a larger number of countries helps spread risk.

China market risk: investing in the Chinese market involves legal, regulatory and economic risks. The securities markets in China may subject the Fund to greater uncertainty than investments in more developed countries.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

The Fund rose by 17.2% in US dollar terms over the twelve months to 31 July 2018.

Key contributors to performance over the year included China Mengniu Dairy, which added to performance as it continued to improve its product range and expand margins. Shanghai International Airport benefitted from strong passenger growth as well as higher non-aero revenue growth from duty-free sales.

On the negative side, China National Accord Medicine declined after it announced that Walgreens Boots Alliance was taking a 40% strategic stake in the company. Though the deal is pending review from the authorities, investors worried that such a large stake sale would be earnings dilutive in the near term. Lianhe Chemical Technology had been de-rated over the period as the company experienced a down-cycle. Short supply of raw materials drove prices up, which impacted margins as it was unable to pass through the cost pressure entirely.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Portfolio changes

Significant new purchases over the twelve months included Chaozhou Three-Circle (CTC), a leading manufacturer of ceramic materials used in a wide range of applications, including communications, electronics and semiconductors. The Fund also purchased Beijing Thunisoft, a software company that provides information systems to governments and corporates. The company has a capable management team with a strong engineering culture and has reasonable growth visibility over the next few years as local courts upgrade their systems. The Fund added Shanghai Liangxin Electrical, a leading player in low voltage electrical equipment (LVEE) that focuses on high-end quality products.

The Fund divested China Resources Gas and Towngas China on concerns around rising finance costs and regulatory risks, taking profits on both holdings as the sector has performed well. The Fund also sold Fuyao Glass on valuation concerns.

Outlook

One of the key issues weighing on China at the moment is the potential trade war with the United States. Trade issues would have a longer-term impact on China's emerging industries and put pressure on economic growth. However, a greater focus on upgrading China's industries as well as continued structural reforms should help to counter the negative impact. Meanwhile, China's de-leveraging efforts are continuing apace. Companies that rely heavily on bank financing would be most affected, although those with excessive share pledges (as a way to raise funds) would also be penalised. In the long run, reduced leverage in the system is a positive; however, there may be periods of volatility in the shorter term.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | (6.9) | (7.0) | 17.2 | — | — | — | 28.8 |
| Benchmark return % | (8.5) | (18.4) | 0.3 | — | — | — | 17.5 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 17.2 | — | — | — | — |
| Benchmark return % | 0.3 | — | — | — | — |

Benchmark: MSCI China All Shares Net Index.

Sector: IA China/Greater China.

Performance is based on share class B Accumulation USD, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|--------------------------------|-----------|--------------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| China Mengniu Dairy | 8.17 | China Mengniu Dairy | 6.34 |
| Shanghai International Airport | 6.96 | Shanghai International Airport | 5.86 |
| Bank of Ningbo | 6.49 | Bank of Ningbo | 5.46 |
| Luye Pharma | 5.24 | Jiangsu Hengrui Medicine | 5.02 |
| Tencent | 4.61 | Yunnan Baiyao | 4.07 |
| Yunnan Baiyao | 3.64 | China Telecom | 3.63 |
| ASM Pacific Technology | 3.22 | China Resources Gas | 3.23 |
| Chaozhou Three-Circle | 2.85 | Shanghai M&G Stationery | 3.11 |
| Beijing Thunisoft | 2.65 | Luye Pharma | 3.03 |
| China Medical System | 2.46 | ASM Pacific Technology | 2.91 |

Types of shares

Accumulation.

First State All China Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED STATES (1.68%*) | 255 | 6.68 |
| 1,132 51job ADR | 79 | 2.07 |
| 735 Autohome ADR | 54 | 1.41 |
| 2,415 JD.com ADR | 66 | 1.73 |
| 286 NetEase ADR | 56 | 1.47 |
| CHINA (62.89%*) | 2,309 | 60.46 |
| 127,313 Bank of Ningbo | 248 | 6.49 |
| 53,900 Beijing Thunisoft | 101 | 2.65 |
| 55,000 Beijing Yanjing Brewery | 45 | 1.18 |
| 78,200 Centre Testing International | 51 | 1.34 |
| 45,100 Changyuan | 47 | 1.23 |
| 40,400 Chaozhou Three-Circle | 109 | 2.85 |
| 132,000 China Mengniu Dairy | 312 | 8.17 |
| 21,000 China Merchants Bank class 'H' shares | 62 | 1.62 |
| 24,200 China National Accord Medicines | 70 | 1.83 |
| 40,000 China South Publishing & Media | 56 | 1.47 |
| 196,000 China Telecom | 70 | 1.83 |
| 3,300 Han's Laser Technology Industry | 18 | 0.47 |
| 10,998 Hongfa Technology | 28 | 0.73 |
| 6,800 Hualan Biological Engineering | 26 | 0.68 |
| 8,110 Jiangsu Hengrui Medicine | 62 | 1.62 |
| 59,400 Kingenta Ecological Engineering | 47 | 1.23 |
| 52,855 Lianhe Chemical Technology | 47 | 1.23 |
| 4,500 Midea | 24 | 0.63 |
| 7,800 Shandong Himile Mechanical Science & Technology | 14 | 0.37 |
| 50,000 Shanghai Fudan-Zhangjiang Bio-Pharmaceutical | 18 | 0.47 |
| 39,400 Shanghai International Airport | 266 | 6.96 |
| 107,200 Shanghai Liangxin Electrical | 82 | 2.15 |
| 23,600 Shanghai M&G Stationery | 77 | 2.02 |
| 51,850 Shanghai Pret Composites | 66 | 1.73 |
| 2,000 Shenzhou International | 19 | 0.50 |
| 10,700 Sinotrans Air Transportation Development | 26 | 0.68 |
| 20,000 Tsingtao Brewery | 82 | 2.15 |
| 5,900 Venustech | 13 | 0.34 |
| 3,200 Wanhua Chemical | 18 | 0.47 |
| 31,260 Xinjiang Goldwind | 30 | 0.79 |
| 12,517 Yunnan Baiyao | 139 | 3.64 |
| 14,030 Zhejiang Chint Electrics | 36 | 0.94 |
| HONG KONG (26.62%*) | 796 | 20.84 |
| 13,500 ASM Pacific Technology | 123 | 3.22 |
| 72,000 China Medical System | 94 | 2.46 |
| 2,000 China Resources Beer | 7 | 0.18 |
| 64,500 Lee's Pharmaceutical | 53 | 1.39 |
| 269,500 Luye Pharma | 200 | 5.24 |
| 20,400 Sinopharm | 65 | 1.70 |
| 5,100 Tencent | 176 | 4.61 |
| 194,000 Wasion | 78 | 2.04 |

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--------------------------|--------------------------|--------------------------|
| TAIWAN (0.00%*) | 98 | 2.57 |
| 10,000 MediaTek | 63 | 1.65 |
| 2,000 Silergy | 35 | 0.92 |
| Portfolio of investments | 3,458 | 90.55 |
| Net other assets | 361 | 9.45 |
| Total net assets | 3,819 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stocks shown as ADRs represent American Depositary Receipts.

First State All China Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018
(p)

Share class B Accumulation

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | 5.88 |
| Operating charges | (1.16) |
| Return after operating charges* | 4.72 |
| Distributions | (1.03) |
| Retained distributions on accumulation shares | 1.03 |
| Closing net asset value per share (p) | 104.72 |

* after direct transaction costs of: 0.11

Performance

Return after charges (%) 4.72%

Other information

| | |
|---------------------------------|---------|
| Closing net asset value (£'000) | 872 |
| Closing number of shares | 833,022 |
| Operating charges | 1.61% |
| Direct transaction costs | 0.22% |

Prices

| | |
|---------------------|--------|
| Highest share price | 116.05 |
| Lowest share price | 96.43 |

Share class B Accumulation was launched on 27 November 2017.

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) |
|---|---------------------------|---------------------------|
| Share class B Accumulation (USD share class) | | |
| Change in net assets per share | | |
| Opening net asset value per share | 109.77 | 100.00 |
| Return before operating charges* | 21.04 | 10.45 |
| Operating charges | (1.96) | (0.68) |
| Return after operating charges* | 19.08 | 9.77 |
| Distributions | (0.63) | (0.68) |
| Retained distributions on accumulation shares | 0.63 | 0.68 |
| Closing net asset value per share (c) | 128.85 | 109.77 |
| * after direct transaction costs of: | 0.20 | 0.20 |
| Performance | | |
| Return after charges (%) | 17.39% | 9.77% |
| Other information | | |
| Closing net asset value (\$'000) | 3,866 | 3,293 |
| Closing number of shares | 3,000,000 | 3,000,000 |
| Operating charges | 1.51% | 1.53% |
| Direct transaction costs | 0.15% | 0.19% |
| Prices | | |
| Highest share price | 145.88 | 111.78 |
| Lowest share price | 108.82 | 99.24 |

Share class B Accumulation (USD share class) was launched on 1 March 2017.

First State All China Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 | | 31 July 2017* | |
|---|-------|--------------|-------------------|---------------|------------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains | 2 | | 369 | | 57 |
| Revenue | 3 | 62 | | 31 | |
| Expenses | 4 | (36) | | (13) | |
| Interest payable and similar charges | | — | | — | |
| Net revenue before taxation | | <u>26</u> | | <u>18</u> | |
| Taxation | 5 | (3) | | (2) | |
| Net revenue after taxation | | | <u>23</u> | | <u>16</u> |
| Total return before distributions | | | <u>392</u> | | <u>73</u> |
| Distributions | 6 | | (23) | | (16) |
| Change in net assets attributable to shareholders from investment activities | | | <u><u>369</u></u> | | <u><u>57</u></u> |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 | | 31 July 2017* | |
|--|--------------|---------------------|---------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 2,509 | | |
| Amounts receivable on issue of shares | 1,213 | | 2,436 | |
| Less: Amounts payable on cancellation of shares | <u>(296)</u> | | <u>—</u> | |
| | | 917 | | 2,436 |
| Dilution adjustment | | 1 | | — |
| Change in net assets attributable to shareholders from investment activities | | 369 | | 57 |
| Retained distribution on accumulation shares | | <u>23</u> | | <u>16</u> |
| Closing net assets attributable to shareholders | | <u><u>3,819</u></u> | | <u><u>2,509</u></u> |

* For the period 1 March 2017 to 31 July 2017.

Notes to the Financial Statements are on pages 20 to 24.

First State All China Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>3,458</u> | <u>2,288</u> |
| Current assets | | | |
| Debtors | 8 | 43 | 17 |
| Cash and bank balances | | <u>411</u> | <u>231</u> |
| Total assets | | <u><u>3,912</u></u> | <u><u>2,536</u></u> |
| Liabilities | | | |
| Creditors | | | |
| Other creditors | 9 | <u>(93)</u> | <u>(27)</u> |
| Total liabilities | | <u>(93)</u> | <u>(27)</u> |
| Net assets attributable to shareholders | | <u><u>3,819</u></u> | <u><u>2,509</u></u> |

Notes to the Financial Statements are on pages 20 to 24.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017* £'000 |
|----------------------------|-----------------------|------------------------|
| Non-derivative securities | 386 | 56 |
| Currency (losses)/gains | (5) | 1 |
| Custodial transaction fees | (12) | – |
| Net capital gains | <u>369</u> | <u>57</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017* £'000 |
|------------------------------|-----------------------|------------------------|
| Overseas non-taxable revenue | 48 | 29 |
| Overseas scrip dividends | 14 | 2 |
| Total revenue | <u>62</u> | <u>31</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017* £'000 |
|---|-----------------------|------------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 32 | 10 |
| ACD's periodic charge rebate | (62) | (26) |
| | <u>(30)</u> | <u>(16)</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 30 | – |
| Other expenses: | | |
| Audit fee | 7 | 6 |
| Safe custody charges | 3 | – |
| Other expenses | 26 | 23 |
| | <u>36</u> | <u>29</u> |
| Total expenses | <u>36</u> | <u>13</u> |

* For the period 1 March 2017 to 31 July 2017.

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017* £'000 |
|---|-----------------------|------------------------|
| (a) Analysis of charge in period: | | |
| Irrecoverable overseas tax | 3 | 2 |
| Total taxation (note 5b) | 3 | 2 |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 26 | 18 |
| Corporation tax of 20% (2017: 20%) | 5 | 3 |
| Effects of: | | |
| Non-taxable scrip dividends | (3) | – |
| Overseas non-taxable revenue* | (9) | (6) |
| Movement in excess management expenses | 7 | 3 |
| Irrecoverable overseas tax | 3 | 2 |
| Total tax charge for year (note 5a) | 3 | 2 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

** As an authorised OEIC, these items are not subject to corporation tax.*

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current period.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £9,794 (31/07/17: £2,697); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprises:

| | 31 July 2018 £'000 | 31 July 2017* £'000 |
|---|-----------------------|------------------------|
| Final distribution | 23 | 16 |
| | 23 | 16 |
| Add: revenue deducted on cancellation of shares | 1 | – |
| Deduct: revenue received on issue of shares | (1) | – |
| Net distributions for the year | 23 | 16 |

Details of the distribution per share are set out in the Distribution Tables on page 25.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017* £'000 |
|--------------------------------|-----------------------|------------------------|
| Net revenue after taxation | 23 | 16 |
| Net distributions for the year | 23 | 16 |

* For the period 1 March 2017 to 31 July 2017.

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Sales awaiting settlement | 11 | 14 |
| Amounts receivable for issue of shares | 2 | — |
| Accrued revenue | 7 | 3 |
| Foreign currency contracts awaiting settlement | 23 | — |
| Total debtors | 43 | 17 |

9. Other creditors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Purchases awaiting settlement | 12 | 7 |
| Amounts payable for cancellation of shares | 15 | — |
| Accrued expenses | 43 | 20 |
| Foreign currency contracts awaiting settlement | 23 | — |
| Total other creditors | 93 | 27 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 July 2018 £'000 | 31 July 2017 £'000 | 31 July 2018 £'000 | 31 July 2017 £'000 |
| Equities | 2,928 | 2,498 | 2,163 | 274 |
| Trades in the year before transaction costs | 2,928 | 2,498 | 2,163 | 274 |
| Commissions | | | | |
| Equities | 2 | 3 | (1) | — |
| Taxes | | | | |
| Equities | 1 | 2 | (1) | — |
| Total costs | 3 | 5 | (2) | — |
| Total net trades in the year after transaction costs | 2,931 | 2,503 | 2,161 | 274 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 31 July 2018 % | 31 July 2017 % | 31 July 2018 % | 31 July 2017 % |
| Commissions | | | | |
| Equities | 0.07 | 0.12 | 0.05 | — |
| Taxes | | | | |
| Equities | 0.03 | 0.08 | 0.05 | — |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 % | 31 July 2017 % |
|--------------------|-------------------|-------------------|
| Commissions | 0.09 | 0.12 |
| Taxes | 0.06 | 0.07 |
| Total costs | 0.15 | 0.19 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.18% (31/07/17: 0.18%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil)

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £345,759 (31/07/17: £228,816).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 10.76% (31/07/17: 9.21%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the First State All China Fund would be an increase or decrease of approximately £1,028 (31/07/17: £578).

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets | | Net foreign currency assets | |
|------------------|-----------------------------|--|-----------------------------|--|
| | 31 July 2018 | | 31 July 2017 | |
| Currency | Total | | Total | |
| | £'000 | | £'000 | |
| Chinese yuan | 1,768 | | 1,025 | |
| Hong Kong dollar | 1,476 | | 1,212 | |
| Taiwan dollar | 100 | | – | |
| US dollar | 255 | | 61 | |
| Total | <u>3,599</u> | | <u>2,298</u> | |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £179,963 (31/07/17: £114,914).

Notes to the Financial Statements

(continued)

as at 31 July 2018

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £3,326 (31/07/17: £2,144) due at the period end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 77.34% (31/07/17: 100%) of the net asset value of the Fund.

Material Shareholders

RBC, as trustee for First State Investments Services (UK) Limited Employee Benefits Trust and Hargreaves Lansdown Nominees Limited held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 78.3% and 18.8% of the Fund's shares in issue respectively.

14. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class B Accumulation | 1.00 |
| Share class B Accumulation (USD share class) | 1.00 |

The net asset value of this share class, the net asset value per share and the number of shares in this class are given in the Comparative Table on pages 16 to 17.

The distribution per share class are given in the Distribution Tables on page 25.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | Shares converted | 31 July 2018 Closing shares in issue |
|--|---|-----------|---------------|---------------------|--|
| Share class B Accumulation | – | 1,104,920 | (271,898) | – | 833,022 |
| Share class B Accumulation (USD share class) | 3,000,000 | – | – | – | 3,000,000 |

15. Fair value

| Valuation technique | 31 July 2018 | | 31 July 2017 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 3,458 | – | 2,288 | – |
| Level 2 | – | – | – | – |
| Level 3 | – | – | – | – |
| Total fair value | 3,458 | – | 2,288 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 1.0271 | – | 1.0271 | – |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 0.8308 | 0.1963 | 1.0271 | – |

Share class B Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | – |
| Final | 0.6345 | – | 0.6345 | – |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | – |
| Final | 0.6345 | – | 0.6345 | 0.6781 |

Share class B Accumulation (USD share class) was launched on 1 March 2017.

Share class B Accumulation was launched on 27 November 2017.

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

At least 80% of the net assets of the Fund will be invested in equities issued by companies that are established, operating or have their economic activity mainly in the Asia Pacific region (excluding Japan, including Australasia) and that are listed, traded or dealt in on regulated markets worldwide and in equity-related instruments listed, traded or dealt in on regulated markets worldwide that provide exposure to the Asia Pacific region (as defined above).

Up to 20% of the net assets of the Fund may be invested in other equities and equity-related instruments that are listed, traded or dealt in on regulated markets worldwide.

In order to gain exposure to these types of equities and equity-related instruments, up to 10% of the net assets of the Fund may be invested in other collective investment schemes, including in collective investment schemes managed by the ACD or its associates ("Associated Schemes"), and/or other Funds of the Company ("Second Funds").

Investment may be in cash or near cash.

The Fund may use derivatives for efficient portfolio management purposes only.

- Clarification point: "Australasia" refers to Australia, New Zealand and other South-East Asian countries.

Risks and reward profile

| | ← Lower Risk | | | | Higher Risk → | | |
|--|---------------------------|---|---|---|----------------------------|---|---|
| | Potentially Lower Rewards | | | | Potentially Higher Rewards | | |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 5.4% in sterling terms over the twelve months to 31 July 2018.

Key contributors to performance over the year included CSL, which saw accelerating demand for its core immunoglobulin products, used increasingly as a secondary treatment for haematological cancers. ENN Energy outperformed, driven by growth expectations for the year ahead. China's environmental policies and "coal-to-gas" projects for local governments should continue to fuel higher levels of gas consumption.

On the negative side, Hemas declined as currency weakness and higher raw material prices eroded margins, while rising inflation had hurt demand. Delta Electronics fell after it lowered its 2018 earnings forecast due to raw material shortages and adverse currency movements.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Portfolio changes

Significant new purchases over the twelve months included Sinbon Electronics, a Taiwanese cable manufacturer, which has grown revenue and profits steadily over the past few years as well as Shanghai International Airport, the hub airport for the Yangtze Delta region which should benefit from increased air travel penetration in China. The Fund also bought Wuxi Little Swan, a washing machine manufacturer majority-owned by Midea that has continued to gain market share domestically. Industry growth has been steady based on replacement demand, and average selling prices have trended higher due to improved functionality and upgraded products.

The Fund divested Integrated Micro-Electronics and SM Investments as the risk/reward no longer looked attractive on a valuations basis. The Fund sold China South Publishing on concerns with ongoing regulatory changes, which could constrain future returns.

Outlook

The Manager remains cautious in its outlook for Asian equities. Rising US interest rates and the pressure on emerging market currencies have triggered interest-rate hikes in a number of Asian markets, which could pose considerable risk for companies that have over-leveraged. Debt levels cannot continue to rise forever, but this will perhaps not become obvious until interest rates normalise. Asian companies' earnings growth estimates have begun to taper on fears of a deterioration in the global economy; the trade war between the US and China finally began, with import tariffs on US\$50 billion worth of goods on both sides and threats of further escalation.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 0.6 | (0.5) | 5.4 | — | — | — | 51.9 |
| Benchmark return % | 1.3 | (1.6) | 5.8 | — | — | — | 57.9 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 5.4 | 19.8 | — | — | — |
| Benchmark return % | 5.8 | 25.4 | — | — | — |

Benchmark: MSCI AC Asia Pacific ex Japan Index.

Sector: IA Asia Pacific (ex-Japan).

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|------------------------------------|-----------|---|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Taiwan Semiconductor Manufacturing | 5.39 | First State Indian Subcontinent Fund 3 Accumulation USD | 6.71 |
| HDFC Bank ADR | 4.53 | Taiwan Semiconductor Manufacturing | 5.14 |
| CSL | 3.48 | HDFC Bank ADR | 4.55 |
| Oversea-Chinese Banking | 3.23 | CSL | 3.74 |
| Samsung Electronics pref. | 2.78 | CK Hutchison | 3.31 |
| Midea | 2.39 | Towngas China | 2.84 |
| ENN Energy | 2.23 | Samsung Electronics pref. | 2.71 |
| Infosys ADR | 2.15 | Manila Water | 2.46 |
| AIA | 2.14 | Oversea-Chinese Banking | 1.93 |
| Towngas China | 2.03 | Midea | 1.89 |

Types of shares

Accumulation.

First State Asia All-Cap Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| UNITED STATES (0.60%*) | 1,392 | 0.75 |
| 7,397 Baidu ADR | 1,392 | 0.75 |
| SPAIN (1.02%*) | 1,771 | 0.96 |
| 75,493 Cie Automotive | 1,771 | 0.96 |
| JAPAN (5.02%*) | 8,571 | 4.64 |
| 5,200 Keyence | 2,083 | 1.13 |
| 110,900 Misumi | 2,146 | 1.16 |
| 50,000 Pigeon | 1825 | 0.99 |
| 49,900 Trust Tech | 1562 | 0.84 |
| 41,300 Unicharm | 955 | 0.52 |
| AUSTRALIA (6.62%*) | 11,699 | 6.33 |
| 57,663 CSL | 6,425 | 3.48 |
| 76,695 Ramsay Health Care | 2,445 | 1.32 |
| 354,329 ResMed | 2,829 | 1.53 |
| BANGLADESH (1.50%*) | 155 | 0.08 |
| 14,886 Marico Bangladesh | 155 | 0.08 |
| CHINA (9.33%*) | 23,654 | 12.81 |
| 1,438,000 China Mengniu Dairy | 3,395 | 1.84 |
| 615,440 China Resources Land | 1,713 | 0.93 |
| 44,500 Ctrip.com International ADS | 1396 | 0.76 |
| 532,000 ENN Energy | 4,127 | 2.23 |
| 586,823 Fuyao Glass Industry 'H' | 1,619 | 0.88 |
| 831,325 Midea | 4,426 | 2.39 |
| 400,346 Shanghai International Airport | 2,699 | 1.46 |
| 1,398,000 Tong Ren Tang Technologies 'H' | 1,567 | 0.85 |
| 668,591 Wuxi Little Swan | 2,712 | 1.47 |
| HONG KONG (14.91%*) | 22,459 | 12.16 |
| 212,000 AAC Technologies | 2,057 | 1.11 |
| 856,000 Aeon Stores (Hong Kong) | 337 | 0.18 |
| 593,800 AIA | 3,952 | 2.14 |
| 212,500 ASM Pacific Technology | 1,943 | 1.05 |
| 1,851,000 China Resources Phoenix Healthcare | 1,309 | 0.71 |
| 242,500 CK Hutchison | 2,008 | 1.09 |
| 794,000 CSPC Pharmaceutical | 1,581 | 0.86 |
| 780,000 Minth | 2,235 | 1.21 |
| 4,970,259 Towngas China | 3,757 | 2.03 |
| 1,210,000 Vitasoy International | 3,280 | 1.78 |
| INDIA (13.31%*) | 23,781 | 12.87 |
| 129,340 Blue Star | 963 | 0.52 |
| 134,470 First State Indian Subcontinent Fund 3 Accumulation USD† | 2,754 | 1.49 |
| 143,119 Godrej Industries | 1,034 | 0.56 |
| 106,352 HDFC Bank ADR | 8,378 | 4.53 |
| 257,823 Infosys ADR | 3,968 | 2.15 |
| 2,216 Max Ventures | 2 | 0.00 |
| 1,076,317 TAKE Solutions | 2,415 | 1.31 |
| 378,674 Tech Mahindra | 2,862 | 1.55 |
| 125,871 Varroc Engineering | 1,405 | 0.76 |

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| INDONESIA (3.83%*) | 8,144 | 4.41 |
| 17,890,300 Astra Otoparts | 1,376 | 0.74 |
| 76,803,500 BFI Finance Indonesia | 2,457 | 1.33 |
| 17,755,500 Hero Supermarket | 864 | 0.47 |
| 37,375,600 Selamat Sempurna | 2,470 | 1.34 |
| 2,432,400 Semen Indonesia | 977 | 0.53 |
| PAKISTAN (0.47%*) | 1,055 | 0.57 |
| 124,620 Indus Motor | 1,055 | 0.57 |
| PHILIPPINES (9.07%*) | 10,904 | 5.90 |
| 900,423 BDO Unibank | 1,700 | 0.92 |
| 27,718,000 CEMEX Philippines | 1,230 | 0.67 |
| 3,848,548 China Banking | 1,829 | 0.99 |
| 9,144,700 DMCI | 1,541 | 0.83 |
| 5,706,700 Manila Water | 2,150 | 1.16 |
| 1,338,880 Universal Robina | 2,454 | 1.33 |
| SINGAPORE (5.18%*) | 12,356 | 6.69 |
| 545,900 Dairy Farm International | 3,400 | 1.84 |
| 388,100 Haw Par | 2,999 | 1.62 |
| 919,326 Oversea-Chinese Banking | 5,957 | 3.23 |
| SOUTH KOREA (11.13%*) | 19,712 | 10.67 |
| 213,093 Hanon Systems | 1,547 | 0.84 |
| 12,546 Hanssem | 822 | 0.44 |
| 28,035 Koh Young Technology | 2,082 | 1.13 |
| 80,200 Korea Kolmar | 1,938 | 1.05 |
| 42,767 LEENO Industrial | 1,926 | 1.04 |
| 4,917 LG Household & Health Care pref. | 2,218 | 1.20 |
| 4,377 NAVER | 2,133 | 1.15 |
| 196,777 Samsung Electronics pref. | 5,129 | 2.78 |
| 84,481 Vieworks | 1,917 | 1.04 |
| SRI LANKA (3.32%*) | 5,942 | 3.22 |
| 2,544,657 Hatton National Bank | 2,734 | 1.48 |
| 3,600,452 Hemas | 1,719 | 0.93 |
| 2,235,233 John Keells | 1,489 | 0.81 |
| TAIWAN (9.88%*) | 19,935 | 10.79 |
| 571,899 Advantech | 2,877 | 1.56 |
| 723,365 Delta Electronics | 1,909 | 1.03 |
| 237,000 Nien Made Enterprise | 1,561 | 0.85 |
| 1,645,000 Sinbon Electronics | 3,629 | 1.96 |
| 1,629,000 Taiwan Semiconductor Manufacturing | 9,959 | 5.39 |
| THAILAND (2.62%*) | 4,838 | 2.62 |
| 814,700 Delta Electronics | 1,297 | 0.70 |
| 689,900 Kasikornbank | 3,541 | 1.92 |

First State Asia All-Cap Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| VIETNAM (2.46% *) | 2,738 | 1.48 |
| 1,359,320 FPT | 1,905 | 1.03 |
| 720,450 Refrigeration Electrical Engineering | 833 | 0.45 |
| Portfolio of investments | 179,106 | 96.95 |
| Net other assets | 5,641 | 3.05 |
| Total net assets | 184,747 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as ADSs represent American Depositary Shares.

† This investment is a related party.

First State Asia All-Cap Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 143.92 | 120.03 | 100.00 |
| Return before operating charges* | 10.05 | 26.01 | 21.29 |
| Operating charges | (1.97) | (2.12) | (1.26) |
| Return after operating charges* | 8.08 | 23.89 | 20.03 |
| Distributions | (1.30) | (0.92) | (0.49) |
| Retained distributions on accumulation shares | 1.30 | 0.92 | 0.49 |
| Closing net asset value per share (p) | 152.00 | 143.92 | 120.03 |
| * after direct transaction costs of: | 0.40 | 0.25 | 0.15 |
| Performance | | | |
| Return after charges (%) | 5.61% | 19.90% | 20.03% |
| Other information | | | |
| Closing net asset value (£'000) | 184,747 | 7,674 | 3,887 |
| Closing number of shares | 121,543,265 | 5,332,127 | 3,238,286 |
| Operating charges | 1.31% | 1.60% | 1.60% |
| Direct transaction costs | 0.26% | 0.19% | 0.14% |
| Prices | | | |
| Highest share price | 158.55 | 146.83 | 121.19 |
| Lowest share price | 141.47 | 118.62 | 93.00 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 115.70 | 102.23 | 100.00 |
| Return before operating charges* | 8.38 | 15.17 | 3.61 |
| Operating charges | (1.62) | (1.70) | (1.38) |
| Return after operating charges* | 6.76 | 13.47 | 2.23 |
| Distributions | (0.94) | (0.77) | – |
| Retained distributions on accumulation shares | 0.94 | 0.77 | – |
| Closing net asset value per share (c) | 122.46 | 115.70 | 102.23 |
| * after direct transaction costs of: | 0.32 | 0.21 | 0.14 |
| Performance | | | |
| Return after charges (%) | 5.85% | 13.18% | 2.23% |
| Other information | | | |
| Closing net asset value (€'000) | 1 | 1 | 1 |
| Closing number of shares | 490 | 1,050 | 1,050 |
| Operating charges | 1.33% | 1.54% | 1.86% |
| Direct transaction costs | 0.26% | 0.19% | 0.14% |
| Prices | | | |
| Highest share price | 129.56 | 120.18 | 104.05 |
| Lowest share price | 112.45 | 101.53 | 86.07 |

First State Asia All-Cap Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|----------------|-----------------------|------------|
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (1,485) | | 911 |
| Revenue | 3 | 3,204 | | 146 | |
| Expenses | 4 | (1,392) | | (90) | |
| Interest payable and similar charges | | (6) | | — | |
| Net revenue before taxation | | 1,806 | | 56 | |
| Taxation | 5 | (261) | | (14) | |
| Net revenue after taxation | | | 1,545 | | 42 |
| Total return before distributions | | | 60 | | 953 |
| Distributions | 6 | | (1,545) | | (42) |
| Change in net assets attributable to shareholders from investment activities | | | (1,485) | | 911 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|----------------|-----------------------|--------------|
| Opening net assets attributable to shareholders | | 7,675 | | 3,888 |
| Amounts receivable on issue of shares | 177,589 | | 5,236 | |
| Amounts payable on cancellation of shares | (1,085) | | (2,447) | |
| | | 176,504 | | 2,789 |
| Dilution adjustment | | 473 | | 38 |
| Change in net assets attributable to shareholders from investment activities | | (1,485) | | 911 |
| Retained distribution on accumulation shares | | 1,580 | | 49 |
| Closing net assets attributable to shareholders | | 184,747 | | 7,675 |

Notes to the Financial Statements are on pages 35 to 40.

First State Asia All-Cap Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>179,106</u> | <u>7,696</u> |
| Current assets | | | |
| Debtors | 8 | 500 | 15 |
| Cash and bank balances | | <u>5,388</u> | <u>98</u> |
| Total assets | | <u>184,994</u> | <u>7,809</u> |
| Liabilities | | | |
| Creditors | | | |
| Other creditors | 9 | <u>(247)</u> | <u>(134)</u> |
| Total liabilities | | <u>(247)</u> | <u>(134)</u> |
| Net assets attributable to shareholders | | <u>184,747</u> | <u>7,675</u> |

Notes to the Financial Statements are on pages 35 to 40.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|----------------------------|-----------------------|-----------------------|
| Non-derivative securities | (1,186) | 914 |
| Currency losses | (273) | (3) |
| Custodial transaction fees | (26) | – |
| Net capital (losses)/gains | <u>(1,485)</u> | <u>911</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|------------------------------|-----------------------|-----------------------|
| Overseas taxable revenue | – | 1 |
| Overseas non-taxable revenue | 2,896 | 140 |
| Overseas scrip dividends | 308 | 5 |
| Total revenue | <u>3,204</u> | <u>146</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 1,393 | 77 |
| ACD's periodic charge rebate | (122) | (33) |
| | <u>1,271</u> | <u>44</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>30</u> | <u>1</u> |
| Other expenses: | | |
| Audit fee | 16 | 1 |
| Registrar fees | 4 | – |
| Safe custody charges | 25 | 1 |
| Other expenses | 46 | 43 |
| | <u>91</u> | <u>45</u> |
| Total expenses | <u>1,392</u> | <u>90</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 261 | 14 |
| Total taxation (note 5b) | 261 | 14 |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 1,806 | 56 |
| Corporation tax of 20% (2017: 20%) | 361 | 11 |
| Effects of: | | |
| Non-taxable scrip dividends* | (61) | (1) |
| Overseas non-taxable revenue* | (579) | (28) |
| Movement in excess management expenses | 279 | 18 |
| Irrecoverable overseas tax | 261 | 14 |
| Total tax charge for year (note 5a) | 261 | 14 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £304,578 (31/07/17: £25,158); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | – | 3 |
| Final distribution | 1,580 | 46 |
| | 1,580 | 49 |
| Add: revenue deducted on cancellation of shares | 1 | 9 |
| Deduct: revenue received on issue of shares | (36) | (16) |
| Net distributions for the year | 1,545 | 42 |

Details of the distribution per share are set out in the Distribution Tables on page 41.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--------------------------------|-----------------------|-----------------------|
| Net revenue after taxation | 1,545 | 42 |
| Net distributions for the year | 1,545 | 42 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Amounts receivable for issue of shares | 41 | — |
| Sales awaiting settlement | — | 7 |
| Accrued revenue | 453 | 8 |
| Overseas withholding tax | 6 | — |
| Total debtors | 500 | 15 |

9. Other creditors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Purchases awaiting settlement | — | 85 |
| Amounts payable for cancellation of shares | 5 | — |
| Accrued expenses | 242 | 49 |
| Total other creditors | 247 | 134 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 July 2018 £'000 | 31 July 2017 £'000 | 31 July 2018 £'000 | 31 July 2017 £'000 |
| Equities | 184,826 | 4,830 | 14,831 | 1,961 |
| Collective investment scheme | 6,738 | — | 4,740 | — |
| Trades in the year before transaction costs | 191,564 | 4,830 | 19,571 | 1,961 |
| Commissions | | | | |
| Equities | 160 | 5 | (11) | (2) |
| Taxes | | | | |
| Equities | 97 | 2 | (27) | (3) |
| Total costs | 257 | 7 | (38) | (5) |
| Total net trades in the year after transaction costs | 191,821 | 4,837 | 19,533 | 1,956 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 31 July 2018 % | 31 July 2017 % | 31 July 2018 % | 31 July 2017 % |
| Commissions | | | | |
| Equities | 0.09 | 0.10 | 0.07 | 0.10 |
| Taxes | | | | |
| Equities | 0.05 | 0.04 | 0.18 | 0.15 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 % | 31 July 2017 % |
|--------------------|-------------------|-------------------|
| Commissions | | |
| Taxes | 0.15 | 0.11 |
| Total costs | 0.26 | 0.19 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.33% (31/07/17: 0.31%).

Notes to the Financial Statements

(continued)

as at 31 July 2018

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £17,910,638 (31/07/17: £769,583).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 2.92% (31/07/17: 1.28%) of the Fund's assets were interest-bearing.

As exposure to interest-rate risk is not significant, no additional numerical or sensitivity analysis is presented.

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|-------------------|---|---|
| Currency | Total £'000 | Total £'000 |
| Australian dollar | 11,699 | 508 |
| Bangladeshi taka | 156 | 116 |
| Chinese yuan | 7,149 | 220 |
| Euro | 1,792 | 2 |
| Hong Kong dollar | 37,672 | 1,641 |
| Indian rupee | 10,586 | — |
| Indonesian rupiah | 8,143 | 292 |
| Japanese yen | 8,595 | 386 |
| Pakistan rupee | 1,055 | 36 |
| Philippine peso | 10,904 | 692 |
| Singapore dollar | 8,956 | 273 |
| South Korean won | 19,759 | 854 |
| Sri Lankan rupee | 5,942 | 254 |
| Taiwanese dollar | 20,214 | 768 |
| Thai baht | 4,838 | 204 |
| US dollar | 21,290 | 1,195 |
| Vietnamese dong | 2,738 | 189 |
| Total | <u>181,488</u> | <u>7,630</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £9,074,398 (31/07/17: £381,527).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £193,284 (31/07/17: £8,167) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 3.93% (31/07/17: 99.07%) of the net asset value of the Fund.

Investments considered to be related parties have been identified in the Portfolio Statement if held at the year end. Total purchases of related-party securities were £6,738,218 (31/07/17: £183,617). Total sales of related-party securities were £4,739,773 (31/07/17: £60,112).

Material Shareholders

Clearstream Banking S.A. held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 95.2% of the Fund's shares in issue.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class B Accumulation | 1.25 |
| Share class B Accumulation (EUR share class) | 1.25 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 31 to 32.

The distributions per share class are given in the Distribution Tables on page 41.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | Shares converted | 31 July 2018 Closing shares in issue |
|--|---|-------------|---------------|---------------------|--|
| Share class B Accumulation | 5,332,127 | 116,906,757 | (695,619) | – | 121,543,265 |
| Share class B Accumulation (EUR share class) | 1,050 | – | (560) | – | 490 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 176,352 | – | 7,181 | – |
| Level 2 | 2,754 | – | 515 | – |
| Level 3 | – | – | – | – |
| Total fair value | 179,106 | – | 7,696 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Asia All-Cap Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | 0.0567 |
| Final | 1.2998 | – | 1.2998 | 0.8661 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | 0.0567 |
| Final | 1.2161 | 0.0837 | 1.2998 | 0.8661 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | 0.0819 |
| Final | 0.9428 | – | 0.9428 | 0.6904 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | 0.0819 |
| Final | 0.9428 | – | 0.9428 | 0.6904 |

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

At least 80% of the net assets of the Fund will be invested in large-capitalisation and mid-capitalisation equities issued by companies that are established, operating or have their economic activity mainly in the Asia Pacific region (excluding Japan, including Australasia) and that are listed, traded or dealt in on regulated markets worldwide and in equity-related instruments listed, traded or dealt in on regulated markets worldwide that provide exposure to the Asia Pacific region (as defined above).

Up to 20% of the net assets of the Fund may be invested in other equities and equity-related instruments that are listed, traded or dealt in on regulated markets worldwide.

In order to gain exposure to these types of equities and equity-related instruments, up to 10% of the net assets of the Fund may be invested in other collective investment schemes, including in collective investment schemes managed by the ACD or its associates ("Associated Schemes"), and/or other Funds of the Company ("Second Funds").

Investment may be in cash or near cash.

The Fund may use derivatives for efficient portfolio management purposes only.

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

Risks and reward profile

| | ← Lower Risk | | | | Higher Risk → | | |
|--|---------------------------|---|---|---|----------------------------|---|---|
| | Potentially Lower Rewards | | | | Potentially Higher Rewards | | |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Authorized Fund Manager's Report

(continued)

for the year ended 31 July 2018

Performance

The Fund rose by 11.7% in sterling terms over the twelve months to 31 July 2018.

Key contributors to performance over the year included CSL, which saw accelerating demand for its core immunoglobulin products, used increasingly as a secondary treatment for haematological cancers. ENN Energy outperformed, driven by growth expectations for the year ahead. China's environmental policies and "coal-to-gas" projects for local governments should continue to fuel higher levels of gas consumption.

On the negative side, Delta Electronics fell after it lowered its 2018 earnings forecast due to raw material shortages and adverse currency movements. Ramsay Health Care slumped after it lowered its earnings guidance for 2018. Operating conditions are expected to remain challenging in both its home market of Australia as well as in the UK.

Portfolio changes

Significant new purchases over the twelve months included Tata Consultancy Services (TCS) and Tech Mahindra, two Indian IT service providers, after recent meetings provided optimism with respect to their growth prospects. The Fund also bought HDFC Bank, one of the better quality private sector banks in India that have been aggressively taking market share from the inefficient and poorly-managed state banks.

The Fund divested Infosys Technologies on concerns around the political in-fighting at the company, which led to the resignation of the CEO, and sold SM Investments as the risk/reward no longer looked attractive on a valuations basis. The Fund also disposed of Singapore Telecom on concerns around greater competitive pressures in its domestic market as well as in Australia.

Outlook

The Manager remains cautious in its outlook for Asian equities. Rising US interest rates and the pressure on emerging market currencies have triggered interest rate hikes in a number of Asian markets, which could pose considerable risk for companies that have over-leveraged. Debt levels cannot continue to rise forever, but this will perhaps not become obvious until interest rates normalise. Asian companies' earnings growth estimates have begun to taper on fears of a deterioration in the global economy; the trade war between the US and China finally began, with import tariffs on US\$50 billion worth of goods on both sides and threats of further escalation.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 3.6 | 1.9 | 11.7 | — | — | — | 79.8 |
| Benchmark return % | 1.3 | (1.6) | 5.8 | — | — | — | 83.1 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 11.7 | 18.9 | — | — | — |
| Benchmark return % | 5.8 | 25.4 | — | — | — |

Benchmark: MSCI AC Asia Pacific ex Japan Index.

Sector: IA Asia Pacific (ex-Japan).

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|------------------------------------|-----------|---|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Taiwan Semiconductor Manufacturing | 5.27 | Taiwan Semiconductor Manufacturing | 6.29 |
| HDFC Bank ADR | 4.35 | First State Indian Subcontinent Fund 3 Accumulation USD | 5.00 |
| CSL | 3.55 | HDFC Bank ADR | 4.78 |
| Housing Development Finance | 3.30 | CSL | 3.96 |
| Oversea-Chinese Banking | 3.29 | CK Hutchison | 3.59 |
| Samsung Electronics pref. | 3.00 | Samsung Electronics pref. | 2.89 |
| Midea | 2.63 | Housing Development Finance | 2.84 |
| ENN Energy | 2.46 | Ramsay Health Care | 2.31 |
| AIA | 2.28 | Dairy Farm International | 2.26 |
| China Mengniu Dairy | 2.14 | Jardine Matheson | 2.07 |

Types of shares

Accumulation.

First State Asia Focus Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| UNITED STATES (1.57%*) | 8,183 | 2.06 |
| 27,776 3M | 4,495 | 1.13 |
| 19,592 Baidu ADR | 3,688 | 0.93 |
| SPAIN (0.00%*) | 3,614 | 0.91 |
| 154,076 Cie Automotive | 3,614 | 0.91 |
| JAPAN (4.93%*) | 18,431 | 4.65 |
| 11,100 Keyence | 4,446 | 1.12 |
| 234,400 Misumi | 4,535 | 1.14 |
| 67,600 Pigeon | 2,468 | 0.62 |
| 8,600 Ryohin Keikaku | 2,097 | 0.53 |
| 29,900 Tsuruha | 2,798 | 0.71 |
| 90,200 Uni-charm | 2,087 | 0.53 |
| AUSTRALIA (8.37%*) | 25,608 | 6.45 |
| 126,683 CSL | 14,115 | 3.55 |
| 176,584 Ramsay Health Care | 5,628 | 1.42 |
| 734,470 ResMed | 5,865 | 1.48 |
| CHINA (9.84%*) | 50,051 | 12.61 |
| 3,609,000 China Mengniu Dairy | 8,520 | 2.14 |
| 1,093,960 China Resources Land | 3,045 | 0.77 |
| 89,000 Ctrip.com International ADS | 2,792 | 0.70 |
| 1,260,000 ENN Energy | 9,774 | 2.46 |
| 64,654 First State China Fund 'A' Incomet | 1,095 | 0.28 |
| 1,363,635 Fuyao Glass Industry 'H' | 3,762 | 0.95 |
| 797,026 Gree Electric Appliances Inc. of Zhuhai | 3,937 | 0.99 |
| 1,958,804 Midea | 10,428 | 2.63 |
| 993,349 Shanghai International Airport | 6,698 | 1.69 |
| HONG KONG (16.23%*) | 52,555 | 13.24 |
| 474,500 AAC Technologies | 4,605 | 1.16 |
| 1,362,000 AIA | 9,064 | 2.28 |
| 511,100 ASM Pacific Technology | 4,672 | 1.18 |
| 617,000 CK Hutchison | 5,110 | 1.29 |
| 1,592,000 CSPC Pharmaceutical | 3,170 | 0.80 |
| 115,517 Jardine Matheson | 5,938 | 1.49 |
| 504,500 Link REIT** | 3,811 | 0.96 |
| 1,732,000 Minth | 4,964 | 1.25 |
| 936,500 Techtronic Industries | 3,962 | 1.00 |
| 2,678,000 Vitasoy International | 7,259 | 1.83 |
| INDIA (15.38%*) | 81,740 | 20.60 |
| 1,695,429 Ambuja Cements | 4,342 | 1.09 |
| 737,003 Axis Bank | 4,497 | 1.13 |
| 17,690 Bosch | 3,713 | 0.94 |
| 220,162 First State Indian Subcontinent Fund 3 Accumulation USD† | 4,510 | 1.14 |
| 579,396 Godrej Industries | 4,187 | 1.06 |
| 566,835 HDFC Bank ADS | 17,256 | 4.35 |
| 592,830 Housing Development Finance | 13,105 | 3.30 |
| 321,504 Kotak Mahindra Bank | 4,671 | 1.18 |
| 523,689 Marico | 2,118 | 0.53 |
| 40,143 Max Ventures | 29 | 0.01 |
| 302,741 Mphasis | 3,887 | 0.98 |
| 37,672 Nestlé India | 4,420 | 1.11 |
| 380,472 Tata Consultancy Services | 8,217 | 2.07 |
| 898,114 Tech Mahindra | 6,788 | 1.71 |

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| INDONESIA (1.64%*) | 7,024 | 1.77 |
| 4,554,600 Bank Central Asia | 5,562 | 1.40 |
| 1,957,600 Indocement Tunggal Prakarsa | 1,462 | 0.37 |
| MALAYSIA (0.91%*) | 3,866 | 0.97 |
| 858,300 Public Bank | 3,866 | 0.97 |
| PHILIPPINES (6.85%*) | 15,232 | 3.84 |
| 1,805,880 BDO Unibank | 3,409 | 0.86 |
| 13,979,100 DMCI | 2,356 | 0.59 |
| 9,691,300 Manila Water | 3,652 | 0.92 |
| 3,171,930 Universal Robina | 5,815 | 1.47 |
| SINGAPORE (6.67%*) | 29,365 | 7.40 |
| 1,080,800 Dairy Farm International | 6,732 | 1.70 |
| 416,212 DBS | 6,235 | 1.57 |
| 177,900 Jardine Cycle & Carriage | 3,349 | 0.84 |
| 2,013,989 Oversea-Chinese Banking | 13,049 | 3.29 |
| SOUTH KOREA (9.28%*) | 31,731 | 8.00 |
| 9,632 Amorepacific | 629 | 0.16 |
| 410,787 Hanon Systems | 2,981 | 0.75 |
| 18,720 Hanssem | 1,226 | 0.31 |
| 27,901 LG | 1,432 | 0.36 |
| 16,697 LG Chemical | 4,267 | 1.08 |
| 5,963 LG Household & Healthcare | 4,917 | 1.24 |
| 8,936 NAVER | 4,354 | 1.10 |
| 457,488 Samsung Electronics pref. | 11,925 | 3.00 |
| TAIWAN (12.25%*) | 40,433 | 10.19 |
| 1,218,191 Advantech | 6,128 | 1.54 |
| 1,537,589 Delta Electronics | 4,058 | 1.02 |
| 461,000 Nien Made Enterprise | 3,036 | 0.77 |
| 371,000 President Chain Store | 3,100 | 0.78 |
| 3,420,000 Taiwan Semiconductor Manufacturing | 20,908 | 5.27 |
| 1,592,000 Uni-President Enterprises | 3,203 | 0.81 |
| THAILAND (2.76%*) | 10,819 | 2.73 |
| 1,864,000 Delta Electronics | 2,968 | 0.75 |
| 1,529,600 Kasikornbank | 7,851 | 1.98 |
| VIETNAM (1.46%*) | 3,893 | 0.98 |
| 2,175,066 FPT | 3,048 | 0.77 |
| 730,890 Refrigeration Electrical Engineering | 845 | 0.21 |
| Portfolio of investments | 382,545 | 96.40 |
| Net other assets | 14,272 | 3.60 |
| Total net assets | 396,817 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

** Real estate investment trust (REIT).

Stocks shown as ADSs represent American Depositary Shares.

Stocks shown as ADRs represent American Depositary Receipts.

† This investment is a related party.

First State Asia Focus Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 160.71 | 135.21 | 100.00 |
| Return before operating charges* | 21.12 | 27.04 | 36.32 |
| Operating charges | (1.57) | (1.54) | (1.11) |
| Return after operating charges* | 19.55 | 25.50 | 35.21 |
| Distributions | (1.73) | (1.60) | (0.81) |
| Retained distributions on accumulation shares | 1.73 | 1.60 | 0.81 |
| Closing net asset value per share (p) | 180.26 | 160.71 | 135.21 |
| * after direct transaction costs of: | 0.31 | 0.18 | 0.13 |
| Performance | | | |
| Return after charges (%) | 12.16% | 18.86% | 35.21% |
| Other information | | | |
| Closing net asset value (£'000) | 338,573 | 35,224 | 16,687 |
| Closing number of shares | 187,829,120 | 21,918,144 | 12,341,311 |
| Operating charges | 0.91% | 1.04% | 1.04% |
| Direct transaction costs | 0.18% | 0.12% | 0.12% |
| Prices | | | |
| Highest share price | 184.08 | 163.30 | 136.40 |
| Lowest share price | 159.56 | 133.23 | 99.66 |

Share class B Accumulation was launched on 24 August 2015.

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 131.60 | 117.30 | 100.00 |
| Return before operating charges* | 17.48 | 15.51 | 18.28 |
| Operating charges | (1.31) | (1.21) | (0.98) |
| Return after operating charges* | 16.17 | 14.30 | 17.30 |
| Distributions | (1.44) | (1.41) | (0.72) |
| Retained distributions on accumulation shares | 1.44 | 1.41 | 0.72 |
| Closing net asset value per share (c) | 147.77 | 131.60 | 117.30 |
| * after direct transaction costs of: | 0.26 | 0.15 | 0.13 |
| Performance | | | |
| Return after charges (%) | 12.28% | 12.19% | 17.30% |
| Other information | | | |
| Closing net asset value (€'000) | 64,444 | 50,856 | 49,514 |
| Closing number of shares | 43,609,210 | 38,643,504 | 42,211,296 |
| Operating charges | 0.92% | 0.97% | 0.97% |
| Direct transaction costs | 0.18% | 0.12% | 0.12% |
| Prices | | | |
| Highest share price | 152.93 | 135.90 | 119.24 |
| Lowest share price | 129.15 | 115.84 | 97.20 |

Share class B Accumulation (EUR share class) was launched on 24 August 2015.

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (USD share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 134.39 | 113.45 | 100.00 |
| Return before operating charges* | 17.47 | 22.08 | 14.39 |
| Operating charges | (1.36) | (1.14) | (0.94) |
| Return after operating charges* | 16.11 | 20.94 | 13.45 |
| Distributions | (1.46) | (1.42) | (0.77) |
| Retained distributions on accumulation shares | 1.46 | 1.42 | 0.77 |
| Closing net asset value per share (c) | 150.50 | 134.39 | 113.45 |
| * after direct transaction costs of: | 0.27 | 0.15 | 0.13 |
| Performance | | | |
| Return after charges (%) | 11.99% | 18.46% | 13.45% |
| Other information | | | |
| Closing net asset value (\$'000) | 998 | 1,489 | 311 |
| Closing number of shares | 662,891 | 1,108,231 | 273,656 |
| Operating charges | 0.92% | 0.95% | 0.94% |
| Direct transaction costs | 0.18% | 0.12% | 0.12% |
| Prices | | | |
| Highest share price | 160.45 | 135.02 | 114.34 |
| Lowest share price | 132.20 | 106.90 | 93.65 |

Share class B Accumulation (USD share class) was launched on 24 August 2015.

First State Asia Focus Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 | | 31 July 2017 | |
|---|-------|--------------|---------------|--------------|---------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains | 2 | | 18,360 | | 11,753 |
| Revenue | 3 | 5,750 | | 1,613 | |
| Expenses | 4 | (2,094) | | (666) | |
| Interest payable and similar charges | | (8) | | (1) | |
| Net revenue before taxation | | 3,648 | | 946 | |
| Taxation | 5 | (1,053) | | (122) | |
| Net revenue after taxation | | | 2,595 | | 824 |
| Total return before distributions | | | 20,955 | | 12,577 |
| Distributions | 6 | | (3,273) | | (824) |
| Change in net assets attributable to shareholders from investment activities | | | 17,682 | | 11,753 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 | | 31 July 2017 | |
|--|--------------|----------------|--------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 81,822 | | 58,673 |
| Amounts receivable on issue of shares | 301,622 | | 22,343 | |
| Less: Amounts payable on cancellation of shares | (8,302) | | (11,827) | |
| | | 293,320 | | 10,516 |
| Dilution adjustment | | 266 | | 38 |
| Change in net assets attributable to shareholders from investment activities | | 17,682 | | 11,753 |
| Retained distribution on accumulation shares | | 3,727 | | 842 |
| Closing net assets attributable to shareholders | | 396,817 | | 81,822 |

Notes to the Financial Statements are on pages 52 to 57.

First State Asia Focus Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>382,545</u> | <u>80,304</u> |
| Current assets | | | |
| Debtors | 8 | 2,894 | 1,661 |
| Cash and bank balances | | <u>12,383</u> | <u>1,812</u> |
| Total assets | | <u>397,822</u> | <u>83,777</u> |
| Liabilities | | | |
| Creditors | | | |
| Other creditors | 9 | <u>(1,005)</u> | <u>(1,955)</u> |
| Total liabilities | | <u>(1,005)</u> | <u>(1,955)</u> |
| Net assets attributable to shareholders | | <u>396,817</u> | <u>81,822</u> |

Notes to the Financial Statements are on pages 52 to 57.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 18,757 | 11,837 |
| Forward foreign exchange currency contracts | (2) | – |
| Currency losses | (378) | (84) |
| Custodial transaction fees | (17) | – |
| Net capital gains | <u>18,360</u> | <u>11,753</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Overseas taxable revenue | – | 1 |
| Overseas non-taxable revenue | 5,108 | 1,460 |
| Property revenue from overseas REITs | 90 | 45 |
| Overseas scrip dividends | 538 | 74 |
| Distributions from regulated collective investment schemes: | | |
| Offshore distribution non-taxable | 13 | 32 |
| Interest from bank deposits | 1 | 1 |
| Total revenue | <u>5,750</u> | <u>1,613</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 1,998 | 570 |
| ACD's periodic charge rebate | (97) | – |
| | <u>1,901</u> | <u>570</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>31</u> | <u>11</u> |
| Other expenses: | | |
| Audit fee | 14 | 6 |
| Registrar fees | 58 | 24 |
| Safe custody charges | 38 | 6 |
| Other expenses | 52 | 49 |
| | <u>162</u> | <u>85</u> |
| Total expenses | <u>2,094</u> | <u>666</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 375 | 122 |
| Indian capital gains tax | 678 | – |
| Total taxation (note 5b) | <u>1,053</u> | <u>122</u> |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 3,648 | 946 |
| Corporation tax of 20% (2017: 20%) | <u>730</u> | <u>189</u> |
| Effects of: | | |
| Non-taxable scrip dividends* | (108) | (15) |
| Overseas non-taxable revenue* | (1,024) | (298) |
| Movement in excess management expenses | 402 | 124 |
| Irrecoverable overseas tax | 375 | 122 |
| Indian capital gains tax | 678 | – |
| Total tax charge for year (note 5a) | <u>1,053</u> | <u>122</u> |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £598,896 (31/07/17: £196,637); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 173 | 158 |
| Final distribution | <u>3,554</u> | <u>684</u> |
| | 3,727 | 842 |
| Add: revenue deducted on cancellation of shares | 21 | 43 |
| Deduct: revenue received on issue of shares | <u>(475)</u> | <u>(61)</u> |
| Net distributions for the year | <u>3,273</u> | <u>824</u> |

Details of the distribution per share are set out in the Distribution Tables on pages 58 to 59.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--------------------------------|-----------------------|-----------------------|
| Net revenue after taxation | 2,595 | 824 |
| Indian capital gains tax | 678 | – |
| Net distributions for the year | <u>3,273</u> | <u>824</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Sales awaiting settlement | – | 1,533 |
| Amounts receivable for issue of shares | 2,151 | 61 |
| Accrued revenue | 732 | 67 |
| Overseas withholding tax | 11 | – |
| Total debtors | <u>2,894</u> | <u>1,661</u> |

9. Other creditors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Amounts payable for cancellation of shares | – | 1,845 |
| Accrued expenses | 1,005 | 110 |
| Total other creditors | <u>1,005</u> | <u>1,955</u> |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 July 2018 £'000 | 31 July 2017 £'000 | 31 July 2018 £'000 | 31 July 2017 £'000 |
| Equities | 300,850 | 29,364 | 18,358 | 17,047 |
| Collective investment scheme | – | – | – | 1,314 |
| Trades in the year before transaction costs | <u>300,850</u> | <u>29,364</u> | <u>18,358</u> | <u>18,361</u> |
| Commissions | | | | |
| Equities | 239 | 37 | (14) | (18) |
| Taxes | | | | |
| Equities | 156 | 11 | (20) | (21) |
| Total costs | <u>395</u> | <u>48</u> | <u>(34)</u> | <u>(39)</u> |
| Total net trades in the year after transaction costs | <u>301,245</u> | <u>29,412</u> | <u>18,324</u> | <u>18,322</u> |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 31 July 2018 % | 31 July 2017 % | 31 July 2018 % | 31 July 2017 % |
| Commissions | | | | |
| Equities | 0.08 | 0.13 | 0.08 | 0.11 |
| Taxes | | | | |
| Equities | 0.05 | 0.04 | 0.11 | 0.12 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 % | 31 July 2017 % |
|-------------|-------------------|-------------------|
| Commissions | 0.11 | 0.08 |
| Taxes | 0.07 | 0.04 |
| Total costs | <u>0.18</u> | <u>0.12</u> |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.17% (31/07/17: 0.23%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £38,254,999 (31/07/17: £8,030,437).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 3.12% (31/07/17: 2.21%) of the Fund's assets were interest-bearing.

As exposure to interest-rate risk is not significant, no additional numerical or sensitivity analysis is presented.

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|-------------------|---|---|
| Currency | Total £'000 | Total £'000 |
| Australian dollar | 25,777 | 6,850 |
| Chinese yuan | 21,063 | 3,275 |
| Euro | 3,820 | 80 |
| Hong Kong dollar | 72,741 | 15,379 |
| Indian rupee | 75,743 | 3,521 |
| Indonesian rupiah | 7,024 | 1,342 |
| Japanese yen | 18,513 | 4,037 |
| Malaysian ringgit | 3,866 | 743 |
| Philippine peso | 15,232 | 5,607 |
| Singapore dollar | 23,038 | 3,711 |
| South Korean won | 31,830 | 7,602 |
| Taiwanese dollar | 40,768 | 10,194 |
| Thai baht | 10,819 | 2,342 |
| US dollar | 34,354 | 16,468 |
| Vietnamese dong | 3,893 | 1,196 |
| Total | <u>388,481</u> | <u>82,347</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £19,424,035 (31/07/17: £4,117,383).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £280,592 (31/07/17: £59,916) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.84% (31/07/17: 3.62%) of the net asset value of the Fund.

Investments considered to be related parties have been identified in the Portfolio Statement if held at the year end. Total purchases of related-party securities were £nil (31/07/17: £nil). Total sales of related-party securities were £nil (31/07/17: £1,314,221).

Material Shareholders

Hargreaves Lansdown Nominees Limited, Minster Nominees Limited and DZ PrivatBank S.A. held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 35.2%, 14.0% and 12.2% of the Fund's shares in issue respectively.

14. Share classes

The Fund has three share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class B Accumulation | 0.85 |
| Share class B Accumulation (EUR share class) | 0.85 |
| Share class B Accumulation (USD share class) | 0.85 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes (continued)

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 47 to 49.

The distributions per share class are given in the Distribution Tables on pages 58 to 59.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted Closing shares in issue |
|--|---|-------------|---------------|--|
| Share class B Accumulation | 21,918,144 | 166,990,598 | (1,079,622) | — 187,829,120 |
| Share class B Accumulation (EUR share class) | 38,643,504 | 8,574,877 | (3,609,171) | — 43,609,210 |
| Share class B Accumulation (USD share class) | 1,108,231 | 1,297,108 | (1,742,448) | — 662,891 |

15. Fair value

| | 31 July 2018 | | 31 July 2017 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| Valuation technique | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 376,940 | — | 75,229 | — |
| Level 2 | 5,605 | — | 5,075 | — |
| Level 3 | — | — | — | — |
| Total fair value | 382,545 | — | 80,304 | — |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Asia Focus Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.1119 | – | 0.1119 | 0.2847 |
| Final | 1.6152 | – | 1.6152 | 1.3154 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 0.1119 | 0.1119 | 0.2847 |
| Final | 1.2152 | 0.4000 | 1.6152 | 1.3154 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.1171 | – | 0.1171 | 0.2907 |
| Final | 1.3194 | – | 1.3194 | 1.1187 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | 0.1171 | 0.1171 | 0.2907 |
| Final | 0.5954 | 0.7240 | 1.3194 | 1.1187 |

Share class B Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.1319 | – | 0.1319 | 0.2769 |
| Final | 1.3320 | – | 1.3320 | 1.1454 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | 0.1319 | 0.1319 | 0.2769 |
| Final | 1.0119 | 0.3201 | 1.3320 | 1.1454 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund invests in equities issued by companies that are incorporated or listed, or conduct the majority of their economic activity, in the Asia Pacific region (excluding Japan, including Australasia). •

- Clarification point: "Australasia" refers to Australia, New Zealand and other South-East Asian countries.

Risks and reward profile

← Lower Risk Higher Risk →

Potentially Lower Rewards Potentially Higher Rewards

| | | | | | | | |
|----------------------------|---|---|---|---|---|---|---|
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risk:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund. For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 4.1% in sterling terms over the twelve months and has provided cumulative returns of 39.2% and 68.5% over three and five years respectively to 31 July 2018.

On the positive side, Uni-President Enterprises gained as it continued to show improvements in its China business and Tata Consultancy Services rose on good results. Tata Global Beverages climbed on improving operating performance.

Idea Cellular declined on concerns about competition and poor profitability, and Delfi fell on weak demand in Indonesia where confectionary remains an aspirational good. Standard Foods declined on disappointing results from its China business.

Portfolio changes

Significant purchases over the twelve months included Kuala Lumpur Kepong, a family-owned palm oil business with strong finances, which has displayed careful financial governance in the past. The Fund bought Infosys, a software services company based in Bangalore that has an impressive culture and business franchise. The Fund also bought KT, an unpopular but attractively valued company.

The Fund sold Oversea-Chinese Banking on valuation concerns and its high exposure to China. The Fund also sold Housing Development Finance and Hong Kong & China Gas on valuation concerns.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Outlook

The Manager continues to believe that the Asian region is an attractive prospect for the long-term investor and would argue it is home to many high-quality companies and a significant number of world-class stewards. The Manager believes that their disciplined, independent investment approach to owning quality companies in the region over the long term offers the opportunity to continue to deliver long-term, risk-adjusted returns for clients.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | (1.8) | (1.8) | 4.1 | 39.2 | 68.5 | 240.9 | 900.2 |
| Benchmark return % | 1.3 | (1.6) | 5.8 | 55.6 | 64.1 | 161.7 | 409.9 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 4.1 | 11.8 | 19.6 | 9.9 | 10.2 |
| Benchmark return % | 5.8 | 25.4 | 17.2 | (1.5) | 7.0 |

Benchmark: MSCI AC Asia Pacific (ex-Japan) Index.

Sector: IA Specialist.

This Fund was previously part of the IA Asia Pacific excluding Japan Sector. Due to the changing geographical nature of the earnings of the stocks in this portfolio, this Fund was then reclassified by the IA as IA Specialist Sector during 2017. The performance ranking of funds within the IA Specialist sector is not viewed as a fair comparison given the diverse nature of the funds within the sector. Performance statistics are therefore noted versus the benchmark rather than the IA sector. The Specialist sector constituents are defined by the IA as funds that have an investment universe that is not accommodated by the other IA mainstream sectors.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Please note that the Stewart Investors Asia Pacific Fund A Accumulation GBP share class launched on 30/06/1988. For historic performance of this share class, please see the factsheets by visiting firststateinvestments.com

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|---------------------------|-----------|---------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Cyient | 4.04 | Standard Foods | 4.40 |
| Newcrest Mining | 4.01 | Oversea-Chinese Banking | 4.29 |
| Tata Global Beverages | 3.75 | Tata Consultancy Services | 4.13 |
| Brambles | 3.51 | Newcrest Mining | 3.80 |
| Haw Par | 3.11 | MediaTek | 3.40 |
| Tata Consultancy Services | 3.03 | Tata Global Beverages | 3.33 |
| Tata Power | 2.90 | Uni-President Enterprises | 2.98 |
| CK Hutchison | 2.84 | Cyient | 2.89 |
| Infosys | 2.82 | Brambles | 2.75 |
| United Breweries | 2.81 | ASUSTeK Computer | 2.70 |

Types of shares

Income and Accumulation.

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED KINGDOM (0.36%*) | 3,116 | 0.42 |
| 3,638,695 Myanmar Investments International | 3,051 | 0.41 |
| 343,315 Myanmar Investments International warrants 21/6/2018# | 65 | 0.01 |
| AUSTRALIA (7.13%*) | 55,680 | 7.52 |
| 4,641,519 Brambles | 25,989 | 3.51 |
| 2,423,187 Newcrest Mining | 29,691 | 4.01 |
| CHINA (1.91%*) | — | — |
| HONG KONG (14.61%*) | 98,904 | 13.36 |
| 11,630,856 China Resources Pharmaceutical | 12,904 | 1.74 |
| 2,542,256 CK Hutchison | 21,055 | 2.84 |
| 33,270,000 Greatview Aseptic Packaging | 16,419 | 2.22 |
| 2,593,200 Hong Kong Aircraft Engineering | 17,433 | 2.36 |
| 46,940,000 Li & Fung | 12,084 | 1.63 |
| 8,657,000 Vinda International | 12,027 | 1.63 |
| 818,595 Vtech | 6,982 | 0.94 |
| INDIA (24.49%*) | 226,631 | 30.61 |
| 2,897,241 Cipla | 20,610 | 2.78 |
| 3,848,615 Cyient | 29,944 | 4.04 |
| 667,888 Dr. Reddy's Laboratories | 15,812 | 2.14 |
| 2,104,378 Elgi Equipments | 6,760 | 0.91 |
| 10,005,861 Federal Bank | 9,915 | 1.34 |
| 23,953,360 Idea Cellular | 14,537 | 1.96 |
| 1,371,850 Infosys | 20,846 | 2.82 |
| 3,804,436 Narayana Hrudayalaya | 10,952 | 1.48 |
| 2,208,561 SH Kelkar | 4,824 | 0.65 |
| 1,037,472 Tata Consultancy Services | 22,406 | 3.03 |
| 10,110,087 Tata Global Beverages | 27,768 | 3.75 |
| 25,928,840 Tata Power | 21,442 | 2.90 |
| 1,694,752 United Breweries | 20,815 | 2.81 |
| INDONESIA (1.73%*) | 17,688 | 2.39 |
| 231,444,500 Bank OCBC Nisp | 10,400 | 1.41 |
| 181,378,600 Holcim Indonesia | 7,288 | 0.98 |
| MALAYSIA (0.00%*) | 16,796 | 2.27 |
| 3,622,900 Kuala Lumpur Kepong | 16,796 | 2.27 |
| PHILIPPINES (0.98%*) | 18,640 | 2.52 |
| 10,168,260 Universal Robina | 18,640 | 2.52 |
| SINGAPORE (16.08%*) | 85,569 | 11.56 |
| 8,298,900 ComfortDelGro | 10,921 | 1.47 |
| 1,956,700 Dairy Farm International | 12,187 | 1.65 |
| 25,715,873 Ezion warrants 24/4/2020 | 58 | 0.01 |
| 9,954,070 Ezion warrants 06/4/2023# | — | — |
| 2,983,000 Haw Par | 23,053 | 3.11 |
| 30,883,500 Petra Foods | 19,889 | 2.69 |
| 31,307,593 Raffles Medical | 19,461 | 2.63 |

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| SOUTH KOREA (5.47%*) | 63,193 | 8.54 |
| 257,801 Amorepacific | 16,831 | 2.27 |
| 1,628,266 KT ADR | 16,993 | 2.30 |
| 313,106 LEENO Industrial | 14,104 | 1.91 |
| 417,128 Youngone | 15,265 | 2.06 |
| SRI LANKA (3.85%*) | 18,355 | 2.48 |
| 15,486,461 John Keells | 10,316 | 1.39 |
| 15,788,969 Nations Trust Bank | 6,793 | 0.92 |
| 2,745,907 Nations Trust Bank Non-Voting Convertible Shares | 1,246 | 0.17 |
| TAIWAN (16.44%*) | 56,737 | 7.66 |
| 3,168,000 ASUSTeK Computer | 20,787 | 2.81 |
| 772,000 Advantech | 3,883 | 0.52 |
| 1,823,000 MediaTek | 11,508 | 1.55 |
| 1,322,895 Standard Foods | 1,950 | 0.26 |
| 4,037,000 Uni-President Enterprises | 8,123 | 1.10 |
| 793,000 Voltronic Power Technology | 10,486 | 1.42 |
| THAILAND (1.55%*) | 1,127 | 0.15 |
| 707,442 Delta Electronics | 1,127 | 0.15 |
| Portfolio of investments | 662,436 | 89.48 |
| Net other assets | 77,861 | 10.52 |
| Total net assets | 740,297 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Unquoted Securities: for the year ended 31 July 2018, these amount to 0.01% (31 July 2017: 0.00%) of the Net Asset Value of the sub-fund.

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 1,283.27 | 1,156.75 | 974.76 |
| Return before operating charges* | 71.59 | 149.29 | 199.91 |
| Operating charges | (24.16) | (22.77) | (17.92) |
| Return after operating charges* | 47.43 | 126.52 | 181.99 |
| Distributions | (5.05) | (2.93) | (2.88) |
| Retained distributions on accumulation shares | 5.05 | 2.93 | 2.88 |
| Closing net asset value per share (p) | 1,330.70 | 1,283.27 | 1,156.75 |
| * after direct transaction costs of: | 2.22 | 2.18 | 1.14 |
| Performance | | | |
| Return after charges (%) | 3.70% | 10.94% | 18.67% |
| Other information | | | |
| Closing net asset value (£'000) | 116,379 | 131,028 | 137,622 |
| Closing number of shares | 8,745,690 | 10,210,491 | 11,897,315 |
| Operating charges | 1.82% | 1.84% | 1.85% |
| Direct transaction costs | 0.17% | 0.18% | 0.12% |
| Prices | | | |
| Highest share price | 1,409.30 | 1,313.05 | 1,168.03 |
| Lowest share price | 1,245.90 | 1,146.69 | 851.43 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class A Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 232.09 | 209.68 | 177.12 |
| Return before operating charges* | 12.95 | 28.12 | 36.74 |
| Operating charges | (4.30) | (4.05) | (3.18) |
| Return after operating charges* | 8.65 | 24.07 | 33.56 |
| Distributions | (0.99) | (1.66) | (1.00) |
| Closing net asset value per share (p) | 239.75 | 232.09 | 209.68 |
| * after direct transaction costs of: | 0.40 | 0.39 | 0.21 |
| Performance | | | |
| Return after charges (%) | 3.73% | 11.48% | 18.95% |
| Other information | | | |
| Closing net asset value (£'000) | 831 | 833 | 740 |
| Closing number of shares | 346,599 | 358,814 | 352,634 |
| Operating charges | 1.79% | 1.80% | 1.81% |
| Direct transaction costs | 0.17% | 0.18% | 0.12% |
| Prices | | | |
| Highest share price | 254.91 | 238.12 | 212.74 |
| Lowest share price | 225.31 | 207.86 | 154.70 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 1,450.23 | 1,297.19 | 1,084.97 |
| Return before operating charges* | 81.10 | 167.84 | 223.92 |
| Operating charges | (15.67) | (14.80) | (11.70) |
| Return after operating charges* | 65.43 | 153.04 | 212.22 |
| Distributions | (17.41) | (14.09) | (11.63) |
| Retained distributions on accumulation shares | 17.41 | 14.09 | 11.63 |
| Closing net asset value per share (p) | 1,515.66 | 1,450.23 | 1,297.19 |
| * after direct transaction costs of: | 2.51 | 2.45 | 1.29 |
| Performance | | | |
| Return after charges (%) | 4.51% | 11.80% | 19.56% |
| Other information | | | |
| Closing net asset value (£'000) | 591,072 | 672,918 | 677,506 |
| Closing number of shares | 38,997,712 | 46,400,664 | 52,228,673 |
| Operating charges | 1.04% | 1.06% | 1.08% |
| Direct transaction costs | 0.17% | 0.18% | 0.12% |
| Prices | | | |
| Highest share price | 1,598.40 | 1,482.59 | 1,309.65 |
| Lowest share price | 1,409.90 | 1,286.05 | 948.16 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class B Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 232.79 | 210.30 | 177.56 |
| Return before operating charges* | 12.98 | 27.19 | 36.73 |
| Operating charges | (2.53) | (2.42) | (1.94) |
| Return after operating charges* | 10.45 | 24.77 | 34.79 |
| Distributions | (2.75) | (2.28) | (2.05) |
| Closing net asset value per share (p) | 240.49 | 232.79 | 210.30 |
| * after direct transaction costs of: | 0.40 | 0.40 | 0.21 |
| Performance | | | |
| Return after charges (%) | 4.49% | 11.78% | 19.59% |
| Other information | | | |
| Closing net asset value (£'000) | 32,015 | 25,713 | 23,563 |
| Closing number of shares | 13,312,365 | 11,045,589 | 11,204,534 |
| Operating charges | 1.05% | 1.07% | 1.09% |
| Direct transaction costs | 0.17% | 0.18% | 0.12% |
| Prices | | | |
| Highest share price | 256.52 | 239.30 | 213.88 |
| Lowest share price | 226.27 | 208.50 | 155.17 |

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|---------------|-----------------------|---------------|
| Income | | | | | |
| Net capital gains | 2 | | 26,416 | | 89,536 |
| Revenue | 3 | 18,263 | | 18,247 | |
| Expenses | 4 | (9,126) | | (10,334) | |
| Interest payable and similar charges | | (8) | | (3) | |
| Net revenue before taxation | | 9,129 | | 7,910 | |
| Taxation | 5 | (1,679) | | (919) | |
| Net revenue after taxation | | | 7,450 | | 6,991 |
| Total return before distributions | | | 33,866 | | 96,527 |
| Distributions | 6 | | (8,411) | | (7,686) |
| Change in net assets attributable to shareholders from investment activities | | | 25,455 | | 88,841 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|----------------|-----------------------|----------------|
| Opening net assets attributable to shareholders | | 830,492 | | 839,431 |
| Amounts receivable on issue of shares | 19,179 | | 11,262 | |
| Less: Amounts payable on cancellation of shares | (142,481) | | (116,306) | |
| | | (123,302) | | (105,044) |
| Dilution adjustment | | 177 | | 160 |
| Change in net assets attributable to shareholders from investment activities | | 25,455 | | 88,841 |
| Retained distribution on accumulation shares | | 7,475 | | 7,104 |
| Closing net assets attributable to shareholders | | 740,297 | | 830,492 |

Notes to the Financial Statements are on pages 70 to 75.

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>662,436</u> | <u>785,682</u> |
| Current assets | | | |
| Debtors | 8 | 10,466 | 1,958 |
| Cash and bank balances | | <u>70,844</u> | <u>46,880</u> |
| Total assets | | <u>743,746</u> | <u>834,520</u> |
| Liabilities | | | |
| Creditors | | | |
| Distribution payable | | (203) | (144) |
| Other creditors | 9 | <u>(3,246)</u> | <u>(3,884)</u> |
| Total liabilities | | <u>(3,449)</u> | <u>(4,028)</u> |
| Net assets attributable to shareholders | | <u>740,297</u> | <u>830,492</u> |

Notes to the Financial Statements are on pages 70 to 75.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|----------------------------|-----------------------|-----------------------|
| Non-derivative securities | 28,408 | 89,382 |
| Derivative contracts | (925) | – |
| Currency (losses)/gains | (1,050) | 154 |
| Custodial transaction fees | (17) | – |
| Net capital gains | <u>26,416</u> | <u>89,536</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|------------------------------|-----------------------|-----------------------|
| Overseas taxable revenue | – | (92) |
| Overseas non-taxable revenue | 17,194 | 17,287 |
| Overseas scrip dividends | 688 | 643 |
| Interest from bank deposits | 30 | 12 |
| Initial charge revenue | 297 | 397 |
| VAT reclaim | 54 | – |
| Total revenue | <u>18,263</u> | <u>18,247</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>8,778</u> | <u>9,783</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>71</u> | <u>129</u> |
| Other expenses: | | |
| Audit fee | 10 | 11 |
| Registrar fees | 89 | 117 |
| Safe custody charges | 117 | 201 |
| Other expenses | 61 | 93 |
| | <u>277</u> | <u>422</u> |
| Total expenses | <u>9,126</u> | <u>10,334</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 740 | 233 |
| Indian capital gains tax | 939 | 686 |
| Total taxation (note 5b) | <u>1,679</u> | <u>919</u> |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 9,129 | 7,910 |
| Corporation tax of 20% (2017: 20%) | <u>1,826</u> | <u>1,582</u> |
| Effects of: | | |
| Non-taxable scrip dividends* | (138) | (129) |
| Overseas non-taxable revenue* | (3,439) | (3,457) |
| Movement in excess management expenses | 1,751 | 2,004 |
| Irrecoverable overseas tax | 740 | 233 |
| Indian capital gains tax | 939 | 686 |
| Total tax charge for year (note 5a) | <u>1,679</u> | <u>919</u> |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £18,266,240 (31/07/17: £16,515,717); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 3,651 | 3,331 |
| Final distribution | <u>4,200</u> | <u>4,029</u> |
| | 7,851 | 7,360 |
| Add: revenue deducted on cancellation of shares | 613 | 354 |
| Deduct: revenue received on issue of shares | <u>(53)</u> | <u>(28)</u> |
| Net distributions for the year | <u>8,411</u> | <u>7,686</u> |

Details of the distribution per share are set out in the Distribution Tables on pages 76 to 77.

Notes to the Financial Statements

(continued)

as at 31 July 2018

7. Movement between net revenue and net distributions

| | 31 July 2018 | 31 July 2017 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Net revenue after taxation | 7,450 | 6,991 |
| Movement in net income as a result of conversions | 22 | 9 |
| Indian capital gains tax | 939 | 686 |
| Net distributions for the year | <u>8,411</u> | <u>7,686</u> |

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|---------------|--------------|
| | £'000 | £'000 |
| Sales awaiting settlement | 8,834 | 192 |
| Accrued revenue | 1,011 | 1,766 |
| Foreign currency contracts awaiting settlement | 618 | – |
| Prepaid expenses | 3 | – |
| Total debtors | <u>10,466</u> | <u>1,958</u> |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | – | 24 |
| Amounts payable for cancellation of shares | 1,094 | 2,739 |
| Accrued expenses | 1,533 | 1,121 |
| Foreign currency contracts awaiting settlement | 619 | – |
| Total other creditors | <u>3,246</u> | <u>3,884</u> |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|--|----------------|----------------|----------------|----------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 242,170 | 302,236 | 392,639 | 374,184 |
| Trades in the year before transaction costs | <u>242,170</u> | <u>302,236</u> | <u>392,639</u> | <u>374,184</u> |
| Commissions | | | | |
| Equities | 192 | 302 | (335) | (362) |
| Taxes | | | | |
| Equities | 175 | 253 | (609) | (609) |
| Total costs | <u>367</u> | <u>555</u> | <u>(944)</u> | <u>(971)</u> |
| Total net trades in the year after transaction costs | <u>242,537</u> | <u>302,791</u> | <u>391,695</u> | <u>373,213</u> |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.08 | 0.10 | 0.09 | 0.10 |
| Taxes | | | | |
| Equities | 0.07 | 0.08 | 0.16 | 0.16 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

10. Portfolio transaction costs (continue)

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|-------------|--------------|--------------|
| | % | % |
| Commissions | 0.07 | 0.08 |
| Taxes | 0.10 | 0.10 |
| Total costs | 0.17 | 0.18 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.59% (31/07/17: 0.51%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £66,243,554 (31/07/17: £78,568,231).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 9.57% (31/07/17: 5.64%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Asia Pacific Fund would be an increase or decrease of approximately £177,111 (31/07/17: £117,200).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| Currency | Net foreign currency assets | Net foreign currency assets |
|-------------------|-----------------------------|-----------------------------|
| | 31 July 2018 | 31 July 2017 |
| | Total | Total |
| | £'000 | £'000 |
| Australian dollar | 55,680 | 59,199 |
| Hong Kong dollar | 98,904 | 137,270 |
| Indian rupee | 234,291 | 203,969 |
| Indonesian rupiah | 17,688 | 14,357 |
| Malaysian ringgit | 16,898 | — |
| Philippine peso | 18,640 | 8,170 |
| Singapore dollar | 81,750 | 123,850 |
| South Korean won | 46,200 | 45,427 |
| Sri Lankan rupee | 18,355 | 31,966 |
| Taiwanese dollar | 59,293 | 136,570 |
| Thai baht | 1,127 | 14,273 |
| US dollar | 36,603 | 35,324 |
| Total | <u>685,429</u> | <u>810,375</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £34,271,412 (31/07/17: £40,518,773).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £703,595 (31/07/17: £797,214) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.28% (31/07/17: 0.31%) of the net asset value of the Fund.

Material Shareholders

Minster Nominees Limited held material shareholding in the Fund during the year to 31 July 2018, and at the year end held 10.7% of the Fund's shares in issue.

14. Share classes

The Fund has four share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|----------------------------|------|
| Share class A Accumulation | 1.75 |
| Share class A Income | 1.75 |
| Share class B Accumulation | 1.00 |
| Share class B Income | 1.00 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 64 to 67.

The distributions per share class are given in the Distribution Tables on pages 76 to 77.

All share classes have the same rights on winding up.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes (continued)

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | Shares converted | 31 July 2018 Closing shares in issue |
|----------------------------|---|-----------|---------------|------------------|--|
| Share class A Accumulation | 10,210,491 | 700,327 | (1,047,178) | (1,117,950) | 8,745,690 |
| Share class A Income | 358,814 | 13,894 | (27,014) | 905 | 346,599 |
| Share class B Accumulation | 46,400,664 | 687,209 | (8,227,819) | 137,658 | 38,997,712 |
| Share class B Income | 11,045,589 | (320,495) | (2,707,508) | 5,294,779 | 13,312,365 |

15. Fair value

| | 31 July 2018 | | 31 July 2017 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| Valuation technique | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 662,371 | — | 785,682 | — |
| Level 2 | — | — | — | — |
| Level 3 | 65 | — | — | — |
| Total fair value | 662,436 | — | 785,682 | — |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Distribution Tables

for the year ended 31 July 2018

Distribution in pence per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 1.7526 | – | 1.7526 | 0.7698 |
| Final | 3.3014 | – | 3.3014 | 2.1588 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 1.7526 | 1.7526 | 0.7698 |
| Final | 3.2789 | 0.0225 | 3.3014 | 2.1588 |

Share class A Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.3661 | – | 0.3661 | 1.0107 |
| Final | 0.6213 | – | 0.6213 | 0.6473 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 0.3661 | 0.3661 | 1.0107 |
| Final | 0.4941 | 0.1272 | 0.6213 | 0.6473 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 7.8970 | – | 7.8970 | 6.1924 |
| Final | 9.5104 | – | 9.5104 | 7.8983 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 7.8970 | 7.8970 | 6.1924 |
| Final | 4.7735 | 4.7369 | 9.5104 | 7.8983 |

Share class B Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 1.2478 | – | 1.2478 | 0.9979 |
| Final | 1.5062 | – | 1.5062 | 1.2840 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 1.2478 | 1.2478 | 0.9979 |
| Final | 0.9678 | 0.5384 | 1.5062 | 1.2840 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund invests in large-capitalisation and mid-capitalisation equities issued by companies that are incorporated or listed, or conduct the majority of their economic activity, in the Asia Pacific region (excluding Japan, including Australasia). •

Particular consideration is given to investment in companies that are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate.

- Clarification point: large-capitalisation 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.

Risks and reward profile

← Lower Risk Higher Risk →

Potentially Lower Rewards Potentially Higher Rewards

| | | | | | | | |
|--|---|---|---|---|---|---|---|
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Income (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Income (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risk:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 9.2% in sterling terms over the twelve months and has provided cumulative returns of 41.9% and 66.6% over three and five years respectively to 31 July 2018.

Tata Consultancy Services and Tech Mahindra both rose on good results and rupee weakness. CSL gained as the company has continued to deliver strong earnings growth.

On the negative side, Idea Cellular declined on concerns about competition and poor profitability, and Delta Electronics was weak as margins were impacted by continued investment in its automation and electric-vehicle-related businesses. CK Hutchison fell on concerns about CEO (chief executive officer) succession and as sterling weakness impacted returns on its many UK assets.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Portfolio changes

Significant purchases over the twelve months included Kuala Lumpur Kepong, a family-owned palm oil business, which is one of the industry leaders in the responsible supply of palm oil. The Fund bought Uni-President Enterprises, which has built strong market shares in the food and beverage markets in Taiwan and China and is carefully stewarded by the Lo family. The Fund also bought Kasikornbank, an attractively valued bank stewarded by the Lamsam family.

The Fund sold Wipro because the Manager preferred the outlook for tech company Tata Consultancy Services. The Fund sold China Mengniu Dairy because there was no acknowledgement by management of the long-term sustainability headwind of water shortages in China. The Fund also sold Lupin because of concerns about its track record of quality control due to dependence on a few products and regions with little pricing power.

Outlook

The Manager continues to believe that the Asian region is an attractive prospect for the long-term investor and would argue it is home to many high-quality companies and a significant number of world-class stewards. The Manager believes that their disciplined, independent investment approach to owning quality companies in the region over the long term offers the opportunity to continue to deliver long-term, risk-adjusted returns for their clients.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 4.7 | 5.5 | 9.2 | 41.9 | 66.6 | 224.4 | 643.1 |
| Benchmark return % | 1.3 | (1.6) | 5.8 | 55.6 | 64.1 | 161.7 | 410.4 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 9.2 | 10.4 | 17.7 | 10.8 | 6.0 |
| Benchmark return % | 5.8 | 25.4 | 17.2 | (1.5) | 7.0 |

Benchmark: MSCI AC Asia Pacific ex-Japan Index.

Sector: IA Specialist.

This Fund was previously part of the IA Asia Pacific excluding Japan Sector. Due to the changing geographical nature of the earnings of the stocks in this portfolio, this Fund was then reclassified by the IA as IA Specialist Sector during 2017. The performance ranking of funds within the IA Specialist sector is not viewed as a fair comparison given the diverse nature of the funds within the sector. Performance statistics are therefore noted versus the benchmark rather than the IA sector. The Specialist sector constituents are defined by the IA as funds that have an investment universe that is not accommodated by the other IA mainstream sectors.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|---------------------------|-----------|------------------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Tata Consultancy Services | 6.19 | Oversea-Chinese Banking | 6.67 |
| Mahindra & Mahindra | 5.55 | Unicharm | 5.40 |
| CSL | 5.14 | Tata Consultancy Services | 4.86 |
| Unicharm | 4.98 | Taiwan Semiconductor Manufacturing | 4.49 |
| Tech Mahindra | 4.52 | Kotak Mahindra Bank | 3.88 |
| President Chain Store | 3.95 | ASUSTeK Computer | 3.43 |
| Oversea-Chinese Banking | 3.62 | Hong Kong & China Gas | 3.37 |
| CK Hutchison | 3.51 | CK Hutchison | 3.10 |
| Hong Kong & China Gas | 2.95 | CSL | 2.96 |
| Delta Electronics | 2.50 | Mahindra & Mahindra | 2.94 |

Types of shares

Income and Accumulation.

Stewart Investors Asia Pacific Leaders Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| UNITED STATES (2.09%*) | 109,349 | 1.37 |
| 1,883,380 Expeditors International of Washington | 109,349 | 1.37 |
| JAPAN (7.38%*) | 639,943 | 7.99 |
| 2,666,400 Hoya | 121,646 | 1.52 |
| 1,740,200 Nippon Paint | 57,538 | 0.72 |
| 1,705,200 Pigeon | 62,245 | 0.77 |
| 17,226,000 Unicharm | 398,514 | 4.98 |
| AUSTRALIA (5.79%*) | 595,471 | 7.44 |
| 32,890,705 Brambles | 184,166 | 2.30 |
| 3,691,497 CSL | 411,305 | 5.14 |
| CHINA (1.61%*) | — | — |
| HONG KONG (11.67%*) | 835,051 | 10.43 |
| 14,012,400 AIA | 93,248 | 1.17 |
| 2,443,600 ASM Pacific Technology | 22,339 | 0.28 |
| 51,779,500 China Resources Pharmaceutical | 57,446 | 0.72 |
| 33,926,436 CK Hutchison | 280,976 | 3.51 |
| 151,915,695 Hong Kong & China Gas | 236,430 | 2.95 |
| 246,142,000 Li & Fung | 63,368 | 0.79 |
| 9,788,000 Vitasoy International | 26,530 | 0.33 |
| 26,755,500 Yue Yuen Industrial | 54,714 | 0.68 |
| INDIA (30.65%*) | 2,441,275 | 30.49 |
| 22,132,075 Cipla | 157,439 | 1.97 |
| 1,830,437 Colgate-Palmolive | 23,292 | 0.29 |
| 21,822,618 Dabur India | 102,287 | 1.28 |
| 1,108,174 Dr. Reddy's Laboratories ADR | 26,375 | 0.33 |
| 5,377,008 Dr. Reddy's Laboratories | 127,301 | 1.59 |
| 7,948,815 Godrej Consumer Products | 116,536 | 1.45 |
| 8,908,347 Housing Development Finance | 196,925 | 2.46 |
| 13,716,835 Kotak Mahindra Bank | 199,293 | 2.49 |
| 42,824,384 Mahindra & Mahindra | 444,627 | 5.55 |
| 46,995,220 Marico | 190,085 | 2.37 |
| 22,948,471 Tata Consultancy Services | 495,608 | 6.19 |
| 47,829,519 Tech Mahindra | 361,507 | 4.52 |
| INDONESIA (0.78%*) | 93,742 | 1.17 |
| 1,374,545,000 Kalbe Farma | 93,742 | 1.17 |
| MALAYSIA (0.00%*) | 120,630 | 1.51 |
| 26,020,600 Kuala Lumpur Kepong | 120,630 | 1.51 |
| PHILIPPINES (3.26%*) | 284,381 | 3.55 |
| 9,647,200 Ayala | 138,281 | 1.73 |
| 104,063,133 Bank of the Philippine Islands | 146,100 | 1.82 |
| SINGAPORE (8.98%*) | 420,126 | 5.25 |
| 20,923,000 Dairy Farm International | 130,315 | 1.63 |
| 44,729,115 Oversea-Chinese Banking | 289,811 | 3.62 |
| SOUTH KOREA (2.93%*) | 177,071 | 2.21 |
| 1,403,860 LG | 72,040 | 0.90 |
| 3,543,013 Shinhan Financial | 105,031 | 1.31 |

Stewart Investors Asia Pacific Leaders Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| TAIWAN (17.23%*) | 1,239,128 | 15.48 |
| 7,912,000 Advantech | 39,798 | 0.50 |
| 21,925,000 ASUSTeK Computer | 143,863 | 1.80 |
| 2,548,000 Chroma ATE | 10,913 | 0.14 |
| 75,911,622 Delta Electronics | 200,375 | 2.50 |
| 155,631,539 E.Sun Financial | 82,548 | 1.03 |
| 21,609,000 Giant Manufacturing | 70,222 | 0.88 |
| 5,388,000 MediaTek | 34,012 | 0.42 |
| 37,838,208 President Chain Store | 316,120 | 3.95 |
| 24,087,807 Taiwan Semiconductor Manufacturing | 147,258 | 1.84 |
| 96,428,000 Uni-President Enterprises | 194,019 | 2.42 |
| THAILAND (0.00%*) | 81,544 | 1.02 |
| 15,887,300 Kasikornbank | 81,544 | 1.02 |
| Portfolio of investments | 7,037,711 | 87.91 |
| Net other assets | 967,503 | 12.09 |
| Total net assets | 8,005,214 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stocks shown as ADRs represent American Depositary Receipts.

Stewart Investors Asia Pacific Leaders Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 627.00 | 571.45 | 488.49 |
| Return before operating charges* | 65.35 | 64.83 | 90.41 |
| Operating charges | (9.82) | (9.28) | (7.45) |
| Return after operating charges* | 55.53 | 55.55 | 82.96 |
| Distributions | (3.88) | (1.80) | (3.26) |
| Retained distributions on accumulation shares | 3.88 | 1.80 | 3.26 |
| Closing net asset value per share (p) | 682.53 | 627.00 | 571.45 |
| * after direct transaction costs of: | 0.73 | 0.36 | 0.31 |
| Performance | | | |
| Return after charges (%) | 8.86% | 9.72% | 16.98% |
| Other information | | | |
| Closing net asset value (£'000) | 817,136 | 952,236 | 1,094,801 |
| Closing number of shares | 119,722,021 | 151,871,481 | 191,583,486 |
| Operating charges | 1.53% | 1.55% | 1.54% |
| Direct transaction costs | 0.11% | 0.06% | 0.06% |
| Prices | | | |
| Highest share price | 686.25 | 638.80 | 576.08 |
| Lowest share price | 602.77 | 552.44 | 430.34 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class A Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 215.80 | 197.27 | 169.62 |
| Return before operating charges* | 22.46 | 22.38 | 31.34 |
| Operating charges | (3.46) | (3.34) | (2.69) |
| Return after operating charges* | 19.00 | 19.04 | 28.65 |
| Distributions | (1.24) | (0.51) | (1.00) |
| Closing net asset value per share (p) | 233.56 | 215.80 | 197.27 |
| * after direct transaction costs of: | 0.25 | 0.12 | 0.11 |
| Performance | | | |
| Return after charges (%) | 8.80% | 9.65% | 16.89% |
| Other information | | | |
| Closing net asset value (£'000) | 15,422 | 17,769 | 17,429 |
| Closing number of shares | 6,603,149 | 8,234,156 | 8,835,101 |
| Operating charges | 1.57% | 1.61% | 1.61% |
| Direct transaction costs | 0.11% | 0.06% | 0.06% |
| Prices | | | |
| Highest share price | 235.68 | 220.40 | 199.81 |
| Lowest share price | 207.44 | 190.67 | 149.42 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 680.14 | 615.79 | 522.95 |
| Return before operating charges* | 71.24 | 70.13 | 97.47 |
| Operating charges | (6.15) | (5.78) | (4.63) |
| Return after operating charges* | 65.09 | 64.35 | 92.84 |
| Distributions | (8.82) | (6.29) | (6.94) |
| Retained distributions on accumulation shares | 8.82 | 6.29 | 6.94 |
| Closing net asset value per share (p) | 745.23 | 680.14 | 615.79 |
| * after direct transaction costs of: | 0.79 | 0.39 | 0.34 |
| Performance | | | |
| Return after charges (%) | 9.57% | 10.45% | 17.75% |
| Other information | | | |
| Closing net asset value (£'000) | 5,452,306 | 6,382,297 | 6,164,056 |
| Closing number of shares | 731,632,050 | 938,383,441 | 1,001,003,678 |
| Operating charges | 0.88% | 0.89% | 0.89% |
| Direct transaction costs | 0.11% | 0.06% | 0.06% |
| Prices | | | |
| Highest share price | 749.25 | 692.42 | 620.75 |
| Lowest share price | 654.54 | 596.69 | 460.89 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class B Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 216.87 | 198.21 | 170.38 |
| Return before operating charges* | 22.65 | 22.53 | 31.59 |
| Operating charges | (1.96) | (1.89) | (1.54) |
| Return after operating charges* | 20.69 | 20.64 | 30.05 |
| Distributions | (2.80) | (1.98) | (2.22) |
| Closing net asset value per share (p) | 234.76 | 216.87 | 198.21 |
| * after direct transaction costs of: | 0.25 | 0.12 | 0.11 |
| Performance | | | |
| Return after charges (%) | 9.54% | 10.41% | 17.64% |
| Other information | | | |
| Closing net asset value (£'000) | 982,333 | 1,084,352 | 982,221 |
| Closing number of shares | 418,446,534 | 499,999,814 | 495,535,979 |
| Operating charges | 0.88% | 0.91% | 0.91% |
| Direct transaction costs | 0.11% | 0.06% | 0.06% |
| Prices | | | |
| Highest share price | 237.67 | 222.25 | 201.40 |
| Lowest share price | 208.70 | 192.06 | 150.16 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 222.18 | 214.69 | 219.54 |
| Return before operating charges* | 23.72 | 10.90 | (1.72) |
| Operating charges | (3.51) | (3.41) | (3.13) |
| Return after operating charges* | 20.21 | 7.49 | (4.85) |
| Distributions | (1.38) | (0.63) | (1.24) |
| Retained distributions on accumulation shares | 1.38 | 0.63 | 1.24 |
| Closing net asset value per share (c) | 242.39 | 222.18 | 214.69 |
| * after direct transaction costs of: | 0.26 | 0.13 | 0.13 |
| Performance | | | |
| Return after charges (%) | 9.10% | 3.49% | (2.21)% |
| Other information | | | |
| Closing net asset value (€'000) | 181,413 | 198,132 | 255,108 |
| Closing number of shares | 74,842,721 | 89,178,178 | 118,828,488 |
| Operating charges | 1.53% | 1.55% | 1.55% |
| Direct transaction costs | 0.11% | 0.06% | 0.06% |
| Prices | | | |
| Highest share price | 244.91 | 233.60 | 221.11 |
| Lowest share price | 214.05 | 208.25 | 181.21 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Income (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 205.19 | 198.87 | 204.58 |
| Return before operating charges* | 21.89 | 10.11 | (1.60) |
| Operating charges | (3.30) | (3.24) | (3.03) |
| Return after operating charges* | 18.59 | 6.87 | (4.63) |
| Distributions | (1.23) | (0.55) | (1.08) |
| Closing net asset value per share (c) | 222.55 | 205.19 | 198.87 |
| * after direct transaction costs of: | 0.24 | 0.12 | 0.12 |
| Performance | | | |
| Return after charges (%) | 9.06% | 3.45% | (2.26)% |
| Other information | | | |
| Closing net asset value (€'000) | 29,133 | 31,266 | 26,190 |
| Closing number of shares | 13,090,352 | 15,237,117 | 13,169,388 |
| Operating charges | 1.56% | 1.58% | 1.60% |
| Direct transaction costs | 0.11% | 0.06% | 0.06% |
| Prices | | | |
| Highest share price | 225.71 | 216.34 | 206.03 |
| Lowest share price | 197.69 | 192.88 | 168.73 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 205.44 | 197.20 | 200.31 |
| Return before operating charges* | 22.02 | 10.04 | (1.47) |
| Operating charges | (1.87) | (1.80) | (1.64) |
| Return after operating charges* | 20.15 | 8.24 | (3.11) |
| Distributions | (2.70) | (1.92) | (2.30) |
| Retained distributions on accumulation shares | 2.70 | 1.92 | 2.30 |
| Closing net asset value per share (c) | 225.59 | 205.44 | 197.20 |
| * after direct transaction costs of: | 0.24 | 0.12 | 0.12 |
| Performance | | | |
| Return after charges (%) | 9.81% | 4.18% | (1.55)% |
| Other information | | | |
| Closing net asset value (€'000) | 591,445 | 960,808 | 1,200,186 |
| Closing number of shares | 262,175,109 | 467,681,277 | 608,629,382 |
| Operating charges | 0.88% | 0.89% | 0.88% |
| Direct transaction costs | 0.11% | 0.06% | 0.06% |
| Prices | | | |
| Highest share price | 227.92 | 215.69 | 201.76 |
| Lowest share price | 198.02 | 191.72 | 165.94 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Income (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 149.20 | 144.58 | 148.66 |
| Return before operating charges* | 15.93 | 7.35 | (1.18) |
| Operating charges | (1.34) | (1.31) | (1.19) |
| Return after operating charges* | 14.59 | 6.04 | (2.37) |
| Distributions | (1.94) | (1.42) | (1.71) |
| Closing net asset value per share (c) | 161.85 | 149.20 | 144.58 |
| * after direct transaction costs of: | 0.17 | 0.09 | 0.09 |
| Performance | | | |
| Return after charges (%) | 9.78% | 4.18% | (1.59)% |
| Other information | | | |
| Closing net asset value (€'000) | 25,399 | 29,830 | 18,014 |
| Closing number of shares | 15,692,071 | 19,993,210 | 12,460,278 |
| Operating charges | 0.87% | 0.88% | 0.87% |
| Direct transaction costs | 0.11% | 0.06% | 0.06% |
| Prices | | | |
| Highest share price | 164.67 | 157.69 | 149.73 |
| Lowest share price | 143.81 | 140.56 | 122.64 |

Stewart Investors Asia Pacific Leaders Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 | | 31 July 2017 | |
|---|-------|----------------|----------------|---------------|----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains | 2 | | 677,635 | | 857,454 |
| Revenue | 3 | 191,681 | | 183,771 | |
| Expenses | 4 | (80,467) | | (94,540) | |
| Interest payable and similar charges | | (183) | | (60) | |
| Net revenue before taxation | | 111,031 | | 89,171 | |
| Taxation | 5 | (52,037) | | (5,857) | |
| Net revenue after taxation | | | 58,994 | | 83,314 |
| Total return before distributions | | | 736,629 | | 940,768 |
| Distributions | 6 | | (100,883) | | (83,341) |
| Change in net assets attributable to shareholders from investment activities | | | 635,746 | | 857,427 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 | | 31 July 2017 | |
|--|--------------|------------------|--------------|------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 9,527,334 | | 9,522,918 |
| Amounts receivable on issue of shares | 164,777 | | 455,272 | |
| Less: Amounts payable on cancellation of shares | (2,402,023) | | (1,379,267) | |
| | | (2,237,246) | | (923,995) |
| Dilution adjustment | | 380 | | — |
| Change in net assets attributable to shareholders from investment activities | | 635,746 | | 857,427 |
| Retained distribution on accumulation shares | | 79,000 | | 70,984 |
| Closing net assets attributable to shareholders | | 8,005,214 | | 9,527,334 |

Notes to the Financial Statements are on pages 92 to 97.

Stewart Investors Asia Pacific Leaders Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-------------------------|-------------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>7,037,711</u> | <u>8,800,769</u> |
| Current assets | | | |
| Debtors | 8 | 53,001 | 19,967 |
| Cash and bank balances | | <u>983,433</u> | <u>730,269</u> |
| Total assets | | <u>8,074,145</u> | <u>9,551,005</u> |
| Liabilities | | | |
| Creditors | | | |
| Distribution payable | | (7,153) | (7,466) |
| Other creditors | 9 | <u>(61,778)</u> | <u>(16,205)</u> |
| Total liabilities | | <u>(68,931)</u> | <u>(23,671)</u> |
| Net assets attributable to shareholders | | <u>8,005,214</u> | <u>9,527,334</u> |

Notes to the Financial Statements are on pages 92 to 97.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 678,842 | 856,266 |
| Forward foreign exchange currency contracts | – | 22 |
| Currency (losses)/gains | (1,191) | 1,166 |
| Custodial transaction fees | (16) | – |
| Net capital gains | <u>677,635</u> | <u>857,454</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--------------------------------------|-----------------------|-----------------------|
| Overseas taxable revenue | – | 1,033 |
| Overseas non-taxable revenue | 180,720 | 178,139 |
| Property revenue from overseas REITs | – | 175 |
| Overseas scrip dividends | 10,393 | 4,265 |
| Interest from bank deposits | 568 | 159 |
| Total revenue | <u>191,681</u> | <u>183,771</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>78,058</u> | <u>90,262</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>755</u> | <u>899</u> |
| Other expenses: | | |
| Audit fee | 13 | 13 |
| Registrar fees | 575 | 1,121 |
| Safe custody charges | 944 | 1,899 |
| Other expenses | 122 | 346 |
| | <u>1,654</u> | <u>3,379</u> |
| Total expenses | <u>80,467</u> | <u>94,540</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 10,180 | 5,857 |
| Indian capital gains tax | 41,857 | – |
| Total taxation (note 5b) | <u>52,037</u> | <u>5,857</u> |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 111,031 | 89,171 |
| Corporation tax of 20% (2017: 20%) | <u>22,206</u> | <u>17,834</u> |
| Effects of: | | |
| Non-taxable scrip dividends* | (2,078) | (853) |
| Overseas non-taxable revenue* | (36,144) | (35,628) |
| Movement in excess management expenses | 16,016 | 18,647 |
| Irrecoverable overseas tax | 10,180 | 5,857 |
| Indian capital gains tax | 41,857 | – |
| Total tax charge for year (note 5a) | <u>52,037</u> | <u>5,857</u> |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £132,114,482 (31/07/17: £116,098,121); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 39,197 | 22,616 |
| Final distribution | <u>52,525</u> | <u>58,900</u> |
| | 91,722 | 81,516 |
| Add: revenue deducted on cancellation of shares | 9,634 | 2,970 |
| Deduct: revenue received on issue of shares | (473) | (1,145) |
| Net distributions for the year | <u>100,883</u> | <u>83,341</u> |

Details of the distribution per share are set out in the Distribution Tables on pages 98 to 100.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net revenue after taxation | 58,994 | 83,314 |
| Movement in net income as a result of conversions | 32 | 26 |
| Undistributed revenue | – | 1 |
| Indian capital gains tax | 41,857 | – |
| Net distributions for the year | <u>100,883</u> | <u>83,341</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Sales awaiting settlement | 19,561 | – |
| Amounts receivable for issue of shares | 540 | 1,102 |
| Accrued revenue | 22,240 | 18,865 |
| Foreign currency contracts awaiting settlement | 10,592 | – |
| Overseas withholding tax | 68 | – |
| Total debtors | 53,001 | 19,967 |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | 619 | – |
| Amounts payable for cancellation of shares | 15,420 | 7,269 |
| Accrued expenses | 35,123 | 8,936 |
| Foreign currency contracts awaiting settlement | 10,616 | – |
| Total other creditors | 61,778 | 16,205 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|------------------|------------------|------------------|------------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 1,102,550 | 1,290,179 | 3,524,375 | 1,988,654 |
| Trades in the year before transaction costs | 1,102,550 | 1,290,179 | 3,524,375 | 1,988,654 |
| Commissions | | | | |
| Equities | 931 | 1,097 | (2,729) | (1,422) |
| Taxes | | | | |
| Equities | 505 | 958 | (5,352) | (2,245) |
| Total costs | 1,436 | 2,055 | (8,081) | (3,667) |
| Total net trades in the year after transaction costs | 1,103,986 | 1,292,234 | 3,516,294 | 1,984,987 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.08 | 0.09 | 0.08 | 0.07 |
| Taxes | | | | |
| Equities | 0.05 | 0.07 | 0.15 | 0.11 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|--------------------|--------------|--------------|
| | % | % |
| Commissions | 0.04 | 0.03 |
| Taxes | 0.07 | 0.03 |
| Total costs | 0.11 | 0.06 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.14% (31/07/2017: 0.16%).

Notes to the Financial Statements

(continued)

as at 31 July 2018

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £703,771,069 (31/07/17: £880,076,868).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 12.28% (31/07/17: 7.66%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Asia Pacific Leaders Fund would be an increase or decrease of approximately £2,458,583 (31/07/17: £1,825,672).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| Currency | Net foreign currency assets | Net foreign currency assets |
|-------------------|-----------------------------|-----------------------------|
| | 31 July 2018 | 31 July 2017 |
| | Total | Total |
| | £'000 | £'000 |
| Australian dollar | 595,471 | 551,786 |
| Euro | 7,547 | 6,140 |
| Hong Kong dollar | 834,432 | 1,265,031 |
| Indian rupee | 2,401,895 | 2,900,146 |
| Indonesian rupiah | 93,742 | 86,433 |
| Japanese yen | 641,868 | 704,810 |
| Malaysian ringgit | 121,279 | — |
| Philippine peso | 284,381 | 309,777 |
| Singapore dollar | 611,778 | 635,702 |
| South Korean won | 177,071 | 279,250 |
| Taiwanese dollar | 1,261,336 | 1,646,640 |
| Thai baht | 81,544 | — |
| US dollar | 588,952 | 697,616 |
| Total | <u>7,701,296</u> | <u>9,083,331</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £385,064,768 (31/07/17: £454,166,530).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £6,295,041 (31/07/17: £7,526,694) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.20% (31/07/17: 0.12%) of the net asset value of the Fund.

Material Shareholders

Clearstream Banking S.A. held material shareholding in the Fund during the year to 31 July 2018, and at the year end held 15.6% of the Fund's shares in issue.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has eight share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.50 |
| Share class A Income | 1.50 |
| Share class B Accumulation | 0.85 |
| Share class B Income | 0.85 |
| Share class A Accumulation (EUR share class) | 1.50 |
| Share class A Income (EUR share class) | 1.50 |
| Share class B Accumulation (EUR share class) | 0.85 |
| Share class B Income (EUR share class) | 0.85 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 82 to 89.

The distributions per share class are given in the Distribution Tables on pages 98 to 100.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares Closing shares converted in issue |
|--|---|------------|---------------|---|
| Share class A Accumulation | 151,871,481 | 1,564,725 | (30,670,791) | (3,043,394) 119,722,021 |
| Share class A Income | 8,234,156 | 379,735 | (1,855,822) | (154,920) 6,603,149 |
| Share class B Accumulation | 938,383,441 | 4,984,108 | (206,726,882) | (5,008,617) 731,632,050 |
| Share class B Income | 499,999,814 | 6,437,226 | (112,656,218) | 24,665,712 418,446,534 |
| Share class A Accumulation (EUR share class) | 89,178,178 | 18,882,412 | (33,217,869) | – 74,842,721 |
| Share class A Income (EUR share class) | 15,237,117 | 1,579,973 | (3,726,738) | – 13,090,352 |
| Share class B Accumulation (EUR share class) | 467,681,277 | 29,344,835 | (234,851,003) | – 262,175,109 |
| Share class B Income (EUR share class) | 19,993,210 | 4,474,794 | (8,775,933) | – 15,692,071 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 7,037,711 | – | 8,800,769 | – |
| Level 2 | – | – | – | – |
| Level 3 | – | – | – | – |
| Total fair value | 7,037,711 | – | 8,800,769 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Stewart Investors Asia Pacific Leaders Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 1.2593 | – | 1.2593 | – |
| Final | 2.6173 | – | 2.6173 | 1.7995 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 1.2593 | 1.2593 | – |
| Final | 2.3848 | 0.2325 | 2.6173 | 1.7995 |

Share class A Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.4140 | – | 0.4140 | – |
| Final | 0.8267 | – | 0.8267 | 0.5064 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 0.4140 | 0.4140 | – |
| Final | 0.7129 | 0.1138 | 0.8267 | 0.5064 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 3.6353 | – | 3.6353 | 1.7616 |
| Final | 5.1862 | – | 5.1862 | 4.5265 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 3.6353 | 3.6353 | 1.7616 |
| Final | 4.3092 | 0.8770 | 5.1862 | 4.5265 |

Share class B Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 1.1668 | – | 1.1668 | 0.5507 |
| Final | 1.6350 | – | 1.6350 | 1.4337 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 1.1668 | 1.1668 | 0.5507 |
| Final | 1.3284 | 0.3066 | 1.6350 | 1.4337 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.4553 | — | 0.4553 | — |
| Final | 0.9248 | — | 0.9248 | 0.6268 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | 0.4553 | 0.4553 | — |
| Final | 0.4792 | 0.4456 | 0.9248 | 0.6268 |

Share class A Income (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.3865 | — | 0.3865 | — |
| Final | 0.8424 | — | 0.8424 | 0.5537 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | 0.3865 | 0.3865 | — |
| Final | 0.7956 | 0.0468 | 0.8424 | 0.5537 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 1.1237 | — | 1.1237 | 0.5544 |
| Final | 1.5723 | — | 1.5723 | 1.3691 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | 1.1237 | 1.1237 | 0.5544 |
| Final | 1.1009 | 0.4714 | 1.5723 | 1.3691 |

Share class B Income (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.8132 | — | 0.8132 | 0.4148 |
| Final | 1.1291 | — | 1.1291 | 1.0071 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.0061 | 0.8071 | 0.8132 | 0.4148 |
| Final | 0.9050 | 0.2241 | 1.1291 | 1.0071 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund invests in equities issued by companies that are incorporated or listed, or conduct the majority of their economic activity, in the Asia Pacific region (excluding Japan, including Australasia). The Fund invests in companies that are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate.

- Clarification point 1: "Australasia" refers to Australia, New Zealand and other South-East Asian countries.
- Clarification point 2: the Fund's emphasis on sustainable 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 sustainable companies with a positive sustainable development impact);
 - II integration of environmental, social and corporate governance factors into investment analysis; and
 - 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).

Risks and reward profile

← Lower Risk Higher Risk →

Potentially Lower Rewards Potentially Higher Rewards

| | | | | | | | |
|--|---|---|---|---|---|---|---|
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 13.4% in sterling terms over the twelve months and provided cumulative returns of 52.4% and 85.7% over three and five years respectively to 31 July 2018.

Chroma ATE gained on the ongoing success of its testing equipment sales, which benefitted from the growth of electric vehicles in China. Tech Mahindra rose on good results and rupee weakness, and Vitasoy International climbed as it continued to deliver earnings growth as demand for its healthy products remained strong.

On the negative side, Standard Foods declined on disappointing results from its China business, and Delta Electronics was weak as margins were impacted by continued investment in its automation and electric-vehicle-related businesses. Hemas fell due to losses in the IT business and higher integration and finance costs associated with the acquisition of Atlas.

Authorized Fund Manager's Report

(continued)

for the year ended 31 July 2018

Portfolio changes

Significant new positions over the twelve months included United Plantations, one of the highest quality owners of palm plantations. The Nielson family built the business and have successfully passed ownership, management and their values to the next generation. The Fund bought Uni-President Enterprises, which has built strong market shares in the food and beverage markets in Taiwan and China and is carefully stewarded by the Lo family. The Fund also bought Nippon Paint, the leading supplier of decorative paints in China.

The Fund sold DGB Financial to fund higher quality ideas and Idea Cellular because, within the industry, irrational competition could continue for longer than we had anticipated. The Fund also sold TI Financial on valuation concerns.

Outlook

The Manager continues to believe that the Asian region is an attractive prospect for the long-term investor and would argue it is home to many high-quality companies and a significant number of world-class stewards. The Manager believes that their disciplined, independent investment approach to owning quality companies in the region over the long term offers the opportunity to continue to deliver positive returns for their clients.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 6.5 | 7.7 | 13.4 | 52.4 | 85.7 | 323.5 | 480.4 |
| Benchmark return % | 1.3 | (1.6) | 5.8 | 55.6 | 64.1 | 161.7 | 241.6 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 13.4 | 11.3 | 20.8 | 11.4 | 9.4 |
| Benchmark return % | 5.8 | 25.4 | 17.2 | (1.5) | 7.0 |

Benchmark: MSCI AC Asia Pacific (ex-Japan) Index.

Sector: IA Specialist.

This Fund was previously part of the IA Asia Pacific excluding Japan Sector. Due to the changing geographical nature of the earnings of the stocks in this portfolio, this Fund was then reclassified by the IA as IA Specialist Sector during 2017. The performance ranking of funds within the IA Specialist sector is not viewed as a fair comparison given the diverse nature of the funds within the sector. Performance statistics are therefore noted versus the benchmark rather than the IA sector. The Specialist sector constituents are defined by the IA as funds that have an investment universe that is not accommodated by the other IA mainstream sectors.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Please note that the Stewart Investors Asia Pacific Sustainability Fund A Accumulation GBP share class launched on 01/12/2003. For historic performance of this share class, please see the factsheets by visiting firststateinvestments.com

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|-----------------------------|-----------|------------------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Vitasoy International | 7.11 | Vitasoy International | 6.74 |
| Tech Mahindra | 5.83 | Marico | 4.83 |
| Tata Consultancy Services | 4.70 | Tech Mahindra | 4.30 |
| CSL | 3.90 | Standard Foods | 4.19 |
| Marico | 3.30 | Kotak Mahindra Bank | 4.04 |
| Chroma ATE | 2.91 | Housing Development Finance | 3.66 |
| Housing Development Finance | 2.88 | Taiwan Semiconductor Manufacturing | 3.58 |
| Unicharm | 2.80 | Manila Water | 2.72 |
| Kotak Mahindra Bank | 2.72 | CSL | 2.71 |
| Manila Water | 2.59 | E.Sun Financial | 2.67 |

Types of shares

Accumulation.

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED STATES (1.00%*) | 5,434 | 1.29 |
| 93,586 Expeditors International of Washington | 5,434 | 1.29 |
| JAPAN (2.38%*) | 21,202 | 5.02 |
| 216,900 Nippon Paint | 7,171 | 1.70 |
| 60,700 Pigeon | 2,216 | 0.52 |
| 510,700 Unicharm | 11,815 | 2.80 |
| AUSTRALIA (5.08%*) | 23,634 | 5.59 |
| 1,274,053 Brambles | 7,134 | 1.69 |
| 148,085 CSL | 16,500 | 3.90 |
| BANGLADESH (1.85%*) | 8,408 | 1.99 |
| 8,036,494 BRAC Bank | 4,792 | 1.13 |
| 1,488,865 Square Pharmaceuticals | 3,616 | 0.86 |
| CHINA (1.13%*) | — | — |
| HONG KONG (6.74%*) | 32,439 | 7.68 |
| 3,391,000 China Resources Phoenix Healthcare | 2,398 | 0.57 |
| 11,083,559 Vitasoy International | 30,041 | 7.11 |
| INDIA (33.56%*) | 148,227 | 35.07 |
| 790,342 Advanced Enzyme Technologies | 1,840 | 0.44 |
| 1,161,397 Cipla | 8,262 | 1.96 |
| 1,043,879 Cyient | 8,122 | 1.92 |
| 1,901,981 Dabur India | 8,915 | 2.11 |
| 321,041 Dr Lal PathLabs | 3,344 | 0.79 |
| 309,161 Dr. Reddy's Laboratories | 7,319 | 1.73 |
| 178,693 Godrej Consumer Products | 2,620 | 0.62 |
| 550,659 Housing Development Finance | 12,173 | 2.88 |
| 371,120 Infosys | 5,639 | 1.33 |
| 792,362 Kotak Mahindra Bank | 11,512 | 2.72 |
| 948,348 Mahindra & Mahindra | 9,846 | 2.33 |
| 493,169 Mahindra Lifespace Developers | 2,966 | 0.70 |
| 426,603 Mahindra Logistics | 2,725 | 0.65 |
| 3,450,208 Marico | 13,955 | 3.30 |
| 919,360 Tata Consultancy Services | 19,855 | 4.70 |
| 3,261,324 Tech Mahindra | 24,650 | 5.83 |
| 1,660,075 Tube Investments of India | 4,484 | 1.06 |
| INDONESIA (2.54%*) | 11,661 | 2.76 |
| 83,043,400 Kalbe Farma | 5,663 | 1.34 |
| 90,767,300 Selamat Sempurna | 5,998 | 1.42 |
| MALAYSIA (1.25%*) | 15,025 | 3.55 |
| 1,453,160 Public Bank | 6,546 | 1.55 |
| 1,674,600 United Plantations | 8,479 | 2.00 |
| PHILIPPINES (7.67%*) | 32,501 | 7.69 |
| 537,790 Ayala | 7,709 | 1.82 |
| 4,039,025 Bank of the Philippine Islands | 5,671 | 1.34 |
| 28,975,491 Manila Water | 10,919 | 2.59 |
| 2,433,710 Philippine Seven | 4,018 | 0.95 |
| 3,413,100 Robinsons Retail | 4,184 | 0.99 |
| SINGAPORE (2.31%*) | 4,964 | 1.17 |
| 766,118 Oversea-Chinese Banking | 4,964 | 1.17 |
| SOUTH KOREA (2.22%*) | 3,804 | 0.90 |
| 51,211 Koh Young Technology | 3,804 | 0.90 |

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| SRI LANKA (3.20%*) | 8,286 | 1.96 |
| 6,085,242 Commercial Bank of Ceylon | 3,632 | 0.86 |
| 9,745,440 Hemas | 4,654 | 1.10 |
| TAIWAN (16.42%*) | 58,157 | 13.76 |
| 403,000 Advantech | 2,027 | 0.48 |
| 2,876,301 Chroma ATE | 12,319 | 2.91 |
| 3,186,580 Delta Electronics | 8,411 | 1.99 |
| 8,008,837 E.Sun Financial | 4,248 | 1.00 |
| 798,000 President Chain Store | 6,667 | 1.58 |
| 6,624,228 Standard Foods | 9,765 | 2.31 |
| 1,075,124 Taiwan Semiconductor Manufacturing | 6,573 | 1.56 |
| 4,049,000 Uni-President Enterprises | 8,147 | 1.93 |
| THAILAND (3.17%*) | 16,014 | 3.79 |
| 5,078,178 Delta Electronics | 8,087 | 1.91 |
| 1,544,500 Kasikornbank | 7,927 | 1.88 |
| Portfolio of investments | 389,756 | 92.22 |
| Net other assets | 32,897 | 7.78 |
| Total net assets | 422,653 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 477.64 | 431.57 | 358.87 |
| Return before operating charges* | 70.16 | 53.70 | 78.82 |
| Operating charges | (8.13) | (7.63) | (6.12) |
| Return after operating charges* | 62.03 | 46.07 | 72.70 |
| Distributions | (1.25) | (0.76) | (1.29) |
| Retained distributions on accumulation shares | 1.25 | 0.76 | 1.29 |
| Closing net asset value per share (p) | 539.67 | 477.64 | 431.57 |
| * after direct transaction costs of: | 0.67 | 0.31 | 0.25 |
| Performance | | | |
| Return after charges (%) | 12.99% | 10.67% | 20.26% |
| Other information | | | |
| Closing net asset value (£'000) | 30,086 | 48,938 | 47,265 |
| Closing number of shares | 5,574,850 | 10,245,952 | 10,951,666 |
| Operating charges | 1.63% | 1.66% | 1.70% |
| Direct transaction costs | 0.13% | 0.07% | 0.07% |
| Prices | | | |
| Highest share price | 540.98 | 487.36 | 436.43 |
| Lowest share price | 464.33 | 427.26 | 316.28 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 511.48 | 459.45 | 379.98 |
| Return before operating charges* | 75.41 | 56.86 | 83.40 |
| Operating charges | (5.14) | (4.83) | (3.93) |
| Return after operating charges* | 70.27 | 52.03 | 79.47 |
| Distributions | (5.18) | (3.69) | (3.48) |
| Retained distributions on accumulation shares | 5.18 | 3.69 | 3.48 |
| Closing net asset value per share (p) | 581.75 | 511.48 | 459.45 |
| * after direct transaction costs of: | 0.72 | 0.34 | 0.26 |
| Performance | | | |
| Return after charges (%) | 13.74% | 11.32% | 20.91% |
| Other information | | | |
| Closing net asset value (£'000) | 327,478 | 335,059 | 283,809 |
| Closing number of shares | 56,292,209 | 65,508,351 | 61,771,686 |
| Operating charges | 0.96% | 0.98% | 1.02% |
| Direct transaction costs | 0.13% | 0.07% | 0.07% |
| Prices | | | |
| Highest share price | 583.29 | 521.49 | 464.55 |
| Lowest share price | 497.77 | 455.65 | 335.03 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 282.96 | 270.26 | 267.08 |
| Return before operating charges* | 42.30 | 17.35 | 7.43 |
| Operating charges | (4.95) | (4.65) | (4.25) |
| Return after operating charges* | 37.35 | 12.70 | 3.18 |
| Distributions | (0.70) | (1.26) | (2.34) |
| Retained distributions on accumulation shares | 0.70 | 1.26 | 2.34 |
| Closing net asset value per share (c) | 320.31 | 282.96 | 270.26 |
| * after direct transaction costs of: | 0.40 | 0.19 | 0.17 |
| Performance | | | |
| Return after charges (%) | 13.20% | 4.70% | 1.19% |
| Other information | | | |
| Closing net asset value (€'000) | 20,876 | 24,218 | 20,380 |
| Closing number of shares | 6,517,499 | 8,558,703 | 7,541,201 |
| Operating charges | 1.66% | 1.65% | 1.69% |
| Direct transaction costs | 0.13% | 0.07% | 0.07% |
| Prices | | | |
| Highest share price | 322.75 | 297.89 | 275.00 |
| Lowest share price | 272.90 | 267.95 | 226.98 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 217.90 | 207.55 | 205.39 |
| Return before operating charges* | 32.71 | 12.44 | 4.08 |
| Operating charges | (2.23) | (2.09) | (1.92) |
| Return after operating charges* | 30.48 | 10.35 | 2.16 |
| Distributions | (2.21) | (1.55) | (1.56) |
| Retained distributions on accumulation shares | 2.21 | 1.55 | 1.56 |
| Closing net asset value per share (c) | 248.38 | 217.90 | 207.55 |
| * after direct transaction costs of: | 0.31 | 0.15 | 0.13 |
| Performance | | | |
| Return after charges (%) | 13.99% | 4.99% | 1.05% |
| Other information | | | |
| Closing net asset value (€'000) | 52,095 | 38,911 | 37,090 |
| Closing number of shares | 20,974,447 | 17,857,489 | 17,870,666 |
| Operating charges | 0.97% | 0.97% | 1.00% |
| Direct transaction costs | 0.13% | 0.07% | 0.07% |
| Prices | | | |
| Highest share price | 250.26 | 229.05 | 211.16 |
| Lowest share price | 210.25 | 205.82 | 174.59 |

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|---------------|-----------------------|---------------|
| Income | | | | | |
| Net capital gains | 2 | | 50,713 | | 40,067 |
| Revenue | 3 | 8,620 | | 7,787 | |
| Expenses | 4 | (4,483) | | (4,516) | |
| Interest payable and similar charges | | (15) | | (14) | |
| Net revenue before taxation | | 4,122 | | 3,257 | |
| Taxation | 5 | (1,821) | | (498) | |
| Net revenue after taxation | | | 2,301 | | 2,759 |
| Total return before distributions | | | 53,014 | | 42,826 |
| Distributions | 6 | | (3,558) | | (2,761) |
| Change in net assets attributable to shareholders from investment activities | | | 49,456 | | 40,065 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|----------------|-----------------------|----------------|
| Opening net assets attributable to shareholders | | 440,433 | | 379,534 |
| Amounts receivable on issue of shares | 34,362 | | 43,784 | |
| Amounts payable on cancellation of shares | (105,368) | | (25,804) | |
| | | (71,006) | | 17,980 |
| Dilution adjustment | | 224 | | 63 |
| Change in net assets attributable to shareholders from investment activities | | 49,456 | | 40,065 |
| Retained distribution on accumulation shares | | 3,546 | | 2,791 |
| Closing net assets attributable to shareholders | | 422,653 | | 440,433 |

Notes to the Financial Statements are on pages 111 to 116.

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>389,756</u> | <u>398,681</u> |
| Current assets | | | |
| Debtors | 8 | 1,862 | 1,364 |
| Cash and bank balances | | <u>32,951</u> | <u>41,210</u> |
| Total assets | | <u>424,569</u> | <u>441,255</u> |
| Liabilities | | | |
| Creditors | | | |
| Other creditors | 9 | <u>(1,916)</u> | <u>(822)</u> |
| Total liabilities | | <u>(1,916)</u> | <u>(822)</u> |
| Net assets attributable to shareholders | | <u>422,653</u> | <u>440,433</u> |

Notes to the Financial Statements are on pages 111 to 116.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 50,569 | 40,378 |
| Forward foreign exchange currency contracts | – | (1) |
| Custodial transaction fees | (11) | – |
| Currency gains/(losses) | 155 | (310) |
| Net capital gains | <u>50,713</u> | <u>40,067</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|------------------------------|-----------------------|-----------------------|
| Overseas taxable revenue | – | 29 |
| Overseas non-taxable revenue | 7,661 | 7,234 |
| Overseas scrip dividends | 664 | 119 |
| Interest from bank deposits | 41 | 7 |
| Initial charge revenue | 254 | 398 |
| Total revenue | <u>8,620</u> | <u>7,787</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>4,216</u> | <u>4,176</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>38</u> | <u>62</u> |
| Other expenses: | | |
| Audit fee | 8 | 9 |
| Registrar fees | 54 | 95 |
| Safe custody charges | 95 | 123 |
| Other expenses | <u>72</u> | <u>51</u> |
| | <u>229</u> | <u>278</u> |
| Total expenses | <u>4,483</u> | <u>4,516</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---------------------------------|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 566 | 498 |
| Indian capital gains tax | 1,255 | – |
| Total taxation (note 5b) | <u>1,821</u> | <u>498</u> |

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below:

| | | |
|--|--------------|------------|
| Net revenue before taxation | 4,122 | 3,257 |
| Corporation tax of 20% (2017: 20%) | 824 | 651 |
| Effects of: | | |
| Non-taxable scrip dividends* | (133) | (24) |
| Overseas non-taxable revenue* | (1,532) | (1,447) |
| Movement in excess management expenses | 841 | 820 |
| Irrecoverable overseas tax | 566 | 498 |
| Indian capital gains tax | 1,255 | – |
| Total tax charge for year (note 5a) | <u>1,821</u> | <u>498</u> |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

** As an authorised OEIC, these items are not subject to corporation tax.*

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £5,191,688 (31/07/17: £4,351,119); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 938 | 738 |
| Final distribution | <u>2,608</u> | <u>2,053</u> |
| | 3,546 | 2,791 |
| Add: revenue deducted on cancellation of shares | 88 | 46 |
| Deduct: revenue received on issue of shares | <u>(76)</u> | <u>(76)</u> |
| Net distributions for the year | <u>3,558</u> | <u>2,761</u> |

Details of the distribution per share are set out in the Distribution Tables on pages 117 to 118.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net revenue after taxation | 2,301 | 2,759 |
| Movement in net income as a result of conversions | 2 | 2 |
| Indian capital gains tax | 1,255 | – |
| Net distributions for the year | <u>3,558</u> | <u>2,761</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amounts receivable for issue of shares | 117 | 224 |
| Accrued revenue | 1,737 | 1,140 |
| Foreign currency contracts awaiting settlement | 6 | – |
| Overseas withholding tax | 2 | – |
| Total debtors | 1,862 | 1,364 |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | 9 | 1 |
| Amounts payable for cancellation of shares | 198 | 266 |
| Accrued expenses | 1,703 | 555 |
| Foreign currency contracts awaiting settlement | 6 | – |
| Total other creditors | 1,916 | 822 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|---------------|---------------|----------------|---------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 90,022 | 54,359 | 150,767 | 58,178 |
| Trades in the year before transaction costs | 90,022 | 54,359 | 150,767 | 58,178 |
| Commissions | | | | |
| Equities | 91 | 74 | (133) | (55) |
| Taxes | | | | |
| Equities | 51 | 47 | (296) | (105) |
| Total costs | 142 | 121 | (429) | (160) |
| Total net trades in the year after transaction costs | 90,164 | 54,480 | 150,338 | 58,018 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.10 | 0.14 | 0.09 | 0.09 |
| Taxes | | | | |
| Equities | 0.06 | 0.09 | 0.20 | 0.18 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|--------------------|--------------|--------------|
| | % | % |
| Commissions | 0.05 | 0.03 |
| Taxes | 0.08 | 0.04 |
| Total costs | 0.13 | 0.07 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.28% (31/07/17: 0.25%).

Notes to the Financial Statements

(continued)

as at 31 July 2018

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £38,975,582 (31/07/17: £39,868,109).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 7.80% (31/07/17: 9.36%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Asia Pacific Sustainability Fund would be an increase or decrease of approximately £82,379 (31/07/17: £103,026).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|-------------------|---|---|
| Currency | Total £'000 | Total £'000 |
| Australian dollar | 23,633 | 22,357 |
| Bangladeshi taka | 8,393 | 8,188 |
| Euro | 310 | 758 |
| Hong Kong dollar | 32,440 | 34,682 |
| Indian rupee | 147,914 | 148,406 |
| Indonesian rupiah | 11,662 | 11,223 |
| Japanese yen | 21,284 | 10,512 |
| Korean won | 3,804 | 9,752 |
| Malaysian ringgit | 15,025 | 5,523 |
| Philippine peso | 32,500 | 33,805 |
| Singapore dollar | 13,741 | 10,156 |
| Sri Lankan rupee | 8,286 | 14,130 |
| Taiwanese dollar | 58,913 | 72,693 |
| Thai baht | 16,014 | 13,986 |
| US dollar | 14,657 | 16,833 |
| Total | <u>408,576</u> | <u>413,004</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £20,428,777 (31/07/17: £20,650,172).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £343,548 (31/07/17: £377,052) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.18% (31/07/17: 0.11%) of the net asset value of the Fund.

Material Shareholders

Telia Pensionsstiftelse and Clearstream Banking S.A. held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 24.9% and 19.8% of the Fund's shares in issue respectively.

14. Share classes

The Fund has four share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.55 |
| Share class B Accumulation | 0.90 |
| Share class A Accumulation (EUR share class) | 1.55 |
| Share class B Accumulation (EUR share class) | 0.90 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes (continued)

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 105 to 108.

The distributions per share class are given in the Distribution Tables on pages 117 to 118.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | Closing shares in issue |
|--|---|-----------|---------------|----------------------------------|----------------------------|
| Share class A Accumulation | 10,245,952 | 88,627 | (4,538,502) | (221,227) | 5,574,850 |
| Share class B Accumulation | 65,508,351 | 3,891,691 | (13,313,965) | 206,132 | 56,292,209 |
| Share class A Accumulation (EUR share class) | 8,558,703 | 902,790 | (2,943,994) | — | 6,517,499 |
| Share class B Accumulation (EUR share class) | 17,857,489 | 5,409,148 | (2,292,190) | — | 20,974,447 |

15. Fair value

| Valuation technique | 31 July 2018 | | 31 July 2017 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 389,756 | — | 398,681 | — |
| Level 2 | — | — | — | — |
| Level 3 | — | — | — | — |
| Total fair value | 389,756 | — | 398,681 | — |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 1.2540 | – | 1.2540 | 0.7643 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 1.2484 | 0.0056 | 1.2540 | 0.7643 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 1.2956 | – | 1.2956 | 1.0504 |
| Final | 3.8835 | – | 3.8835 | 2.6353 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 1.2956 | 1.2956 | 1.0504 |
| Final | 2.9687 | 0.9148 | 3.8835 | 2.6353 |

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | 0.3329 |
| Final | 0.6977 | – | 0.6977 | 0.9277 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | 0.3329 |
| Final | 0.6689 | 0.0288 | 0.6977 | 0.9277 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.5420 | – | 0.5420 | 0.4382 |
| Final | 1.6656 | – | 1.6656 | 1.1130 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | 0.5420 | 0.5420 | 0.4382 |
| Final | 1.5013 | 0.1643 | 1.6656 | 1.1130 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

First State Greater China Growth Fund

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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.

Risks and reward profile

| | ← Lower Risk | | | | | Higher Risk → | |
|--|---------------------------|---|---|---|---|----------------------------|---|
| | Potentially Lower Rewards | | | | | Potentially Higher Rewards | |
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 6 due to its past performance and the nature of its investments. Shares with a rating of 6 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risk:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

China market risk: investing in the Chinese market involves legal, regulatory and economic risks. The securities markets in China may subject the Fund to greater uncertainty than investments in more developed countries.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 14.8% in sterling terms over the twelve months and has provided accumulative returns of 65.6% and 87.2% over three and five years respectively to 31 July 2018.

Key contributors to performance over the year included CSPC Pharmaceutical, which rallied on better than expected earnings boosted by the inclusion of its flagship NBP product on China's National Reimbursement Drug List. Shenzhou International was boosted by a positive read-across from Nike's recent results, which showed that Nike's China sales accelerated across both apparel and footwear segments. Nike is one of Shenzhou's largest customers and makes up around 30% of sales.

On the negative side, Delta Electronics fell after it lowered its 2018 earnings forecast due to raw material shortages and adverse currency movements. Nien Made Enterprise declined due to rising raw material prices and unfavourable currency movements, which led to weaker than expected revenues.

Portfolio Changes

Significant new purchases over the twelve months included Silergy, the largest analogue integrated circuit designer in Asia. Although Silergy is relatively small, its superior products and competitive pricing should help it gain market share. The Fund also purchased MediaTek, which had showed signs of a turnaround. Although the recovery is unlikely to follow a straight line, the smartphone business and other new growth areas seem to be progressing well. The Fund added Ctrip, China's leading online travel portal with a near 80% market share. Ctrip should benefit from China's growing tourism industry.

The Fund divested Posiflex after a series of acquisitions raised concerns around the sustainability of its growth strategy. China South Publishing was sold on concerns around ongoing regulatory changes (which could constrain future returns), and Sitronix Technology was divested due to concerns around its earnings slowdown.

First State Greater China Growth Fund

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Outlook

One of the key issues weighing on China at the moment is the potential trade war with the United States. Trade issues would have a longer-term impact on China's emerging industries and put pressure on economic growth. However, a greater focus on upgrading China's industries as well as continued structural reforms should help to counter the negative impact. Meanwhile, China's de-leveraging efforts are continuing apace. Companies that rely heavily on bank financing would be most affected, although those with excessive share pledges (as a way to raise funds) would also be penalised. In the long run, reduced leverage in the system is a positive; however, there may be periods of volatility in the shorter term.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 2.7 | 0.2 | 14.8 | 65.6 | 87.2 | 269.8 | 834.7 |
| Benchmark return % | 1.4 | (3.2) | 8.1 | 59.7 | 87.5 | 185.6 | 385.8 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 14.8 | 27.0 | 13.6 | 5.8 | 6.8 |
| Benchmark return % | 8.1 | 33.2 | 11.0 | 9.2 | 7.5 |

Benchmark: MSCI Golden Dragon Index.

Sector: IA China/Greater China.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|------------------------------------|-----------|---|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Taiwan Semiconductor Manufacturing | 7.01 | Taiwan Semiconductor Manufacturing | 6.68 |
| Tencent | 5.25 | Tencent | 5.90 |
| CSPC Pharmaceutical | 4.25 | CK Hutchison | 3.45 |
| ENN Energy | 3.90 | Towngas China | 3.32 |
| China Merchants Bank 'H' | 3.62 | CSPC Pharmaceutical | 3.15 |
| Sinbon Electronics | 3.58 | Gree Electric Appliances Inc. of Zhuhai | 3.14 |
| AIA | 3.48 | Tong Ren Tang Technologies 'H' | 3.10 |
| Towngas China | 3.47 | AAC Technologies | 3.04 |
| Midea | 3.01 | AIA | 3.02 |
| China Mengniu Dairy | 2.96 | Advantech | 2.98 |

Types of shares

Accumulation.

First State Greater China Growth Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED STATES (1.70%*) | 11,661 | 2.41 |
| 48,382 Baidu ADR | 9,107 | 1.88 |
| 12,986 NetEase ADR | 2,554 | 0.53 |
| CHINA (31.15%*) | 148,653 | 30.79 |
| 6,054,000 China Mengniu Dairy | 14,292 | 2.96 |
| 5,874,848 China Merchants Bank 'H' | 17,464 | 3.62 |
| 2,703,737 China Resources Land | 7,525 | 1.56 |
| 2,012,100 China Vanke | 4,867 | 1.01 |
| 168,800 Ctrip.com International ADS | 5,295 | 1.10 |
| 2,425,000 ENN Energy | 18,812 | 3.90 |
| 144,081 First State China Fund 'A' Incomet | 2,440 | 0.50 |
| 1,984,728 Fuyao Glass Industry 'H' | 5,476 | 1.13 |
| 1,733,336 Gree Electric Appliances Inc. of Zhuhai | 8,550 | 1.77 |
| 598,125 Hangzhou Hikvision Digital Technology | 2,308 | 0.48 |
| 1,410,002 Hongfa Technology | 3,558 | 0.74 |
| 329,794 Jiangsu Hengrui Medicine | 2,540 | 0.53 |
| 2,737,205 Midea | 14,551 | 3.01 |
| 1,895,733 Shanghai International Airport | 12,783 | 2.65 |
| 1,286,000 Shenzhou International | 11,994 | 2.48 |
| 6,374,000 Tong Ren Tang Technologies 'H' | 7,146 | 1.48 |
| 1,109,224 Wuxi Little Swan | 4,499 | 0.93 |
| 409,336 Yunnan Baiyao | 4,553 | 0.94 |
| HONG KONG (37.59%*) | 181,467 | 37.58 |
| 1,271,500 AAC Technologies | 12,340 | 2.56 |
| 2,522,000 AIA | 16,783 | 3.48 |
| 901,400 ASM Pacific Technology | 8,240 | 1.71 |
| 6,690,500 China Resources Phoenix Healthcare | 4,732 | 0.98 |
| 4,572,084 China Taiping Insurance | 11,904 | 2.46 |
| 941,500 CK Hutchison | 7,797 | 1.61 |
| 10,298,000 CSPC Pharmaceutical | 20,509 | 4.25 |
| 198,145 Jardine Matheson (Singapore quote) | 10,186 | 2.11 |
| 772,175 Link REIT** | 5,832 | 1.21 |
| 7,001,000 Luye Pharma | 5,183 | 1.07 |
| 3,562,000 Minth | 10,208 | 2.11 |
| 4,839,000 Sino Biopharmaceutical | 5,039 | 1.04 |
| 1,510,500 Techtronic Industries | 6,391 | 1.32 |
| 734,600 Tencent | 25,335 | 5.25 |
| 22,183,652 Towngas China | 16,767 | 3.47 |
| 3,308,000 Vitasoy International | 8,966 | 1.86 |
| 13,066,000 Wasion | 5,255 | 1.09 |
| SINGAPORE (2.51%*) | 11,182 | 2.32 |
| 1,795,366 Dairy Farm International | 11,182 | 2.32 |

First State Greater China Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| TAIWAN (27.86%*) | 120,655 | 24.99 |
| 2,465,950 Advantech | 12,404 | 2.57 |
| 366,000 Airtac International | 3,035 | 0.63 |
| 2,433,654 Delta Electronics | 6,424 | 1.33 |
| 2,180,000 Macauto Industrial | 5,863 | 1.21 |
| 840,000 MediaTek | 5,303 | 1.10 |
| 1,301,000 Nien Made Enterprise | 8,569 | 1.78 |
| 667,781 PChome Online | 2,262 | 0.47 |
| 542,896 President Chain Store | 4,536 | 0.94 |
| 376,000 Silergy | 6,554 | 1.36 |
| 7,843,181 Sinbon Electronics | 17,304 | 3.58 |
| 874,940 Sporton International | 3,126 | 0.65 |
| 1,270,000 Taiwan Paiho | 2,002 | 0.41 |
| 5,539,262 Taiwan Semiconductor Manufacturing | 33,864 | 7.01 |
| 355,384 Voltronic Power Technology | 4,699 | 0.97 |
| 2,482,274 Wistron NeWeb | 4,710 | 0.98 |
| Portfolio of investments | 473,618 | 98.09 |
| Net other assets | 9,241 | 1.91 |
| Total net assets | 482,859 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

** Real Estate Investment Trust (REIT).

Stocks shown as ADRs represent American Depositary Receipts.

† This investment is a related party (see note 13).

First State Greater China Growth Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 742.79 | 589.41 | 522.25 |
| Return before operating charges* | 121.62 | 165.78 | 76.46 |
| Operating charges | (14.94) | (12.40) | (9.30) |
| Return after operating charges* | 106.68 | 153.38 | 67.16 |
| Distributions | (4.10) | (7.20) | (1.84) |
| Retained distributions on accumulation shares | 4.10 | 7.20 | 1.84 |
| Closing net asset value per share (p) | 849.47 | 742.79 | 589.41 |
| * after direct transaction costs of: | 0.86 | 0.99 | 0.75 |
| Performance | | | |
| Return after charges (%) | 14.36% | 26.02% | 12.86% |
| Other information | | | |
| Closing net asset value (£'000) | 154,936 | 147,748 | 130,287 |
| Closing number of shares | 18,239,068 | 19,890,913 | 22,104,621 |
| Operating charges | 1.81% | 1.84% | 1.84% |
| Direct transaction costs | 0.10% | 0.15% | 0.15% |
| Prices | | | |
| Highest share price | 910.70 | 756.43 | 598.03 |
| Lowest share price | 736.20 | 584.99 | 436.69 |

First State Greater China Growth Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 813.34 | 640.51 | 563.14 |
| Return before operating charges* | 132.90 | 180.80 | 83.35 |
| Operating charges | (9.52) | (7.97) | (5.98) |
| Return after operating charges* | 123.38 | 172.83 | 77.37 |
| Distributions | (11.53) | (13.52) | (7.39) |
| Retained distributions on accumulation shares | 11.53 | 13.52 | 7.39 |
| Closing net asset value per share (p) | 936.72 | 813.34 | 640.51 |
| * after direct transaction costs of: | 0.95 | 1.08 | 0.81 |
| Performance | | | |
| Return after charges (%) | 15.17% | 26.98% | 13.74% |
| Other information | | | |
| Closing net asset value (£'000) | 292,721 | 272,971 | 242,736 |
| Closing number of shares | 31,249,628 | 33,561,760 | 37,897,602 |
| Operating charges | 1.05% | 1.08% | 1.08% |
| Direct transaction costs | 0.10% | 0.15% | 0.15% |
| Prices | | | |
| Highest share price | 1,003.27 | 828.09 | 649.85 |
| Lowest share price | 806.18 | 635.77 | 471.11 |

First State Greater China Growth Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 238.09 | 200.31 | 212.35 |
| Return before operating charges* | 39.47 | 41.91 | (8.45) |
| Operating charges | (5.04) | (4.13) | (3.59) |
| Return after operating charges* | 34.43 | 37.78 | (12.04) |
| Distributions | (1.00) | (2.28) | (0.84) |
| Retained distributions on accumulation shares | 1.00 | 2.28 | 0.84 |
| Closing net asset value per share (c) | 272.52 | 238.09 | 200.31 |
| * after direct transaction costs of: | 0.28 | 0.33 | 0.28 |
| Performance | | | |
| Return after charges (%) | 14.46% | 18.86% | (5.67)% |
| Other information | | | |
| Closing net asset value (€'000) | 7,473 | 7,114 | 8,044 |
| Closing number of shares | 2,742,089 | 2,987,976 | 4,015,490 |
| Operating charges | 1.89% | 1.84% | 1.87% |
| Direct transaction costs | 0.10% | 0.15% | 0.15% |
| Prices | | | |
| Highest share price | 296.12 | 243.79 | 214.57 |
| Lowest share price | 232.52 | 199.80 | 168.82 |

First State Greater China Growth Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 192.60 | 160.76 | 169.07 |
| Return before operating charges* | 31.97 | 33.74 | (6.70) |
| Operating charges | (2.30) | (1.90) | (1.61) |
| Return after operating charges* | 29.67 | 31.84 | (8.31) |
| Distributions | (2.78) | (3.29) | (1.86) |
| Retained distributions on accumulation shares | 2.78 | 3.29 | 1.86 |
| Closing net asset value per share (c) | 222.27 | 192.60 | 160.76 |
| * after direct transaction costs of: | 0.23 | 0.26 | 0.23 |
| Performance | | | |
| Return after charges (%) | 15.41% | 19.81% | (4.92)% |
| Other information | | | |
| Closing net asset value (€'000) | 31,992 | 42,195 | 52,340 |
| Closing number of shares | 14,393,655 | 21,907,399 | 32,556,745 |
| Operating charges | 1.06% | 1.05% | 1.05% |
| Direct transaction costs | 0.10% | 0.15% | 0.15% |
| Prices | | | |
| Highest share price | 241.24 | 197.18 | 170.88 |
| Lowest share price | 188.13 | 160.37 | 134.96 |

First State Greater China Growth Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 | | 31 July 2017 | |
|---|-------|--------------|---------------|--------------|----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains | 2 | | 58,992 | | 98,235 |
| Revenue | 3 | 11,716 | | 13,163 | |
| Expenses | 4 | (6,209) | | (5,965) | |
| Interest payable and similar charges | | (50) | | (12) | |
| Net revenue before taxation | | 5,457 | | 7,186 | |
| Taxation | 5 | (596) | | (168) | |
| Net revenue after taxation | | | 4,861 | | 7,018 |
| Total return before distributions | | | 63,853 | | 105,253 |
| Distributions | 6 | | (4,864) | | (7,023) |
| Change in net assets attributable to shareholders from investment activities | | | 58,989 | | 98,230 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 | | 31 July 2017 | |
|--|--------------|----------------|--------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 464,800 | | 423,939 |
| Amounts receivable on issue of shares | 87,602 | | 50,065 | |
| Amounts payable on cancellation of shares | (133,497) | | (114,300) | |
| | | (45,895) | | (64,235) |
| Dilution adjustment | | 231 | | 105 |
| Change in net assets attributable to shareholders from investment activities | | 58,989 | | 98,230 |
| Retained distribution on accumulation shares | | 4,734 | | 6,761 |
| Closing net assets attributable to shareholders | | 482,859 | | 464,800 |

Notes to the Financial Statements are on pages 129 to 133.

First State Greater China Growth Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>473,618</u> | <u>468,547</u> |
| Current assets | | | |
| Debtors | 8 | 2,982 | 2,557 |
| Cash and bank balances | | <u>8,167</u> | <u>2,615</u> |
| Total assets | | <u>484,767</u> | <u>473,719</u> |
| Liabilities | | | |
| Creditors | | | |
| Other creditors | 9 | <u>(1,908)</u> | <u>(8,919)</u> |
| Total liabilities | | <u>(1,908)</u> | <u>(8,919)</u> |
| Net assets attributable to shareholders | | <u>482,859</u> | <u>464,800</u> |

Notes to the Financial Statements are on pages 129 to 133.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 59,070 | 98,011 |
| Forward foreign exchange currency contracts | – | (23) |
| Currency (losses)/gains | (61) | 247 |
| Custodial transaction fees | (17) | – |
| Net capital gains | <u>58,992</u> | <u>98,235</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Overseas taxable revenue | – | 61 |
| Overseas non-taxable revenue | 10,602 | 11,917 |
| Property revenue from overseas REITs | 193 | 287 |
| Overseas scrip dividends | 839 | 445 |
| Distributions from regulated collective investment schemes: | | |
| Offshore distribution non-taxable | 45 | 451 |
| Interest from bank deposits | 37 | 2 |
| Total revenue | <u>11,716</u> | <u>13,163</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>5,958</u> | <u>5,614</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>43</u> | <u>69</u> |
| Other expenses: | | |
| Audit fee | 8 | 9 |
| Registrar fees | 70 | 137 |
| Safe custody charges | 69 | 66 |
| Other expenses | 61 | 70 |
| | <u>208</u> | <u>282</u> |
| Total expenses | <u>6,209</u> | <u>5,965</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 596 | 168 |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 5,457 | 7,186 |
| Corporation tax of 20% (2017: 20%) | 1,091 | 1,437 |
| Effects of: | | |
| Non-taxable scrip dividends* | (168) | (89) |
| Overseas non-taxable revenue* | (2,129) | (2,474) |
| Movement in excess management expenses | 1,206 | 1,126 |
| Irrecoverable overseas tax | 596 | 168 |
| Total tax charge for year (note 5a) | 596 | 168 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £12,168,342 (31/07/17: £10,962,546); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | – | 1,736 |
| Final distribution | 4,734 | 5,025 |
| | 4,734 | 6,761 |
| Add: revenue deducted on cancellation of shares | 177 | 487 |
| Deduct: revenue received on issue of shares | (47) | (225) |
| Net distributions for the year | 4,864 | 7,023 |

Details of the distribution per share are set out in the Distribution Tables on pages 134 to 135.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net revenue after taxation | 4,861 | 7,018 |
| Movement in net income as a result of conversions | 3 | 5 |
| Net distributions for the year | 4,864 | 7,023 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Sales awaiting settlement | 92 | 1,012 |
| Amounts receivable for issue of shares | 250 | 103 |
| Accrued revenue | 2,640 | 1,442 |
| Total debtors | <u>2,982</u> | <u>2,557</u> |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | – | 6 |
| Amounts payable for cancellation of shares | 1,302 | 8,239 |
| Accrued expenses | 606 | 674 |
| Total other creditors | <u>1,908</u> | <u>8,919</u> |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|--|----------------|---------------|----------------|----------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 117,169 | 95,175 | 164,792 | 152,101 |
| Collective investment schemes | – | – | 7,756 | 980 |
| Trades in the year before transaction costs | <u>117,169</u> | <u>95,175</u> | <u>172,548</u> | <u>153,081</u> |
| Commissions | | | | |
| Equities | 91 | 120 | (126) | (193) |
| Taxes | | | | |
| Equities | 40 | 36 | (239) | (307) |
| Total costs | <u>131</u> | <u>156</u> | <u>(365)</u> | <u>(500)</u> |
| Total net trades in the year after transaction costs | <u>117,300</u> | <u>95,331</u> | <u>172,183</u> | <u>152,581</u> |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|-------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.08 | 0.13 | 0.08 | 0.13 |
| Taxes | | | | |
| Equities | 0.03 | 0.04 | 0.15 | 0.20 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|-------------|--------------|--------------|
| | % | % |
| Commissions | 0.04 | 0.07 |
| Taxes | 0.06 | 0.08 |
| Total costs | <u>0.10</u> | <u>0.15</u> |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.21% (31/07/17: 0.25%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £47,361,823 (31/07/17: £46,854,685).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 1.69% (31/07/17: 0.56%) of the Fund's assets were interest-bearing.

As exposure to interest-rate risk is not significant, no additional numerical or sensitivity analysis is presented.

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| Currency | Net foreign currency assets | Net foreign currency assets |
|------------------|-----------------------------|-----------------------------|
| | 31 July 2018 | 31 July 2017 |
| | Total | Total |
| | £'000 | £'000 |
| Chinese yuan | 50,882 | 57,148 |
| Euro | 699 | (4,814) |
| Hong Kong dollar | 264,251 | 243,527 |
| Taiwanese dollar | 122,559 | 131,142 |
| US dollar | 40,768 | 39,564 |
| Total | <u>479,159</u> | <u>466,567</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £23,957,957 (31/07/17: £23,328,336).

Notes to the Financial Statements

(continued)

as at 31 July 2018

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid from First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £522,218 (31/07/17: £492,334) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.05% (31/07/17: 0.12%) of the net asset value of the Fund.

Investments considered to be related parties have been identified in the Portfolio Statement if held at the year end. Total purchases of related-party securities were £nil (31/07/17: £nil). Total sales of related-party securities were £7,755,711 (31/07/17: £980,339).

Material Shareholders

Hargreaves Lansdown Nominees Limited and FundSettle EOC Nominees Limited held material shareholding in the Fund during the year to 31 July 2018, and at the year end held 24.4% and 12.9% of the Fund's shares in issue respectively.

14. Share classes

The Fund has four share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.75 |
| Share class B Accumulation | 1.00 |
| Share class A Accumulation (EUR share class) | 1.75 |
| Share class B Accumulation (EUR share class) | 1.00 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 123 to 126.

The distributions per share class are given in the Distribution Tables on pages 134 to 135.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | Closing shares in issue |
|--|---|------------|---------------|----------------------------------|----------------------------|
| Share class A Accumulation | 19,890,913 | 5,229,425 | (6,496,184) | (385,086) | 18,239,068 |
| Share class B Accumulation | 33,561,760 | 1,027,324 | (3,690,240) | 350,784 | 31,249,628 |
| Share class A Accumulation (EUR share class) | 2,987,976 | 69,452 | (315,339) | — | 2,742,089 |
| Share class B Accumulation (EUR share class) | 21,907,399 | 18,060,263 | (25,574,007) | — | 14,393,655 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 473,618 | — | 458,958 | — |
| Level 2 | — | — | 9,589 | — |
| Level 3 | — | — | — | — |
| Total fair value | 473,618 | — | 468,547 | — |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value which is determined by valuation techniques or single broker quotes.

First State Greater China Growth Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | 0.9776 |
| Final | 4.1026 | – | 4.1026 | 6.2214 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | 0.9776 |
| Final | 3.9094 | 0.1932 | 4.1026 | 6.2214 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | 3.7587 |
| Final | 11.5309 | – | 11.5309 | 9.7609 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | 3.7587 |
| Final | 9.5366 | 1.9943 | 11.5309 | 9.7609 |

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | 0.3133 |
| Final | 1.0034 | – | 1.0034 | 1.9712 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | 0.3133 |
| Final | 0.9454 | 0.0580 | 1.0034 | 1.9712 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | 0.9448 |
| Final | 2.7831 | – | 2.7831 | 2.3433 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | 0.9448 |
| Final | 2.6249 | 0.1582 | 2.7831 | 2.3433 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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.

Particular consideration is given to investment in companies that are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate.

Risks and reward profile

← Lower Risk Higher Risk →

Potentially Lower Rewards

Potentially Higher Rewards

| | | | | | | | |
|--|---|---|---|---|---|---|---|
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 6 due to its past performance and the nature of its investments. Shares with a rating of 6 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Indian subcontinent risk: investing in Indian subcontinent markets involves legal, regulatory and economic risks. The securities markets in the Indian subcontinent may subject the Fund to greater uncertainty than investments in more developed countries.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 9.1% in sterling terms over the twelve months and has provided cumulative returns of 47.4% and 146.4% over three and five years respectively to 31 July 2018.

Tata Consultancy Services and Tech Mahindra both rose on good results and rupee weakness. Mahindra & Mahindra gained as the prospects of the agriculture sector improved.

On the negative side, Hemas declined as the Sri Lankan economy slowed due to the impact of weather on agriculture and consumption. Dr. Reddy's Laboratories was negatively impacted by regulatory pressures and US Food & Drug Administration concerns around the quality of their processes. Idea Cellular declined on concerns about competition and poor profitability.

Portfolio changes

Significant new positions over the twelve months included Tata Global Beverages, a beverages company of the Tata Group that has Pepsi and Starbucks joint ventures and is undergoing positive changes under the new Tata Group Chairman. The Fund also bought Mahindra Logistics, a well-run logistics franchise at an early stage of its evolution, and V-Guard Industries, a family-owned manufacturer of branded electrical appliances, which is growing beyond its roots in southern India.

The Fund sold Idea Cellular because irrational competition with no regard for profitability could continue for longer than we had anticipated. The Fund sold Tata Chemicals as the company was trading on valuations that no longer reflected the strength of the franchise or its opportunity for long-term growth. The Fund also sold TI Financial on valuation concerns.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Outlook

The Fund remains focused on companies with good quality management and businesses, conservative balance sheets, and predictable and growing cash flows. However, we believe that most of our favourite companies continue to be expensively valued. We continue to look for companies that should benefit from and contribute to the sustainable development of the Indian subcontinent over the long term.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 3.3 | 6.2 | 9.1 | 47.4 | 146.4 | n/a | 157.0 |
| Benchmark return % | 6.8 | 3.2 | 5.8 | 45.5 | 94.7 | n/a | 91.3 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 9.1 | 15.8 | 16.7 | 30.1 | 28.5 |
| Benchmark return % | 5.8 | 20.6 | 14.1 | 12.3 | 19.1 |

Benchmark: MSCI India Index.

Sector: IA Specialist.

The performance ranking of funds within the IA Specialist sector is not viewed as a fair comparison given the diverse nature of the funds within the sector. Performance statistics are therefore noted versus the benchmark rather than the IA sector. The Specialist sector constituents are defined by the IA as funds that have an investment universe that is not accommodated by the other IA mainstream sectors.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Please note that the Stewart Investors Indian Subcontinent Fund A Accumulation GBP share class launched on 15/11/2006. For historic performance of this share class, please see the factsheets by visiting firststateinvestments.com

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|-----------------------------|-----------|-----------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Tata Consultancy Services | 7.13 | Marico | 6.07 |
| Tech Mahindra | 6.25 | Housing Development Finance | 5.79 |
| Mahindra & Mahindra | 5.56 | Tech Mahindra | 5.20 |
| Marico | 5.49 | Kotak Mahindra Bank | 5.14 |
| Cyient | 4.85 | Dr. Reddy's Laboratories | 4.68 |
| Housing Development Finance | 4.53 | Dabur India | 4.59 |
| Kotak Mahindra Bank | 4.27 | Godrej Consumer Products | 4.34 |
| Dabur India | 4.23 | Tata Consultancy Services | 4.17 |
| Dr. Reddy's Laboratories | 4.07 | Mahindra & Mahindra | 3.59 |
| Godrej Consumer Products | 3.66 | Cyient | 3.35 |

Types of shares

Accumulation.

Stewart Investors Indian Subcontinent Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---------------------------------------|-----------------------|-----------------------|
| BANGLADESH (7.40%*) | 19,742 | 6.73 |
| 8,252,920 BRAC Bank | 4,921 | 1.68 |
| 5,746,580 Delta Brac Housing Finance | 7,025 | 2.39 |
| 265,361 Marico Bangladesh | 2,757 | 0.94 |
| 2,074,945 Square Pharmaceuticals | 5,039 | 1.72 |
| INDIA (79.02%*) | 225,367 | 76.80 |
| 969,635 Advanced Enzyme Technologies | 2,258 | 0.77 |
| 1,391,614 Cipla | 9,899 | 3.37 |
| 2,441,399 City Union Bank | 4,674 | 1.59 |
| 387,549 Colgate-Palmolive | 4,932 | 1.68 |
| 1,827,620 Cyient | 14,220 | 4.85 |
| 2,649,059 Dabur India | 12,417 | 4.23 |
| 497,730 Dr Lal PathLabs | 5,184 | 1.77 |
| 504,923 Dr. Reddy's Laboratories | 11,954 | 4.07 |
| 1,491,622 Elgi Equipments | 4,791 | 1.63 |
| 732,312 Godrej Consumer Products | 10,736 | 3.66 |
| 601,818 Housing Development Finance | 13,304 | 4.53 |
| 507,612 Indraprastha Gas | 1,715 | 0.58 |
| 264,785 Info Edge (India) | 4,006 | 1.36 |
| 944,425 Kansai Nerolac Paints | 4,990 | 1.70 |
| 861,905 Kotak Mahindra Bank | 12,523 | 4.27 |
| 1,571,353 Mahindra & Mahindra | 16,315 | 5.56 |
| 866,888 Mahindra Lifespace Developers | 5,213 | 1.78 |
| 654,687 Mahindra Logistics | 4,182 | 1.43 |
| 3,983,997 Marico | 16,114 | 5.49 |
| 374,582 Pidilite Industries | 4,684 | 1.60 |
| 592,472 SH Kelkar | 1,294 | 0.44 |
| 944,290 Shanthi Gears | 1,450 | 0.49 |
| 154,035 Sundaram Finance | 201 | 0.07 |
| 154,035 Sundaram Finance | 2,560 | 0.87 |
| 968,276 Tata Consultancy Services | 20,911 | 7.13 |
| 2,517,649 Tata Global Beverages | 6,915 | 2.36 |
| 2,425,081 Tech Mahindra | 18,329 | 6.25 |
| 1,820,531 Tube Investments of India | 4,917 | 1.68 |
| 1,190,463 V-Guard Industries | 2,832 | 0.96 |
| 75,527 VST Tillers Tractors | 1,847 | 0.63 |
| SRI LANKA (8.45%*) | 16,598 | 5.66 |
| 1,705,829 Cargills Ceylon | 1,597 | 0.54 |
| 12,243,878 Commercial Bank of Ceylon | 7,308 | 2.49 |
| 2,303,051 CT | 1,981 | 0.68 |
| 11,962,613 Hemas | 5,712 | 1.95 |
| Portfolio of investments | 261,707 | 89.19 |
| Net other assets | 31,732 | 10.81 |
| Total net assets | 293,439 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stewart Investors Indian Subcontinent Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 468.89 | 407.64 | 351.74 |
| Return before operating charges* | 49.25 | 69.60 | 62.54 |
| Operating charges | (8.84) | (8.35) | (6.64) |
| Return after operating charges* | 40.41 | 61.25 | 55.90 |
| Distributions | — | — | — |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share (p) | 509.30 | 468.89 | 407.64 |
| * after direct transaction costs of: | 0.58 | 0.54 | 0.33 |
| Performance | | | |
| Return after charges (%) | 8.62% | 15.03% | 15.89% |
| Other information | | | |
| Closing net asset value (£'000) | 98,936 | 103,431 | 104,445 |
| Closing number of shares | 19,425,936 | 22,058,659 | 25,621,795 |
| Operating charges | 1.86% | 1.92% | 1.94% |
| Direct transaction costs | 0.12% | 0.12% | 0.10% |
| Prices | | | |
| Highest share price | 510.66 | 471.54 | 410.47 |
| Lowest share price | 436.95 | 399.52 | 309.57 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 235.30 | 203.15 | 174.12 |
| Return before operating charges* | 24.88 | 34.69 | 31.08 |
| Operating charges | (2.67) | (2.54) | (2.05) |
| Return after operating charges* | 22.21 | 32.15 | 29.03 |
| Distributions | (0.13) | (0.21) | (0.38) |
| Retained distributions on accumulation shares | 0.13 | 0.21 | 0.38 |
| Closing net asset value per share (p) | 257.51 | 235.30 | 203.15 |
| * after direct transaction costs of: | 0.29 | 0.27 | 0.17 |
| Performance | | | |
| Return after charges (%) | 9.44% | 15.83% | 16.67% |
| Other information | | | |
| Closing net asset value (£'000) | 177,760 | 155,491 | 148,746 |
| Closing number of shares | 69,030,934 | 66,080,779 | 73,218,321 |
| Operating charges | 1.11% | 1.16% | 1.20% |
| Direct transaction costs | 0.12% | 0.12% | 0.10% |
| Prices | | | |
| Highest share price | 258.12 | 236.61 | 204.55 |
| Lowest share price | 219.54 | 199.59 | 153.87 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 323.30 | 297.90 | 307.75 |
| Return before operating charges* | 34.85 | 31.28 | (4.52) |
| Operating charges | (6.45) | (5.88) | (5.33) |
| Return after operating charges* | 28.40 | 25.40 | (9.85) |
| Distributions | — | — | — |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share (c) | 351.70 | 323.30 | 297.90 |
| * after direct transaction costs of: | 0.40 | 0.39 | 0.27 |
| Performance | | | |
| Return after charges (%) | 8.78% | 8.53% | (3.20)% |
| Other information | | | |
| Closing net asset value (€'000) | 11,137 | 25,980 | 60,277 |
| Closing number of shares | 3,166,669 | 8,035,670 | 20,233,413 |
| Operating charges | 1.94% | 1.89% | 1.91% |
| Direct transaction costs | 0.12% | 0.12% | 0.10% |
| Prices | | | |
| Highest share price | 357.77 | 335.31 | 316.05 |
| Lowest share price | 307.08 | 291.37 | 242.74 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018

(c)

Share class B Accumulation (EUR share class)

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | 8.03 |
| Operating charges | (0.46) |
| Return after operating charges* | 7.57 |
| Distributions | (0.23) |
| Retained distributions on accumulation shares | 0.23 |
| Closing net asset value per share (c) | 107.57 |

* after direct transaction costs of: 0.05

Performance

Return after charges (%) 7.57%

Other information

| | |
|---------------------------------|-----------|
| Closing net asset value (€'000) | 5,969 |
| Closing number of shares | 5,549,272 |
| Operating charges | 1.08% |
| Direct transaction costs | 0.30% |

Prices

| | |
|---------------------|--------|
| Highest share price | 109.32 |
| Lowest share price | 97.35 |

Share class B Accumulation (EUR share class) was launched on 6 March 2018.

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (USD share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 120.50 | 104.20 | 105.65 |
| Return before operating charges* | 12.70 | 17.51 | (0.34) |
| Operating charges | (1.38) | (1.21) | (1.11) |
| Return after operating charges* | 11.32 | 16.30 | (1.45) |
| Distributions | (0.15) | (0.38) | – |
| Retained distributions on accumulation shares | 0.15 | 0.38 | – |
| Closing net asset value per share (c) | 131.82 | 120.50 | 104.20 |
| * after direct transaction costs of: | 0.15 | 0.13 | 0.09 |
| Performance | | | |
| Return after charges (%) | 9.39% | 15.64% | (1.37)% |
| Other information | | | |
| Closing net asset value (\$'000) | 1,947 | 1,345 | 1,786 |
| Closing number of shares | 1,477,048 | 1,116,400 | 1,713,299 |
| Operating charges | 1.09% | 1.12% | 1.16% |
| Direct transaction costs | 0.12% | 0.12% | 0.10% |
| Prices | | | |
| Highest share price | 135.91 | 120.69 | 107.74 |
| Lowest share price | 115.02 | 97.43 | 85.91 |

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 | | 31 July 2017 | |
|---|-------|--------------|----------------|--------------|----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains | 2 | | 25,613 | | 43,069 |
| Revenue | 3 | 3,133 | | 3,776 | |
| Expenses | 4 | (3,797) | | (4,405) | |
| Interest payable and similar charges | | (6) | | (1) | |
| Net expenses before taxation | | (670) | | (630) | |
| Taxation | 5 | (1,754) | | (374) | |
| Net expenses after taxation | | | (2,424) | | (1,004) |
| Total return before distributions | | | 23,189 | | 42,065 |
| Distributions | 6 | | (101) | | (142) |
| Change in net assets attributable to shareholders from investment activities | | | 23,088 | | 41,923 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 | | 31 July 2017 | |
|--|--------------|----------------|--------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 283,172 | | 305,373 |
| Amounts receivable on issue of shares | 29,363 | | 10,847 | |
| Less: Amounts payable on cancellation of shares | (42,344) | | (75,230) | |
| | | (12,981) | | (64,383) |
| Dilution adjustment | | 59 | | 118 |
| Change in net assets attributable to shareholders from investment activities | | 23,088 | | 41,923 |
| Retained distribution on accumulation shares | | 101 | | 141 |
| Closing net assets attributable to shareholders | | 293,439 | | 283,172 |

Notes to the Financial Statements are on pages 146 to 150.

Stewart Investors Indian Subcontinent Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>261,707</u> | <u>268,658</u> |
| Current assets | | | |
| Debtors | 8 | 1,071 | 830 |
| Cash and bank balances | | <u>33,368</u> | <u>14,812</u> |
| Total assets | | <u>296,146</u> | <u>284,300</u> |
| Liabilities | | | |
| Creditors | | | |
| Bank overdrafts | | – | (118) |
| Other creditors | 9 | <u>(2,707)</u> | <u>(1,010)</u> |
| Total liabilities | | <u>(2,707)</u> | <u>(1,128)</u> |
| Net assets attributable to shareholders | | <u>293,439</u> | <u>283,172</u> |

Notes to the Financial Statements are on pages 146 to 150.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 25,901 | 43,513 |
| Forward foreign exchange currency contracts | – | 11 |
| Currency losses | (284) | (455) |
| Custodial transaction fees | (4) | – |
| Net capital gains | <u>25,613</u> | <u>43,069</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|------------------------------|-----------------------|-----------------------|
| Overseas taxable revenue | – | (3) |
| Overseas non-taxable revenue | 3,015 | 3,508 |
| Interest from bank deposits | 22 | 3 |
| Initial charge revenue | 96 | 268 |
| Total revenue | <u>3,133</u> | <u>3,776</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>3,507</u> | <u>3,956</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>30</u> | <u>44</u> |
| Other expenses: | | |
| Audit fee | 8 | 9 |
| Registrar fees | 51 | 110 |
| Safe custody charges | 113 | 213 |
| Other expenses | <u>88</u> | <u>73</u> |
| | <u>260</u> | <u>405</u> |
| Total expenses | <u>3,797</u> | <u>4,405</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 72 | 95 |
| Indian capital gains tax | 1,682 | 279 |
| Total taxation (note 5b) | <u>1,754</u> | <u>374</u> |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net expenses before taxation | (670) | (630) |
| Corporation tax of 20% (2017: 20%) | <u>(134)</u> | <u>(126)</u> |
| Effects of: | | |
| Overseas non-taxable revenue* | (603) | (702) |
| Movement in excess management expenses | 737 | 828 |
| Irrecoverable overseas tax | 72 | 95 |
| Indian capital gains tax | 1,682 | 279 |
| Total tax charge for year (note 5a) | <u>1,754</u> | <u>374</u> |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

** As an authorised OEIC, these items are not subject to corporation tax.*

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £7,111,148 (31/07/17: £6,374,249); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distribution

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprises:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Final distribution | 101 | 141 |
| Add: revenue deducted on cancellation of shares | – | 1 |
| Deduct: revenue received on issue of shares | – | – |
| Net distributions for the year | <u>101</u> | <u>142</u> |

Details of the distribution per share are set out in the Distribution Tables on pages 151 to 152.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net expenses after taxation | (2,424) | (1,004) |
| Movement in net income as a result of conversions | – | 867 |
| Indian capital gains tax | 1,682 | 279 |
| Revenue deficit | 843 | – |
| Net distributions for the year | <u>101</u> | <u>142</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Amounts receivable for issue of shares | 80 | – |
| Accrued revenue | 970 | 830 |
| Foreign currency contracts awaiting settlement | 21 | – |
| Total debtors | 1,071 | 830 |

9. Other creditors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Purchases awaiting settlement | 73 | – |
| Amounts payable for cancellation of shares | 700 | 467 |
| Accrued expenses | 1,913 | 543 |
| Foreign currency contracts awaiting settlement | 21 | – |
| Total other creditors | 2,707 | 1,010 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 July 2018 £'000 | 31 July 2017 £'000 | 31 July 2018 £'000 | 31 July 2017 £'000 |
| Equities | 42,559 | 37,580 | 75,734 | 107,487 |
| Trades in the year before transaction costs | 42,559 | 37,580 | 75,734 | 107,487 |
| Commissions | | | | |
| Equities | 53 | 59 | (105) | (127) |
| Taxes | | | | |
| Equities | 56 | 40 | (109) | (136) |
| Total costs | 109 | 99 | (214) | (263) |
| Total net trades in the year after transaction costs | 42,668 | 37,679 | 75,520 | 107,224 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 31 July 2018 % | 31 July 2017 % | 31 July 2018 % | 31 July 2017 % |
| Commissions | | | | |
| Equities | 0.12 | 0.16 | 0.14 | 0.12 |
| Taxes | | | | |
| Equities | 0.13 | 0.11 | 0.14 | 0.13 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 % | 31 July 2017 % |
|--------------------|-------------------|-------------------|
| Commissions | 0.06 | 0.06 |
| Taxes | 0.06 | 0.06 |
| Total costs | 0.12 | 0.12 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.25% (31/07/17: 0.23%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £26,170,699 (31/07/17: £26,865,773).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 11.37% (31/07/17: 5.19%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Indian Subcontinent Fund would be an increase or decrease of approximately £83,420 (31/07/17: £36,733).

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|------------------|---|---|
| Currency | Total £'000 | Total £'000 |
| Bangladeshi taka | 19,749 | 20,973 |
| Euro | 335 | (327) |
| Indian rupee | 224,895 | 224,585 |
| Singapore dollar | 10,856 | — |
| Sri Lankan rupee | 16,598 | 23,932 |
| US dollar | 10,885 | 4,718 |
| Total | <u>283,318</u> | <u>273,881</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £14,165,914 (31/07/17: £13,694,033).

Notes to the Financial Statements

(continued)

as at 31 July 2018

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £315,684 (31/07/17: £320,974) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.17% (31/07/17: 0.00%) of the net asset value of the Fund.

Material Shareholders

Hargreaves Lansdown Nominees Limited, FIL Nominee (Shareholdings) Limited and Minster Nominees Limited held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 21.1%, 13.1% and 10.3% of the Fund's shares in issue respectively.

14. Share classes

The Fund has five share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.75 |
| Share class B Accumulation | 1.00 |
| Share class A Accumulation (EUR share class) | 1.75 |
| Share class B Accumulation (EUR share class) | 1.00 |
| Share class B Accumulation (USD share class) | 1.00 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 139 to 143.

The distribution per share class is given in the Distribution Tables on pages 151 to 152.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | Shares converted | 31 July 2018 Closing shares in issue |
|--|---|-----------|---------------|---------------------|--|
| Share class A Accumulation | 22,058,659 | 270,958 | (2,532,622) | (371,059) | 19,425,936 |
| Share class B Accumulation | 66,080,779 | 8,671,603 | (6,458,569) | 737,121 | 69,030,934 |
| Share class A Accumulation (EUR share class) | 8,035,670 | 323,944 | (5,192,945) | – | 3,166,669 |
| Share class B Accumulation (EUR share class) | – | 5,549,272 | – | – | 5,549,272 |
| Share class B Accumulation (USD share class) | 1,116,400 | 560,114 | (199,466) | – | 1,477,048 |

15. Fair value

| Valuation technique | 31 July 2018 | | 31 July 2017 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 261,707 | – | 268,658 | – |
| Level 2 | – | – | – | – |
| Level 3 | – | – | – | – |
| Total fair value | 261,707 | – | 268,658 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Stewart Investors Indian Subcontinent Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |

This share class is in deficit and therefore not making a distribution.

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 0.1277 | – | 0.1277 | 0.2085 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 0.1247 | 0.0030 | 0.1277 | 0.2085 |

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | – |
| Final | – | – | – | – |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | – |
| Final | – | – | – | – |

This share class is in deficit and therefore not making a distribution.

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.2327 | — | 0.2327 | — |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.2327 | — | 0.2327 | — |

Share class B Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.1458 | — | 0.1458 | 0.3798 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.1458 | — | 0.1458 | 0.3798 |

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

First State Indian Subcontinent All-Cap Fund

Authorised Fund Manager's Report

for the period 8 June 2018 to 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund primarily invests in equities issued by companies that are established, operating or have their economic activity mainly in the Indian subcontinent, in offshore instruments that are issued by companies established or operating or having significant interests in the Indian subcontinent and are listed, traded or dealt in on regulated markets worldwide, and in equity-related instruments listed, traded or dealt in on regulated markets worldwide that provide exposure to the Indian subcontinent. The Fund will invest across all market capitalisations.

In order to gain exposure to these types of equities and equity-related instruments, up to 10% of the net assets of the Fund may be invested in other collective investment schemes, including in collective investment schemes managed by the ACD or its associates ("Associated Schemes"), and/or other Funds of the Company ("Second Funds").

Investment may be in cash or near cash.

At times, the Fund's portfolio may be concentrated in a small number of holdings.

The Fund may use derivatives for efficient portfolio management purposes only.

- Countries of the Indian subcontinent include India, Pakistan, Sri Lanka and Bangladesh.

Risks and reward profile

| | ← Lower Risk | | | | | Higher Risk → | |
|--|---------------------------|---|---|---|---|----------------------------|---|
| | Potentially Lower Rewards | | | | | Potentially Higher Rewards | |
| Class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Class E Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Class E Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Class B Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Class E Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 6 due to its past performance and the nature of its investments. Shares with a rating of 6 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

Indian subcontinent risk: investing in Indian subcontinent markets involves legal, regulatory and economic risks. The securities markets in the Indian subcontinent may subject the Fund to greater uncertainty than investments in more developed countries.

Performance

As the Fund has not yet reached one year of performance, the Manager has not included any Fund commentary at this point.

Authorised Fund Manager's Report

(continued)

for the period 8 June 2018 to 31 July 2018

Outlook

The valuations in the Manager's universe of companies have generally increased over the last few years. The Manager's focus is on owning high-quality businesses that are run by management teams who think long-term and are closely aligned with minority shareholders and have leading positions in under-penetrated markets. The lack of penetration in India implies that these companies have several years or even decades of strong growth ahead of them. On a long-term view, the Manager believes this growth is likely to adequately compensate for the expensive near-term valuations.

Over the last few years, the Manager observed that, even though the macro-economic environment in India was favourable, earnings growth for companies was weak. The Manager's discussions with management teams indicate a significant improvement in consumer demand in recent times, even as the macro-economic environment has become less favourable. Recent reforms such as the introduction of the Goods and Services Tax are also helping tax-compliant businesses in the organised sector gain market share from their unorganised competitors. Therefore, the Manager is confident about the long-term prospects of our portfolio of businesses.

Cumulative performance as at 31 July 2018

We are not in a position to provide performance data as the Fund was launched to the market on 8 June 2018. This will be provided in future reports once the Fund has obtained a track record of one year.

Ten largest holdings

| | 31 July 2018 |
|-----------------------------|--------------|
| Stock name | % of Fund |
| HDFC Bank | 6.51 |
| Nestlé India | 5.59 |
| Kotak Mahindra Bank | 5.39 |
| Godrej Consumer Products | 4.88 |
| Ambuja Cements | 4.32 |
| Housing Development Finance | 3.86 |
| Bharti Airtel | 3.65 |
| SKF India | 3.45 |
| Jyothy Laboratories | 3.37 |
| Blue Star | 2.99 |

Types of shares

Accumulation.

First State Indian Subcontinent All-Cap Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--------------------------------------|-----------------------|-----------------------|
| BANGLADESH | 39 | 1.00 |
| 31,945 Delta Brac Housing Finance | 39 | 1.00 |
| INDIA | 3,299 | 84.27 |
| 66,056 Ambuja Cements | 169 | 4.32 |
| 25,907 Aster DM Healthcare | 48 | 1.23 |
| 10,761 Axis Bank | 66 | 1.69 |
| 1,640 BASF India | 35 | 0.89 |
| 32,978 Bharti Airtel | 143 | 3.65 |
| 1,405 Blue Dart Express | 57 | 1.46 |
| 15,731 Blue Star | 117 | 2.99 |
| 371 Bosch | 78 | 1.99 |
| 4,342 Colgate-Palmolive | 55 | 1.41 |
| 7,340 Container Of India | 55 | 1.40 |
| 2,084 Dr Lal PathLabs | 22 | 0.56 |
| 7,975 Edelweiss | 28 | 0.72 |
| 35,747 Federal Bank | 35 | 0.89 |
| 13,003 Godrej Consumer Products | 191 | 4.88 |
| 12,244 Godrej Industries | 88 | 2.25 |
| 7,515 Gujarat Gas | 66 | 1.69 |
| 10,499 HDFC Bank | 255 | 6.51 |
| 26,663 HealthCare Global Enterprises | 83 | 2.12 |
| 52,634 HeidelbergCement India | 94 | 2.40 |
| 6,827 Housing Development Finance | 151 | 3.86 |
| 6,305 Infosys | 96 | 2.45 |
| 54,074 Jyothy Laboratories | 132 | 3.37 |
| 14,548 Kotak Mahindra Bank | 211 | 5.39 |
| 5,223 Linde India | 25 | 0.64 |
| 31,136 Mahindra CIE Automotive | 89 | 2.27 |
| 12,594 Mahindra Lifespace Developers | 76 | 1.94 |
| 6,731 Mphasis | 86 | 2.20 |
| 1,867 Nestlé India | 219 | 5.59 |
| 11,232 Oberoi Realty | 61 | 1.56 |
| 7,940 Shoppers Stop | 49 | 1.25 |
| 7,242 SKF India | 135 | 3.45 |
| 24,548 State Bank of India | 80 | 2.04 |
| 7,021 Suprajit Engineering | 20 | 0.51 |
| 14,773 Tech Mahindra | 112 | 2.86 |
| 3,039 Tube Investments of India | 8 | 0.20 |
| 866 United Breweries | 11 | 0.28 |
| 1,280 Varroc Engineering | 14 | 0.36 |
| 2,853 Zensar Technologies | 39 | 1.00 |
| PAKISTAN | 62 | 1.58 |
| 4,580 Indus Motor | 39 | 0.99 |
| 10,800 PAK Suzuki Motor | 23 | 0.59 |

First State Indian Subcontinent All-Cap Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---------------------------------|-----------------------|-----------------------|
| SRI LANKA | 93 | 2.37 |
| 48,539 Hatton National Bank | 52 | 1.33 |
| 18,039 Hemas | 9 | 0.23 |
| 48,600 John Keells | 32 | 0.81 |
| Portfolio of investments | 3,493 | 89.22 |
| Net other assets | 422 | 10.78 |
| Total net assets | 3,915 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

There are no comparatives for this statement as this Fund launched on 8 June 2018.

First State Indian Subcontinent All-Cap Fund

Comparative Table

for the period 8 June 2018 to 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018
(p)

Share class B Accumulation

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | 1.84 |
| Operating charges | (0.18) |
| Return after operating charges* | 1.66 |
| Distributions | (0.14) |
| Retained distributions on accumulation shares | 0.14 |
| Closing net asset value per share (p) | 101.66 |

* after direct transaction costs of: 0.19

Performance

Return after charges (%) 1.66%

Other information

| | |
|---------------------------------|---------|
| Closing net asset value (£'000) | 639 |
| Closing number of shares | 628,555 |
| Operating charges | 1.25% |
| Direct transaction costs | 1.31% |

Prices

| | |
|---------------------|--------|
| Highest share price | 101.66 |
| Lowest share price | 97.27 |

Share class B Accumulation was launched on 8 June 2018.

First State Indian Subcontinent All-Cap Fund

Comparative Table

(continued)

for the period 8 June 2018 to 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018
(p)

Share class E Accumulation

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | 1.84 |
| Operating charges | (0.13) |
| Return after operating charges* | 1.71 |
| Distributions | (0.19) |
| Retained distributions on accumulation shares | 0.19 |
| Closing net asset value per share (p) | 101.71 |

* after direct transaction costs of: 0.19

Performance

Return after charges (%) 1.71%

Other information

| | |
|---------------------------------|---------|
| Closing net asset value (£'000) | 685 |
| Closing number of shares | 673,099 |
| Operating charges | 0.94% |
| Direct transaction costs | 1.31% |

Prices

| | |
|---------------------|--------|
| Highest share price | 101.71 |
| Lowest share price | 97.30 |

Share class E Accumulation was launched on 8 June 2018.

First State Indian Subcontinent All-Cap Fund

Comparative Table

(continued)

for the period 8 June 2018 to 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018

(c)

Share class B Accumulation (EUR share class)

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | 0.09 |
| Operating charges | (0.18) |
| Return after operating charges* | (0.09) |
| Distributions | (0.14) |
| Retained distributions on accumulation shares | 0.14 |
| Closing net asset value per share (c) | 99.91 |

* after direct transaction costs of: 0.19

Performance

Return after charges (%) (0.09%)

Other information

| | |
|---------------------------------|---------|
| Closing net asset value (€'000) | 712 |
| Closing number of shares | 712,860 |
| Operating charges | 1.25% |
| Direct transaction costs | 1.31% |

Prices

| | |
|---------------------|-------|
| Highest share price | 99.91 |
| Lowest share price | 96.39 |

Share class B Accumulation (EUR share class) was launched on 8 June 2018.

First State Indian Subcontinent All-Cap Fund

Comparative Table

(continued)

for the period 8 June 2018 to 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018

(c)

Share class E Accumulation (EUR share class)

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | 0.09 |
| Operating charges | (0.13) |
| Return after operating charges* | (0.04) |
| Distributions | (0.18) |
| Retained distributions on accumulation shares | 0.18 |
| Closing net asset value per share (c) | 99.96 |

* after direct transaction costs of: 0.19

Performance

Return after charges (%) (0.04%)

Other information

| | |
|---------------------------------|---------|
| Closing net asset value (€'000) | 775 |
| Closing number of shares | 774,882 |
| Operating charges | 0.94% |
| Direct transaction costs | 1.31% |

Prices

| | |
|---------------------|-------|
| Highest share price | 99.95 |
| Lowest share price | 96.41 |

Share class E Accumulation (EUR share class) was launched on 8 June 2018.

First State Indian Subcontinent All-Cap Fund

Comparative Table

(continued)

for the period 8 June 2018 to 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018

(c)

Share class B Accumulation (USD share class)

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | (0.22) |
| Operating charges | (0.18) |
| Return after operating charges* | (0.40) |
| Distributions | (0.14) |
| Retained distributions on accumulation shares | 0.14 |
| Closing net asset value per share (c) | 99.60 |

* after direct transaction costs of: 0.19

Performance

Return after charges (%) (0.40%)

Other information

| | |
|----------------------------------|---------|
| Closing net asset value (\$'000) | 830 |
| Closing number of shares | 833,333 |
| Operating charges | 1.25% |
| Direct transaction costs | 1.31% |

Prices

| | |
|---------------------|-------|
| Highest share price | 99.92 |
| Lowest share price | 95.68 |

Share class B Accumulation (USD share class) was launched on 8 June 2018.

First State Indian Subcontinent All-Cap Fund

Comparative Table

(continued)

for the period 8 June 2018 to 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018

(c)

Share class E Accumulation (USD share class)

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | (0.23) |
| Operating charges | (0.13) |
| Return after operating charges* | (0.36) |
| Distributions | (0.18) |
| Retained distributions on accumulation shares | 0.18 |
| Closing net asset value per share (c) | 99.64 |

* after direct transaction costs of:

0.19

Performance

Return after charges (%) (0.36%)

Other information

| | |
|----------------------------------|---------|
| Closing net asset value (\$'000) | 830 |
| Closing number of shares | 833,333 |
| Operating charges | 0.94% |
| Direct transaction costs | 1.31% |

Prices

| | |
|---------------------|-------|
| Highest share price | 99.92 |
| Lowest share price | 95.70 |

Share class E Accumulation (USD share class) was launched on 8 June 2018.

First State Indian Subcontinent All-Cap Fund

Statement of Total Return

for the period 8 June 2018 to 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 |
|---|-------|-----------------------|------------------|
| Income | | | |
| Net capital gains | 2 | | 60 |
| Revenue | 3 | 12 | |
| Expenses | 4 | (6) | |
| Interest payable and similar charges | | — | |
| Net revenue before taxation | | <u>6</u> | |
| Taxation | 5 | (2) | |
| Net revenue after taxation | | | <u>4</u> |
| Total return before distributions | | | <u>64</u> |
| Distributions | 6 | | (6) |
| Change in net assets attributable to shareholders from investment activities | | | <u><u>58</u></u> |

Statement of Change in Net Assets Attributable to Shareholders

for the period 8 June 2018 to 31 July 2018

| | 31 July 2018 £'000 | £'000 |
|--|-----------------------|---------------------|
| Amounts receivable on issue of shares | <u>3,851</u> | |
| | | 3,851 |
| Change in net assets attributable to shareholders from investment activities | | 58 |
| Retained distribution on accumulation shares | | 6 |
| Closing net assets attributable to shareholders | | <u><u>3,915</u></u> |

Notes to the Financial Statements are on pages 165 to 170.

No comparatives are shown as the Fund was launched on 8 June 2018.

First State Indian Subcontinent All-Cap Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 |
|--|-------|-----------------------|
| Assets | | |
| Fixed assets | | |
| Investments | | 3,493 |
| Current assets | | |
| Debtors | 8 | 59 |
| Cash and bank balances | | 392 |
| Total assets | | 3,944 |
| Liabilities | | |
| Creditors | | |
| Other creditors | 9 | (29) |
| Total liabilities | | (29) |
| Net assets attributable to shareholders | | 3,915 |

Notes to the Financial Statements are on pages 165 to 170.

No comparatives are shown as the Fund was launched on 8 June 2018.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 |
|---------------------------|-----------------------|
| Non-derivative securities | 63 |
| Currency losses | (3) |
| Net capital gains | <u>60</u> |

3. Revenue

| | 31 July 2018 £'000 |
|------------------------------|-----------------------|
| Overseas non-taxable revenue | 12 |
| Total revenue | <u>12</u> |

4. Expenses

| | 31 July 2018 £'000 |
|---|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | |
| ACD's periodic charge | 4 |
| ACD's periodic charge rebate | (15) |
| | <u>(11)</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | |
| Depositary's fees | 4 |
| Other expenses: | |
| Audit fee | 9 |
| Other expenses | 4 |
| | <u>13</u> |
| Total expenses | <u>6</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

31 July 2018
£'000

(a) Analysis of charge in year:

| | |
|--------------------------|----------|
| Indian capital gains tax | 2 |
| Total taxation (note 5b) | <u>2</u> |

(b) Factors affecting current tax charge for the period:

The tax assessed for the period is higher than the standard rate of corporation tax in the UK for an open-ended investment company of 20%. The differences are explained below:

| | |
|--|----------|
| Net revenue before taxation | 6 |
| Corporation tax of 20% | <u>1</u> |
| Effects of: | |
| Overseas non-taxable revenue* | (2) |
| Movement in excess management expenses | 1 |
| Indian capital gains tax | <u>2</u> |
| Total tax charge for year (note 5a) | <u>2</u> |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

** As an authorised OEIC, these items are not subject to corporation tax.*

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,186; this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

31 July 2018
£'000

| | |
|----------------------------------|----------|
| Final distribution | 6 |
| Net distributions for the period | <u>6</u> |

Details of the distribution per share are set out in the Distribution Tables on pages 171 to 172.

7. Movement between net revenue and net distributions

31 July 2018
£'000

| | |
|----------------------------------|----------|
| Net revenue after taxation | 4 |
| Indian capital gains tax | <u>2</u> |
| Net distributions for the period | <u>6</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 £'000 |
|--|-----------------------|
| Sales awaiting settlement | 31 |
| Amounts receivable for issue of shares | 5 |
| Accrued revenue | 23 |
| Total debtors | <u>59</u> |

9. Other creditors

| | 31 July 2018 £'000 |
|-------------------------------|-----------------------|
| Purchases awaiting settlement | 9 |
| Accrued expenses | 20 |
| Total other creditors | <u>29</u> |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases 31 July 2018 £'000 | Sales 31 July 2018 £'000 |
|---|------------------------------------|--------------------------------|
| Equities | 3,618 | 196 |
| Trades in the year before transaction costs | <u>3,618</u> | <u>196</u> |
| Commissions | | |
| Equities | 2 | — |
| Taxes | | |
| Equities | 5 | — |
| Total costs | <u>7</u> | <u>—</u> |
| Total net trades in the year after transaction costs | <u>3,625</u> | <u>196</u> |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases 31 July 2018 % | Sales 31 July 2018 % |
|--------------------|--------------------------------|----------------------------|
| Commissions | | |
| Equities | 0.06 | 0.11 |
| Taxes | | |
| Equities | 0.12 | 0.13 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 % |
|-------------|-------------------|
| Commissions | 0.06 |
| Taxes | 0.13 |
| Total costs | <u>0.19</u> |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.24%.

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities and no commitments.

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £349,289.

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 10.01% of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the First State Indian Subcontinent All-Cap Fund would be an increase or decrease of approximately £979.

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | | Net foreign currency assets |
|------------------|--|-----------------------------|
| | | 31 July 2018 |
| Currency | | Total |
| | | £'000 |
| Bangladeshi taka | | 39 |
| Euro | | 4 |
| Indian rupee | | 3,363 |
| Pakistani rupee | | 61 |
| Sri Lankan rupee | | 93 |
| Total | | <u>3,560</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £178,028.

Notes to the Financial Statements

(continued)

as at 31 July 2018

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £2,695 due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 97.12% of the net asset value of the Fund.

Material Shareholders

RBC, as trustee for First State Investments Services (UK) Limited Employee Benefits Trust, held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 97.4% of the Fund's shares in issue.

14. Share classes

The Fund has six share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class B Accumulation | 1.00 |
| Share class E Accumulation | 0.69 |
| Share class B Accumulation (EUR share class) | 1.00 |
| Share class E Accumulation (EUR share class) | 0.69 |
| Share class B Accumulation (USD share class) | 1.00 |
| Share class E Accumulation (USD share class) | 0.69 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 157 to 162.

The distribution per share class is given in the Distribution Tables on pages 171 to 172.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 8 June 2018 Opening shares in issue | Creations | Cancellations | Shares converted | 31 July 2018 Closing shares in issue |
|--|---|-----------|---------------|---------------------|--|
| Share class B Accumulation | — | 628,555 | — | — | 628,555 |
| Share class E Accumulation | — | 673,099 | — | — | 673,099 |
| Share class B Accumulation (EUR share class) | — | 712,860 | — | — | 712,860 |
| Share class E Accumulation (EUR share class) | — | 774,882 | — | — | 774,882 |
| Share class B Accumulation (USD share class) | — | 833,333 | — | — | 833,333 |
| Share class E Accumulation (USD share class) | — | 833,333 | — | — | 833,333 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

15. Fair value

| Valuation technique | 31 July 2018 | |
|---------------------|-----------------|----------------------|
| | Assets £'000 | Liabilities £'000 |
| Level 1 | 3,493 | — |
| Level 2 | — | — |
| Level 3 | — | — |
| Total fair value | <u>3,493</u> | <u>—</u> |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
 Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Indian Subcontinent All-Cap Fund

Distribution Tables

for the period 8 June 2018 to 31 July 2018

Distribution in pence and cents per share

Group 2 Final – Shares purchased between 8 June 2018 and 31 July 2018

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 |
|---------|----------------|--------------|--|
| Group 1 | (p) | (p) | (p) |
| Interim | – | – | – |
| Final | 0.1422 | – | 0.1422 |
| Group 2 | (p) | (p) | (p) |
| Interim | – | – | – |
| Final | 0.1410 | 0.0012 | 0.1422 |

Share class E Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 |
|---------|----------------|--------------|--|
| Group 1 | (p) | (p) | (p) |
| Interim | – | – | – |
| Final | 0.1876 | – | 0.1876 |
| Group 2 | (p) | (p) | (p) |
| Interim | – | – | – |
| Final | 0.1876 | 0.0000 | 0.1876 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 |
|---------|----------------|--------------|--|
| Group 1 | (c) | (c) | (c) |
| Interim | – | – | – |
| Final | 0.1397 | – | 0.1397 |
| Group 2 | (c) | (c) | (c) |
| Interim | – | – | – |
| Final | 0.1397 | 0.0000 | 0.1397 |

Share class E Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 |
|---------|----------------|--------------|--|
| Group 1 | (c) | (c) | (c) |
| Interim | – | – | – |
| Final | 0.1834 | – | 0.1834 |
| Group 2 | (c) | (c) | (c) |
| Interim | – | – | – |
| Final | 0.1825 | 0.0009 | 0.1834 |

First State Indian Subcontinent All-Cap Fund

Distribution Tables

(continued)

for the period 8 June 2018 to 31 July 2018

Share class B Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 |
|---------|----------------|--------------|--|
| Group 1 | (c) | (c) | (c) |
| Interim | — | — | — |
| Final | 0.1393 | — | 0.1393 |
| Group 2 | (c) | (c) | (c) |
| Interim | — | — | — |
| Final | 0.1393 | 0.0000 | 0.1393 |

Share class E Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 |
|---------|----------------|--------------|--|
| Group 1 | (c) | (c) | (c) |
| Interim | — | — | — |
| Final | 0.1830 | — | 0.1830 |
| Group 2 | (c) | (c) | (c) |
| Interim | — | — | — |
| Final | 0.1830 | 0.0000 | 0.1830 |

Share class B Accumulation was launched on 8 June 2018.

Share class E Accumulation was launched on 8 June 2018.

Share class B Accumulation (EUR share class) was launched on 8 June 2018.

Share class E Accumulation (EUR share class) was launched on 8 June 2018.

Share class B Accumulation (USD share class) was launched on 8 June 2018.

Share class E Accumulation (USD share class) was launched on 8 June 2018.

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund will predominantly invest in large-capitalisation and mid-capitalisation equity securities issued by companies that are established, operating or have their economic activities mainly in Japan and that are listed, traded or dealt in on regulated markets worldwide and in equity-related instruments listed, traded or dealt in on regulated markets worldwide that provide exposure to Japan. The Fund may also invest in other equity securities and equity-related instruments that are listed, traded or dealt in on regulated markets worldwide as well as in cash and near cash.

In order to gain exposure to these types of equities and equity-related instruments, up to 10% of the net assets of the Fund may be invested in other collective investment schemes, including in collective investment schemes managed by the ACD or its associates ("Associated Schemes"), and/or other Funds of the Company ("Second Funds").

At times, the Fund's portfolio may be concentrated in a small number of holdings.

The Fund may use derivatives for efficient portfolio management purposes only.

- Clarification point: large-capitalisation and mid-capitalisation typically refers to equities with a minimum market capitalisation of US\$1 billion.

Risks and reward profile

| | ← Lower Risk | | | | | Higher Risk → | |
|--|---------------------------|---|---|---|---|----------------------------|---|
| | Potentially Lower Rewards | | | | | Potentially Higher Rewards | |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Hedged Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 6 due to its past performance and the nature of its investments. Shares with a rating of 6 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

Single-country risk: investing in a single country may be riskier than investing in a number of different countries. Investing in a larger number of countries helps spread risk.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 23.8% in sterling terms over the twelve months to 31 July 2018.

Key contributors to performance over the year included Asahi Intecc, which rallied on the back of a strong start to its financial year. Operating profits and profit margins were significantly ahead of expectations, and the company has continued to gain market share across global regions and product lines. Recruit increased on the back of robust double-digit profit growth. With a largely domestic-focused business, Recruit has been a relatively defensive stock and little impacted by foreign exchange or external macro factors.

On the negative side, Yaskawa Electric softened on concerns around cyclical weakness and declining orders for its servo motors. The Fund has taken the opportunity to add to its position.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Portfolio changes

Significant purchases over the twelve months included Fast Retailing, the largest private-label retailer of apparel in Japan. The company has a strong franchise and is run by highly capable and visionary management. The Fund also purchased Fullcast, the largest placement company in Japan for short-term workers. Fullcast has around 30% market share and should benefit from Japan's changing employment and working patterns. The Fund added MonotaRO, an online supplier of maintenance, repair and operation parts. The company has a strong franchise, quality management and a large addressable market.

The Fund divested Daito Trust on valuation concerns and sold Softbank on concerns around its investment strategy. The Fund also disposed of MEIJI Holdings on concerns around a slowdown in its core businesses.

Outlook

The fundamental outlook for global trade, combined with a steady yen exchange rate, suggests that Japanese earnings should continue to deliver robust growth in the second half of the year – despite concerns of a trade war between the US and China (which would have wider repercussions for the global economy). Japanese companies have delivered results above both guidance and consensus, albeit with the understanding that Japanese management almost always under-promise with their overly conservative forecasts. Meanwhile, with more than half of non-financial companies listed on the Topix with a net cash position, share buybacks are likely on the increase, which could lift earnings further.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 5.1 | 6.2 | 23.8 | – | – | – | 90.5 |
| Benchmark return % | 1.8 | 2.0 | 9.3 | – | – | – | 45.4 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 23.8 | 12.6 | – | – | – |
| Benchmark return % | 9.3 | 15.0 | – | – | – |

Benchmark: MSCI Japan Index.

Sector: IA Japan.

Performance is based on B Accumulation share class, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|--------------------|-----------|--------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Keyence | 5.26 | Keyence | 6.08 |
| Tsuruha | 4.44 | Start Today | 5.25 |
| Start Today | 4.37 | Tsuruha | 5.17 |
| Shin-Etsu Chemical | 4.30 | Recruit | 5.12 |
| Fast Retailing | 4.28 | Ryohin Keikaku | 4.81 |
| Recruit | 4.27 | Misumi | 4.49 |
| Welcia | 3.76 | Nitori | 3.71 |
| MonotaRO | 3.71 | Koito Manufacturing | 3.45 |
| Relo | 3.58 | Daito Trust Construction | 3.37 |
| Kusuri no Aoki | 3.46 | Asahi Intecc | 3.31 |

Types of shares

Accumulation.

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|------------------------------|-----------------------|-----------------------|
| JAPAN (96.60%*) | 41,825 | 93.09 |
| 50,300 Asahi Intecc | 1,461 | 3.25 |
| 18,000 Benefit One | 393 | 0.88 |
| 4,300 Daikin | 390 | 0.87 |
| 6,300 Disco | 814 | 1.81 |
| 5,800 Fast Retailing | 1,922 | 4.28 |
| 78,800 Fullcast | 1,498 | 3.33 |
| 41,900 Harmonic Drive System | 1,250 | 2.78 |
| 93,400 Isuzu Motors | 959 | 2.13 |
| 20,300 Katitas | 568 | 1.26 |
| 5,900 Keyence | 2,363 | 5.26 |
| 16,000 Koito Manufacturing | 780 | 1.74 |
| 60,000 Komatsu | 1,338 | 2.98 |
| 3,100 Kose | 451 | 1.00 |
| 27,900 Kusuri no Aoki | 1,556 | 3.46 |
| 15,000 M&A Capital Partners | 718 | 1.60 |
| 15,500 M3 | 448 | 1.00 |
| 70,000 Misumi | 1,354 | 3.01 |
| 43,700 MonotaRO | 1,667 | 3.71 |
| 6,300 Nidec | 694 | 1.55 |
| 13,000 Nifco | 297 | 0.66 |
| 23,800 Nihon M&A Center | 478 | 1.06 |
| 7,200 Nitori | 827 | 1.84 |
| 27,000 Open House | 1,124 | 2.50 |
| 46,600 OSG | 796 | 1.77 |
| 30,400 Pigeon | 1,110 | 2.47 |
| 92,200 Recruit | 1,918 | 4.27 |
| 78,300 Relo | 1,610 | 3.58 |
| 4,000 Ryohin Keikaku | 975 | 2.17 |
| 25,200 Shin-Etsu Chemical | 1,933 | 4.30 |
| 18,200 SMS | 281 | 0.63 |
| 64,400 Start Today | 1,965 | 4.37 |
| 114,300 TATERU | 1,449 | 3.23 |
| 9,300 TechnoPro | 448 | 1.00 |
| 42,800 Tsubaki Nakashima | 769 | 1.71 |
| 21,300 Tsuruha | 1,993 | 4.44 |
| 27,200 Unicharm | 629 | 1.40 |
| 43,800 Welcia | 1,688 | 3.76 |
| 36,500 Yaskawa Electric | 911 | 2.03 |

Portfolio Statement

(continued)

as at 31 July 2018

| | Market Value £'000 | Total Net Assets % |
|--|--------------------------|--------------------------|
| DERIVATIVES (0.00%*) | (31) | (0.07) |
| Forward Currency Contracts | | |
| Euro | | |
| Bought EUR274 for GBP245 Settlement 15/08/2018 | — | — |
| Bought EUR160 for GBP144 Settlement 15/08/2018 | — | — |
| Sold EUR7,448 for GBP6,590 Settlement 15/08/2018 | — | — |
| Japanese Yen | | |
| Bought JPY12,373,589 for GBP84,408 Settlement 15/08/2018 | — | — |
| Bought JPY9,526,389 for GBP65,264 Settlement 15/08/2018 | (1) | — |
| Bought JPY9,165,705 for GBP62,608 Settlement 15/08/2018 | — | — |
| Sold JPY457,766,050 for GBP3,088,402 Settlement 15/08/2018 | (30) | (0.07) |
| US Dollar | | |
| Bought USD35 for GBP27 Settlement 15/08/2018 | — | — |
| Bought USD3 for GBP2 Settlement 15/08/2018 | — | — |
| Sold USD72 for GBP55 Settlement 15/08/2018 | — | — |
| Portfolio of investments^ | 41,794 | 93.02 |
| Net other assets | 3,136 | 6.98 |
| Total net assets | 44,930 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

^ Including derivative liabilities.

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 153.78 | 136.48 | 100.00 |
| Return before operating charges* | 38.32 | 18.80 | 37.46 |
| Operating charges | (1.84) | (1.50) | (0.98) |
| Return after operating charges* | 36.48 | 17.30 | 36.48 |
| Distributions | – | (0.12) | – |
| Retained distributions on accumulation shares | – | 0.12 | – |
| Closing net asset value per share (p) | 190.26 | 153.78 | 136.48 |
| * after direct transaction costs of: | 0.15 | 0.14 | 0.14 |
| Performance | | | |
| Return after charges (%) | 23.72% | 12.68% | 36.48% |
| Other information | | | |
| Closing net asset value (£'000) | 37,615 | 18,698 | 12,080 |
| Closing number of shares | 19,770,663 | 12,159,065 | 8,850,593 |
| Operating charges | 1.03% | 1.06% | 1.10% |
| Direct transaction costs | 0.08% | 0.10% | 0.12% |
| Prices | | | |
| Highest share price | 200.40 | 158.79 | 140.74 |
| Lowest share price | 154.99 | 126.20 | 97.76 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Hedged Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 122.57 | 102.69 | 100.00 |
| Return before operating charges* | 32.32 | 21.03 | 3.55 |
| Operating charges | (1.57) | (1.15) | (0.86) |
| Return after operating charges* | 30.75 | 19.88 | 2.69 |
| Distributions | — | (0.12) | — |
| Retained distributions on accumulation shares | — | 0.12 | — |
| Closing net asset value per share (p) | 153.32 | 122.57 | 102.69 |
| * after direct transaction costs of: | 0.12 | 0.11 | 0.12 |
| Performance | | | |
| Return after charges (%) | 25.09% | 19.36% | 2.69% |
| Other information | | | |
| Closing net asset value (£'000) | 2,987 | 93 | 61 |
| Closing number of shares | 1,948,251 | 75,758 | 59,692 |
| Operating charges | 1.08% | 1.06% | 1.16% |
| Direct transaction costs | 0.08% | 0.10% | 0.12% |
| Prices | | | |
| Highest share price | 162.07 | 123.91 | 106.91 |
| Lowest share price | 124.19 | 95.38 | 86.04 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 123.58 | 116.27 | 100.00 |
| Return before operating charges* | 31.06 | 8.56 | 17.18 |
| Operating charges | (1.48) | (1.25) | (0.91) |
| Return after operating charges* | 29.58 | 7.31 | 16.27 |
| Distributions | — | (0.11) | (0.01) |
| Retained distributions on accumulation shares | — | 0.11 | 0.01 |
| Closing net asset value per share (c) | 153.16 | 123.58 | 116.27 |
| * after direct transaction costs of: | 0.12 | 0.10 | 0.14 |
| Performance | | | |
| Return after charges (%) | 23.94% | 6.29% | 16.27% |
| Other information | | | |
| Closing net asset value (€'000) | 4,852 | 1,605 | 174 |
| Closing number of shares | 3,167,810 | 1,299,053 | 149,746 |
| Operating charges | 1.02% | 1.06% | 1.07% |
| Direct transaction costs | 0.08% | 0.10% | 0.12% |
| Prices | | | |
| Highest share price | 163.97 | 130.89 | 118.55 |
| Lowest share price | 124.54 | 107.69 | 90.69 |

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 | | 31 July 2017 | |
|---|-------|--------------|--------------|--------------|--------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains | 2 | | 5,643 | | 1,982 |
| Revenue | 3 | 319 | | 211 | |
| Expenses | 4 | (325) | | (179) | |
| Interest payable and similar charges | | (2) | | (1) | |
| Net (expenses)/revenue before taxation | | (8) | | 31 | |
| Taxation | 5 | (40) | | (22) | |
| Net (expenses)/revenue after taxation | | | (48) | | 9 |
| Total return before equalisation/distributions | | | 5,595 | | 1,991 |
| Equalisation/Distributions | 6 | | 3 | | (9) |
| Change in net assets attributable to shareholders from investment activities | | | 5,598 | | 1,982 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 | | 31 July 2017 | |
|--|--------------|---------------|--------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 20,226 | | 12,288 |
| Amounts receivable on issue of shares | 24,339 | | 6,520 | |
| Amounts payable on cancellation of shares | (5,262) | | (593) | |
| | | 19,077 | | 5,927 |
| Dilution adjustment | | 29 | | 12 |
| Change in net assets attributable to shareholders from investment activities | | 5,598 | | 1,982 |
| Retained distribution on accumulation shares | | — | | 17 |
| Closing net assets attributable to shareholders | | 44,930 | | 20,226 |

Notes to the Financial Statements are on pages 182 to 187.

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 41,825 | 19,540 |
| Current assets | | | |
| Debtors | 8 | 138 | 235 |
| Cash and bank balances | | 3,209 | 677 |
| Total assets | | 45,172 | 20,452 |
| Liabilities | | | |
| Investment liabilities | | (31) | (1) |
| Creditors | | | |
| Other creditors | 9 | (211) | (225) |
| Total liabilities | | (242) | (226) |
| Net assets attributable to shareholders | | 44,930 | 20,226 |

Notes to the Financial Statements are on pages 182 to 187.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 5,645 | 1,986 |
| Forward foreign exchange currency contracts | 13 | 4 |
| Currency losses | (10) | (8) |
| Custodial transaction fees | (5) | — |
| Net capital gains | <u>5,643</u> | <u>1,982</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|------------------------------|-----------------------|-----------------------|
| Overseas taxable revenue | — | (1) |
| Overseas non-taxable revenue | 319 | 212 |
| Total revenue | <u>319</u> | <u>211</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 271 | 146 |
| ACD's periodic charge rebate | (43) | (11) |
| | <u>228</u> | <u>135</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 30 | 3 |
| Other expenses: | | |
| Audit fee | 19 | 4 |
| Registrar fees | 5 | 2 |
| Safe custody charges | 2 | 2 |
| Other expenses | 41 | 33 |
| | <u>67</u> | <u>41</u> |
| Total expenses | <u>325</u> | <u>179</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 40 | 22 |
| Total taxation (note 5b) | 40 | 22 |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net (expenses)/revenue before taxation | (8) | 31 |
| Corporation tax of 20% (2017: 20%) | (2) | 6 |
| Effects of: | | |
| Overseas non-taxable revenue* | (63) | (42) |
| Movement in excess management expenses | 65 | 36 |
| Irrecoverable overseas tax | 40 | 22 |
| Total tax charge for year (note 5a) | 40 | 22 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £113,055 (31/07/17: £47,667); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Equalisation/Distributions

The equalisation/distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprises:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Final distribution | – | 17 |
| | – | 17 |
| Add: revenue deducted on cancellation of shares | 1 | 1 |
| Deduct: revenue received on issue of shares | (4) | (9) |
| Net equalisation/distributions for the year | (3) | 9 |

Details of the distribution per share are set out in the Distribution Tables on pages 188 to 189.

7. Movement between net (expenses)/revenue and net equalisation/distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net (expenses)/revenue after taxation | (48) | 9 |
| Revenue deficit | 45 | – |
| Net equalisation/distributions for the year | (3) | 9 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Sales awaiting settlement | – | 221 |
| Amounts receivable for issue of shares | 96 | – |
| Accrued revenue | 41 | 14 |
| Overseas tax recoverable | 1 | – |
| Total debtors | 138 | 235 |

9. Other creditors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Purchases awaiting settlement | 65 | 157 |
| Amounts payable for cancellation of shares | 68 | 13 |
| Accrued expenses | 78 | 55 |
| Total other creditors | 211 | 225 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 July 2018 £'000 | 31 July 2017 £'000 | 31 July 2018 £'000 | 31 July 2017 £'000 |
| Equities | 31,750 | 14,627 | 15,136 | 8,512 |
| Trades in the year before transaction costs | 31,750 | 14,627 | 15,136 | 8,512 |
| Commissions | | | | |
| Equities | 17 | 11 | (9) | (6) |
| Taxes | | | | |
| Equities | – | – | – | – |
| Total costs | 17 | 11 | (9) | (6) |
| Total net trades in the year after transaction costs | 31,767 | 14,638 | 15,127 | 8,506 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 31 July 2018 % | 31 July 2017 % | 31 July 2018 % | 31 July 2017 % |
| Commissions | | | | |
| Equities | 0.05 | 0.08 | 0.06 | 0.07 |
| Taxes | | | | |
| Equities | – | – | – | – |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 % | 31 July 2017 % |
|--------------------|-------------------|-------------------|
| Commissions | | |
| Equities | 0.08 | 0.10 |
| Taxes | | |
| Equities | – | – |
| Total costs | 0.08 | 0.10 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.24% (31/07/17: 0.17%).

Notes to the Financial Statements

(continued)

as at 31 July 2018

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £4,182,438 (31/07/17: £1,953,959).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 7.14% (31/07/17: 3.35%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the First State Japan Focus Fund would be an increase or decrease of approximately £8,022 (31/07/17: £1,694).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|--------------|---|---|
| Currency | Total £'000 | Total £'000 |
| Euro | 86 | 49 |
| Japanese yen | 40,571 | 19,678 |
| Total | <u>40,657</u> | <u>19,727</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £2,032,862 (31/07/17: £986,310).

(d) Derivative risk

The Manager may enter into derivatives transactions for investment purposes and for efficient portfolio management purposes. A relatively small market movement may have a potentially larger impact on derivatives than on the underlying assets, and the use of derivatives can therefore increase the volatility of the value of units in the Scheme. However, it is not anticipated that the use of derivatives will have a significant effect on the risk profile of the Scheme.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique that allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets. At the period end, as the sensitivity analysis or value at risk is not significant, no additional disclosure has been shown.

(e) Effective portfolio management

| Financial derivative instruments exposure as at 31 July 2018 | Value (£) |
|--|-----------------|
| Forward foreign currency contracts (hedging) | <u>(30,868)</u> |
| Total financial derivative instruments exposure | <u>(30,868)</u> |

| Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2018 | Value (£) |
|---|-----------------|
| Bank of New York Mellon | <u>(30,868)</u> |

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £31,795 (31/07/17: £14,289) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 16.94% (31/07/17: 35.52%) of the net asset value of the Fund.

Material Shareholders

Fund Settle EOC Nominees Limited, HSBC Global Custody Nominee (UK) Limited and RBC, as trustee for First State Investments Services (UK) Limited Employee Benefits Trust, held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 32.6%, 18.7% and 16.1% of the Fund's shares in issue respectively.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has three share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class B Accumulation | 0.85 |
| Share class B Hedged Accumulation | 0.85 |
| Share class B Accumulation (EUR share class) | 0.85 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 177 to 179.

The distribution per share class is given in the Distribution Tables on pages 188 to 189.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | Closing shares in issue |
|--|---|-----------|---------------|----------------------------------|----------------------------|
| Share class B Accumulation | 12,159,065 | 8,975,542 | (1,363,944) | – | 19,770,663 |
| Share class B Hedged Accumulation | 75,758 | 3,776,283 | (1,903,790) | – | 1,948,251 |
| Share class B Accumulation (EUR share class) | 1,299,053 | 1,926,930 | (58,173) | – | 3,167,810 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 41,825 | – | 19,540 | – |
| Level 2 | – | (31) | – | (1) |
| Level 3 | – | – | – | – |
| Total fair value | 41,825 | (31) | 19,540 | (1) |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Japan Focus Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | 0.1247 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | 0.1247 |

This share class is in deficit and therefore not making a distribution.

Share class B Hedged Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | 0.1185 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | 0.1185 |

This share class is in deficit and therefore not making a distribution.

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | – |
| Final | – | – | – | 0.1124 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | – |
| Final | – | – | – | 0.1124 |

This share class is in deficit and therefore not making a distribution.

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

First State Emerging Markets Bond Fund

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve an investment return from income and capital appreciation.

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 that 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.

Risks and reward profile

← Lower Risk Potentially Lower Rewards Higher Risk → Potentially Higher Rewards

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Share class A Hedged Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Hedged Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Hedged Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Hedged Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Hedged Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Hedged Income (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Hedged Income (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Gross Hedged Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Gross Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class Z Gross Hedged Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class Z Gross Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 4 due to its past performance and the nature of its investments. Shares with a rating of 4 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

First State Emerging Markets Bond Fund

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

The Fund might also experience the following risks:

Interest-rate risk: interest rates affect the Fund's investments. If rates go up, the value of investments falls and vice versa.

Credit risk: the issuers of bonds or similar investments that the Fund buys may not pay income or repay capital to the Fund when due.

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Below-investment-grade debt securities risk: 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. In periods of general economic difficulty, the market prices may fluctuate and decline significantly.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund decreased by 0.6% in US dollar terms over the twelve months and has provided cumulative returns of 13.8% and 23.3% over three and five years respectively to 31 July 2018.

Portfolio Changes

Investment in Russia was increased over the twelve months. In spite of further economic sanctions being imposed, Russia remains among the most attractively valued issues in the emerging market universe. The Manager's constructive view on oil exporters also saw the Fund increase exposure to Colombia, where political risk has diminished following presidential elections in May and June. Exposure to the Serbian market was also increased during the twelve months.

The outcome of the Brazilian election in October is still wide open, and the Manager is anticipating a period of volatility as it becomes clearer who the likely contenders will be. Exposure to Brazil was therefore reduced. Currency weakness and rising inflation also prompted the Manager to lower investment in Turkey in order to reduce overall risk in the portfolio.

Outlook

Buoyant economic conditions globally should continue to support energy and commodity prices. This should provide a tailwind for oil exporters in particular. While the global growth backdrop remains supportive, however, the Manager is anticipating further volatility in emerging market bond valuations. This is partly due to uncertainties around the introduction of import tariffs. The implementation of protectionist policies could affect global trade volumes and potentially dampen growth rates in exporting countries. An unexpectedly strong acceleration in US inflation is another risk, as it could see global interest rates move higher and further strengthen the US dollar.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|-------|-------|-------|--------|--------------|
| Fund return % | (0.4) | (3.3) | (0.6) | 13.8 | 23.3 | – | 16.5 |
| Benchmark return % | 0.4 | (2.8) | 0.1 | 16.9 | 30.2 | – | 21.7 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | (0.6) | 5.0 | 9.1 | (0.2) | 8.6 |
| Benchmark return % | 0.1 | 5.0 | 11.2 | 0.6 | 10.7 |

Benchmark: JP Morgan Emerging Market Bond – Global Diversified.

Sector: Global Emerging Markets Bond Average.

Performance is based on B Accumulation (USD) share class, as this is considered to be the Fund's primary share class.

Please note that the Emerging Market Bond Fund Class A Hedged EUR and Class B Hedged GBP launched on 25 October 2011. For historic performance of these share classes, please see the factsheets by visiting firststateinvestments.com.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

First State Emerging Markets Bond Fund

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|------------------------------------|-----------|--|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Serbia 4.875% 25/2/2020 | 3.46 | Russia 4.875% 16/09/2023 | 1.88 |
| Russia 4.875% 16/9/2023 | 2.90 | Ukraine 7.75% 01/09/2019 | 1.62 |
| Panama 4% 22/9/2024 | 1.32 | Philippines 7.75% 14/01/2031 | 1.51 |
| Egypt 6.125% 31/1/2022 | 1.22 | Lebanon 5.45% 28/11/2019 | 1.30 |
| Georgia 6.875% 12/4/2021 | 1.19 | Panama 4% 22/09/2024 | 1.29 |
| Hungary 5.375% 21/2/2023 | 1.19 | Israel Electric 5% 12/11/2024 | 1.22 |
| Petroleos Mexicanos 3.5% 30/1/2023 | 1.06 | Egypt 6.125% 31/01/2022 | 1.17 |
| Azerbaijan 4.75% 18/3/2024 | 1.02 | Instituto Costarricense de Electricidad 6.95% 10/11/2021 | 1.17 |
| Turkey 5.125% 25/3/2022 | 1.02 | Peru 5.625% 18/11/2050 | 1.15 |
| Colombia 5% 15/6/2045 | 1.01 | Serbia 4.875% 25/02/2020 | 1.08 |

Types of shares

Income and Accumulation.

First State Emerging Markets Bond Fund

Portfolio Statement

as at 31 July 2018

| Nominal Values | | Market Value £'000 | Total Net Assets % |
|-------------------|---|--------------------------|--------------------------|
| | IRELAND (0.73%*) | 489 | 0.59 |
| USD 600,000 | Vnesheconombank Via VEB Finance 6.8% 22/11/2025 | 489 | 0.59 |
| | LATVIA (0.00%*) | 303 | 0.37 |
| USD 400,000 | Latvia 2.75% 12/1/2020 | 303 | 0.37 |
| | NETHERLANDS (1.97%*) | 1,079 | 1.31 |
| USD 400,000 | Petrobras Global Finance 4.375% 20/5/2023 | 294 | 0.36 |
| USD 270,000 | Petrobras Global Finance 6% 27/1/2028 | 195 | 0.24 |
| USD 300,000 | Petrobras Global Finance 6.75% 27/1/2041 | 217 | 0.26 |
| USD 484,375 | Republic of Angola Via Northern Lights III 7% 17/8/2019 | 373 | 0.45 |
| | AUSTRALIA (0.00%*) | 390 | 0.47 |
| USD 500,000 | CNOOC Curtis Funding No 1 Pty 4.5% 03/10/2023 | 390 | 0.47 |
| | CHINA (0.00%*) | 183 | 0.22 |
| USD 250,000 | China 2.125% 02/11/2022 | 183 | 0.22 |
| | HONG KONG (1.04%*) | 925 | 1.12 |
| USD 700,000 | CNAC HK Finbridge 3.5% 19/7/2022 | 516 | 0.62 |
| USD 250,000 | CNAC HK Finbridge 4.125% 19/7/2027 | 180 | 0.22 |
| USD 300,000 | CNAC HK Finbridge 5.125% 14/3/2028 | 229 | 0.28 |
| | INDONESIA (5.90%*) | 4,076 | 4.96 |
| EUR 500,000 | Indonesia 2.875% 08/7/2021 | 475 | 0.58 |
| USD 400,000 | Indonesia 3.75% 25/4/2022 | 305 | 0.37 |
| USD 450,000 | Indonesia 4.125% 15/1/2025 | 341 | 0.42 |
| USD 250,000 | Indonesia 4.4% 01/3/2028 | 189 | 0.23 |
| USD 600,000 | Indonesia 5.125% 15/1/2045 | 468 | 0.57 |
| USD 500,000 | Indonesia 5.25% 17/1/2042 | 397 | 0.48 |
| USD 600,000 | Indonesia 5.875% 15/1/2024 | 496 | 0.60 |
| USD 500,000 | Pertamina Persero 5.25% 23/5/2021 | 394 | 0.48 |
| USD 400,000 | Perusahaan Gas Negara Persero 5.125% 16/5/2024 | 307 | 0.37 |
| USD 500,000 | Perusahaan Listrik Negara PT 5.45% 21/5/2028 | 396 | 0.48 |
| USD 400,000 | Perusahaan Penerbit SBSN Indonesia III 4.55% 29/3/2026 | 308 | 0.38 |
| | MALAYSIA (0.00%*) | 817 | 0.99 |
| USD 1,050,000 | Petronas Capital 5.25% 12/8/2019 | 817 | 0.99 |
| | MONGOLIA (0.00%*) | 183 | 0.22 |
| USD 250,000 | Mongolia 5.125% 05/12/2022 | 183 | 0.22 |
| | PAKISTAN (0.55%*) | 752 | 0.91 |
| USD 400,000 | Pakistan 6.875% 05/12/2027 | 291 | 0.35 |
| USD 600,000 | Second Pakistan International Sukuk 6.75% 03/12/2019 | 461 | 0.56 |
| | PHILIPPINES (1.95%*) | 1,188 | 1.44 |
| USD 600,000 | Philippines 3% 01/2/2028 | 429 | 0.52 |
| USD 450,000 | Philippines 4.2% 21/1/2024 | 352 | 0.42 |
| USD 400,000 | Philippines 7.75% 14/1/2031 | 407 | 0.50 |
| | QATAR (0.00%*) | 460 | 0.56 |
| USD 600,000 | Qatar 3.875% 23/4/2023 | 460 | 0.56 |
| | SRI LANKA (3.24%*) | 1,503 | 1.83 |
| USD 400,000 | Sri Lanka 5.125% 11/4/2019 | 306 | 0.37 |
| USD 900,000 | Sri Lanka 5.75% 18/1/2022 | 678 | 0.83 |
| USD 700,000 | Sri Lanka 6.125% 03/6/2025 | 519 | 0.63 |

First State Emerging Markets Bond Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Nominal Values | | Market Value £'000 | Total Net Assets % |
|-------------------|--|--------------------------|--------------------------|
| | VIETNAM (0.82%*) | 696 | 0.85 |
| USD 900,000 | Vietnam 4.8% 19/11/2024 | 696 | 0.85 |
| | ANGOLA (0.37%*) | 476 | 0.58 |
| USD 600,000 | Angola 8.25% 09/5/2028 | 476 | 0.58 |
| | ARMENIA (0.73%*) | 822 | 1.00 |
| USD 1,050,000 | Armenia 6% 30/9/2020 | 822 | 1.00 |
| | AZERBAIJAN (1.45%*) | 1,466 | 1.78 |
| USD 1,100,000 | Azerbaijan 4.75% 18/3/2024 | 840 | 1.02 |
| USD 300,000 | Azerbaijan 6.95% 18/3/2030 | 247 | 0.30 |
| USD 500,000 | State Oil of the Azerbaijan Republic 4.75% 13/3/2023 | 379 | 0.46 |
| | BAHRAIN (0.23%*) | — | — |
| | CAMEROON (0.20%*) | — | — |
| | CROATIA (2.29%*) | 2,724 | 3.31 |
| USD 700,000 | Croatia 5.5% 04/4/2023 | 568 | 0.69 |
| USD 900,000 | Croatia 6% 26/1/2024 | 748 | 0.91 |
| USD 950,000 | Croatia 6.375% 24/3/2021 | 772 | 0.94 |
| USD 800,000 | Croatia 6.75% 05/11/2019 | 636 | 0.77 |
| | EGYPT (3.86%*) | 3,261 | 3.97 |
| USD 450,000 | African Export-Import Bank 4% 24/5/2021 | 342 | 0.42 |
| USD 700,000 | African Export-Import Bank 4.125% 20/6/2024 | 515 | 0.63 |
| USD 720,000 | Egypt 5.75% 29/4/2020 | 559 | 0.68 |
| USD 300,000 | Egypt 5.875% 11/6/2025 | 222 | 0.27 |
| USD 1,300,000 | Egypt 6.125% 31/1/2022 | 1,005 | 1.22 |
| USD 100,000 | Egypt 6.875% 30/4/2040 | 70 | 0.08 |
| USD 489,000 | Egypt 7.5% 31/1/2027 | 387 | 0.47 |
| USD 200,000 | Egypt 8.5% 31/1/2047 | 161 | 0.20 |
| | GABON (0.68%*) | 214 | 0.26 |
| USD 300,000 | Gabon 6.375% 12/12/2024 | 214 | 0.26 |
| | GEORGIA (0.97%*) | 975 | 1.19 |
| USD 1,200,000 | Georgia 6.875% 12/4/2021 | 975 | 1.19 |
| | GHANA (0.71%*) | — | — |
| | HUNGARY (1.64%*) | 1,512 | 1.84 |
| USD 700,000 | Hungary 4% 25/3/2019 | 538 | 0.65 |
| USD 1,200,000 | Hungary 5.375% 21/2/2023 | 974 | 1.19 |
| | ISRAEL (1.22%*) | 631 | 0.77 |
| USD 800,000 | Israel Electric 5% 12/11/2024 | 631 | 0.77 |
| | IVORY COAST (0.69%*) | 579 | 0.70 |
| USD 300,000 | Ivory Coast 5.375% 23/7/2024 | 220 | 0.27 |
| USD 300,000 | Ivory Coast 6.125% 15/6/2033 | 211 | 0.25 |
| USD 200,000 | Ivory Coast 6.375% 03/3/2028 | 148 | 0.18 |

First State Emerging Markets Bond Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Nominal Values | | Market Value £'000 | Total Net Assets % |
|------------------------------|--|--------------------------|--------------------------|
| KAZAKHSTAN (3.79%*) | | 3,365 | 4.09 |
| USD 650,000 | Kazakhstan 3.875% 14/10/2024 | 502 | 0.61 |
| USD 500,000 | Kazakhstan 4.875% 14/10/2044 | 387 | 0.47 |
| USD 400,000 | Kazakhstan 6.5% 21/7/2045 | 375 | 0.45 |
| USD 600,000 | Kazakhstan Temir Zholy National JSC 4.85% 17/11/2027 | 459 | 0.56 |
| USD 200,000 | KazMunayGas National 4.75% 19/4/2027 | 153 | 0.19 |
| USD 200,000 | KazMunayGas National 5.75% 19/4/2047 | 150 | 0.18 |
| USD 500,000 | KazMunayGas NationalJSC 4.75% 24/4/2025 | 387 | 0.47 |
| USD 400,000 | KazMunayGas NationalJSC 5.375% 24/4/2030 | 312 | 0.38 |
| USD 800,000 | KazMunayGas NationalJSC 6.375% 24/10/2048 | 640 | 0.78 |
| KENYA (0.53%*) | | 1,084 | 1.32 |
| USD 800,000 | Kenya 5.875% 24/6/2019 | 619 | 0.75 |
| USD 400,000 | Kenya 6.875% 24/6/2024 | 311 | 0.38 |
| USD 200,000 | Kenya 7.25% 28/2/2028 | 154 | 0.19 |
| LEBANON (2.35%*) | | — | — |
| MOROCCO (0.52%*) | | 203 | 0.25 |
| USD 250,000 | Morocco 5.5% 11/12/2042 | 203 | 0.25 |
| NAMIBIA (0.38%*) | | — | — |
| NIGERIA (0.56%*) | | 1,414 | 1.72 |
| USD 750,000 | Nigeria 6.5% 28/11/2027 | 559 | 0.68 |
| USD 400,000 | Nigeria 6.75% 28/1/2021 | 319 | 0.39 |
| USD 200,000 | Nigeria 7.143% 23/2/2030 | 152 | 0.18 |
| USD 300,000 | Nigeria 7.696% 23/2/2038 | 227 | 0.28 |
| USD 200,000 | Nigeria 7.875% 16/2/2032 | 157 | 0.19 |
| OMAN (1.45%*) | | 2,355 | 2.86 |
| USD 700,000 | Oman 3.875% 08/3/2022 | 519 | 0.63 |
| USD 1,100,000 | Oman 4.75% 15/6/2026 | 792 | 0.96 |
| USD 250,000 | Oman 5.375% 08/3/2027 | 185 | 0.23 |
| USD 700,000 | Oman 6.5% 08/3/2047 | 495 | 0.60 |
| USD 500,000 | Oman 6.75% 17/1/2048 | 364 | 0.44 |
| ROMANIA (0.28%*) | | 450 | 0.55 |
| USD 300,000 | Romania 5.125% 15/6/2048 | 230 | 0.28 |
| USD 250,000 | Romania 6.125% 22/1/2044 | 220 | 0.27 |
| RUSSIA (2.47%*) | | 3,815 | 4.64 |
| USD 3,000,000 | Russia 4.875% 16/9/2023 | 2,387 | 2.90 |
| USD 500,000 | Russia 5% 29/4/2020 | 392 | 0.48 |
| USD 600,000 | Russia 5.625% 04/4/2042 | 491 | 0.60 |
| USD 200,000 | Russia 5.875% 16/9/2043 | 169 | 0.20 |
| USD 300,000 | Russia 12.75% 24/6/2028 | 376 | 0.46 |
| SAUDI ARABIA (0.39%*) | | 496 | 0.60 |
| USD 650,000 | Saudi Arabia 4% 17/4/2025 | 496 | 0.60 |
| SENEGAL (0.28%*) | | 419 | 0.51 |
| USD 300,000 | Senegal 6.25% 30/7/2024 | 232 | 0.28 |
| USD 260,000 | Senegal 6.25% 23/5/2033 | 187 | 0.23 |
| SERBIA (1.69%*) | | 3,051 | 3.71 |
| USD 3,660,000 | Serbia 4.875% 25/2/2020 | 2,843 | 3.46 |
| USD 250,000 | Serbia 7.25% 28/9/2021 | 208 | 0.25 |

First State Emerging Markets Bond Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Nominal Values | | Market Value £'000 | Total Net Assets % |
|-------------------|---|--------------------------|--------------------------|
| | SLOVENIA (0.20%*) | 165 | 0.20 |
| USD 200,000 | Slovenia 5.5% 26/10/2022 | 165 | 0.20 |
| | SOUTH AFRICA (2.06%*) | 3,196 | 3.89 |
| USD 300,000 | Eskom SOC 5.75% 26/1/2021 | 226 | 0.28 |
| USD 500,000 | Eskom SOC 7.125% 11/2/2025 | 371 | 0.45 |
| USD 250,000 | South Africa 4.665% 17/1/2024 | 190 | 0.23 |
| USD 250,000 | South Africa 4.875% 14/4/2026 | 187 | 0.23 |
| USD 750,000 | South Africa 5.875% 16/9/2025 | 596 | 0.73 |
| USD 600,000 | South Africa 5.875% 22/6/2030 | 463 | 0.56 |
| USD 500,000 | South Africa 6.3% 22/6/2048 | 380 | 0.46 |
| USD 1,000,000 | South Africa 6.875% 27/5/2019 | 783 | 0.95 |
| | TUNISIA (0.33%*) | — | — |
| | TURKEY (4.95%*) | 1,659 | 2.02 |
| USD 200,000 | Turkey 4.25% 14/4/2026 | 127 | 0.16 |
| USD 350,000 | Turkey 4.875% 09/10/2026 | 229 | 0.28 |
| USD 450,000 | Turkey 4.875% 16/4/2043 | 248 | 0.30 |
| USD 1,150,000 | Turkey 5.125% 25/3/2022 | 839 | 1.02 |
| USD 300,000 | Turkey 5.75% 22/3/2024 | 216 | 0.26 |
| | UKRAINE (3.75%*) | 2,332 | 2.84 |
| USD 600,000 | Ukraine 7.375% 25/9/2032 | 415 | 0.50 |
| USD 875,000 | Ukraine 7.75% 01/9/2019 | 680 | 0.83 |
| USD 500,000 | Ukraine 7.75% 01/9/2020 | 388 | 0.47 |
| USD 450,000 | Ukraine 7.75% 01/9/2021 | 350 | 0.43 |
| USD 100,000 | Ukraine 7.75% 01/9/2022 | 77 | 0.09 |
| USD 200,000 | Ukraine 7.75% 01/9/2027 | 146 | 0.18 |
| USD 350,000 | Ukreximbank Via Biz Finance 9.625% 27/4/2022 | 276 | 0.34 |
| | ZAMBIA (0.44%*) | — | — |
| | ARGENTINA (5.31%*) | 2,440 | 2.97 |
| USD 400,000 | Argentina 2.5% 31/12/2038 | 183 | 0.22 |
| EUR 333,333 | Argentina 4% 01/5/2020 | 293 | 0.36 |
| USD 400,000 | Argentina 5.875% 11/1/2028 | 258 | 0.31 |
| USD 700,000 | Argentina 6.625% 06/7/2028 | 474 | 0.58 |
| USD 550,000 | Argentina 6.875% 22/4/2021 | 420 | 0.51 |
| USD 200,000 | Argentina 6.875% 26/1/2027 | 139 | 0.17 |
| USD 447,000 | Argentina 6.875% 11/1/2048 | 269 | 0.33 |
| USD 200,000 | Argentina 7.625% 22/4/2046 | 129 | 0.16 |
| USD 280,408 | Argentina 8.28% 31/12/2033 | 205 | 0.25 |
| USD 1,925,000 | Argentina FRN 15/12/2035 | 70 | 0.08 |
| | BERMUDA (0.64%*) | 779 | 0.95 |
| USD 700,000 | Bermuda 4.138% 03/1/2023 | 541 | 0.66 |
| USD 300,000 | Bermuda 5.603% 20/7/2020 | 238 | 0.29 |
| | BRAZIL (3.46%*) | 1,171 | 1.42 |
| USD 1,000,000 | Brazil 2.625% 05/1/2023 | 708 | 0.86 |
| USD 650,000 | Brazil 5.625% 07/1/2041 | 463 | 0.56 |
| | CAYMAN ISLANDS (0.00%*) | 680 | 0.83 |
| USD 900,000 | China Overseas Finance Cayman VII 4.25% 26/4/2023 | 680 | 0.83 |

First State Emerging Markets Bond Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Nominal Values | | Market Value £'000 | Total Net Assets % |
|------------------------------------|--|--------------------------|--------------------------|
| CHILE (0.61%*) | | 440 | 0.54 |
| USD 200,000 | Chile 3.125% 21/1/2026 | 147 | 0.18 |
| USD 200,000 | Empresa de Transporte de Pasajeros Metro 5% 25/1/2047 | 153 | 0.19 |
| USD 200,000 | Empresa Nacional del Petroleo 4.5% 14/9/2047 | 140 | 0.17 |
| COLOMBIA (2.64%*) | | 3,103 | 3.77 |
| USD 1,100,000 | Colombia 2.625% 15/3/2023 | 799 | 0.97 |
| USD 300,000 | Colombia 3.875% 25/4/2027 | 223 | 0.27 |
| USD 620,000 | Colombia 4% 26/2/2024 | 473 | 0.58 |
| USD 400,000 | Colombia 4.5% 28/1/2026 | 313 | 0.38 |
| USD 1,100,000 | Colombia 5% 15/6/2045 | 834 | 1.01 |
| USD 500,000 | Colombia 8.125% 21/5/2024 | 461 | 0.56 |
| COSTA RICA (2.14%*) | | 2,136 | 2.60 |
| USD 900,000 | Costa Rica 4.25% 26/1/2023 | 664 | 0.81 |
| USD 900,000 | Costa Rica 7.158% 12/3/2045 | 719 | 0.87 |
| USD 950,000 | Instituto Costarricense de Electricidad 6.95% 10/11/2021 | 753 | 0.92 |
| DOMINICAN REPUBLIC (2.49%*) | | 2,296 | 2.79 |
| USD 660,000 | Dominican Republic 5.5% 27/1/2025 | 505 | 0.61 |
| USD 1,000,000 | Dominican Republic 6.6% 28/1/2024 | 807 | 0.98 |
| USD 950,000 | Dominican Republic 6.85% 27/1/2045 | 739 | 0.90 |
| USD 300,000 | Dominican Republic 6.875% 29/1/2026 | 245 | 0.30 |
| ECUADOR (1.74%*) | | 1,184 | 1.44 |
| USD 600,000 | Ecuador 7.875% 23/1/2028 | 415 | 0.51 |
| USD 550,000 | Ecuador 7.95% 20/6/2024 | 404 | 0.49 |
| USD 500,000 | Ecuador 8.875% 23/10/2027 | 365 | 0.44 |
| EL SALVADOR (1.01%*) | | 1,427 | 1.74 |
| USD 355,000 | El Salvador 5.875% 30/1/2025 | 259 | 0.32 |
| USD 400,000 | El Salvador 6.375% 18/1/2027 | 294 | 0.36 |
| USD 800,000 | El Salvador 7.375% 01/12/2019 | 628 | 0.76 |
| USD 85,000 | El Salvador 7.65% 15/6/2035 | 65 | 0.08 |
| USD 225,000 | El Salvador 7.75% 24/1/2023 | 181 | 0.22 |
| GUATEMALA (0.96%*) | | 812 | 0.99 |
| USD 600,000 | Guatemala 4.375% 05/6/2027 | 439 | 0.54 |
| USD 500,000 | Guatemala 4.5% 03/5/2026 | 373 | 0.45 |
| JAMAICA (1.32%*) | | 1,199 | 1.46 |
| USD 700,000 | Jamaica 6.75% 28/4/2028 | 588 | 0.72 |
| USD 700,000 | Jamaica 7.625% 09/7/2025 | 611 | 0.74 |
| MEXICO (6.94%*) | | 3,616 | 4.40 |
| USD 800,000 | Mexico 3.75% 11/1/2028 | 578 | 0.70 |
| USD 150,000 | Mexico 5.75% 12/10/2010 | 115 | 0.14 |
| USD 1,200,000 | Petroleos Mexicanos 3.5% 30/1/2023 | 869 | 1.06 |
| USD 200,000 | Petroleos Mexicanos 4.25% 15/1/2025 | 142 | 0.17 |
| USD 570,000 | Petroleos Mexicanos 4.875% 24/1/2022 | 438 | 0.53 |
| USD 300,000 | Petroleos Mexicanos 4.875% 18/1/2024 | 226 | 0.28 |
| USD 500,000 | Petroleos Mexicanos 5.35% 12/2/2028 | 356 | 0.43 |
| USD 150,000 | Petroleos Mexicanos 5.375% 13/3/2022 | 117 | 0.14 |
| USD 300,000 | Petroleos Mexicanos 5.5% 21/1/2021 | 236 | 0.29 |
| USD 500,000 | Petroleos Mexicanos 6.35% 12/2/2048 | 339 | 0.41 |
| USD 180,000 | Petroleos Mexicanos 6.375% 23/1/2045 | 123 | 0.15 |
| USD 100,000 | Petroleos Mexicanos 6.5% 13/3/2027 | 77 | 0.10 |

First State Emerging Markets Bond Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Nominal Values | | Market Value £'000 | Total Net Assets % |
|--|---|--------------------------|--------------------------|
| PANAMA (1.64%*) | | 1,768 | 2.15 |
| USD 1,400,000 | Panama 4% 22/9/2024 | 1,084 | 1.32 |
| USD 400,000 | Panama 4.5% 15/5/2047 | 304 | 0.37 |
| USD 500,000 | Republic of Panama 3.75% 16/3/2025 | 380 | 0.46 |
| PARAGUAY (0.63%*) | | 927 | 1.13 |
| USD 900,000 | Paraguay 4.7% 27/3/2027 | 693 | 0.84 |
| USD 300,000 | Paraguay 5.6% 13/3/2048 | 234 | 0.29 |
| PERU (1.15%*) | | 1,301 | 1.58 |
| USD 700,000 | Peru 4.125% 25/8/2027 | 550 | 0.67 |
| USD 830,000 | Peru 5.625% 18/11/2050 | 751 | 0.91 |
| TRINIDAD AND TOBAGO (0.34%*) | | — | — |
| URUGUAY (1.77%*) | | 1,093 | 1.33 |
| USD 400,000 | Uruguay 4.375% 27/10/2027 | 313 | 0.38 |
| USD 500,000 | Uruguay 4.975% 20/4/2055 | 378 | 0.46 |
| USD 410,000 | Uruguay 5.1% 18/6/2050 | 318 | 0.39 |
| UYU 3,400,000 | Uruguay 9.875% 20/6/2022 | 84 | 0.10 |
| VENEZUELA (1.36%*) | | 498 | 0.61 |
| USD 545,000 | Petroleos de Venezuela 5.375% 12/4/2027 | 97 | 0.12 |
| USD 75,000 | Petroleos de Venezuela 6% 16/5/2024 | 12 | 0.01 |
| USD 500,000 | Venezuela 9% 07/5/2023 | 102 | 0.12 |
| USD 705,000 | Venezuela 9.25% 15/9/2027 | 153 | 0.19 |
| USD 400,000 | Venezuela 9.25% 07/5/2028 | 80 | 0.10 |
| USD 250,000 | Venezuela 12.75% 23/8/2022 | 54 | 0.07 |
| VIRGIN ISLANDS (0.96%*) | | 848 | 1.03 |
| USD 350,000 | Sinopec Group Overseas Development 2015 2.5% 28/04/2020 | 263 | 0.32 |
| USD 500,000 | Sinopec Overseas Development 2012 3.9% 17/5/2022 | 382 | 0.46 |
| USD 275,000 | State Grid Overseas Investment 2016 2.75% 04/5/2022 | 203 | 0.25 |
| DERIVATIVES (1.67%*) | | (79) | (0.10) |
| Euro | | | |
| Bought EUR9,381 for USD11,011 Settlement 15/08/2018 | | — | — |
| Bought EUR12,980 for USD15,170 Settlement 15/08/2018 | | — | — |
| Bought EUR4,143,627 for USD4,845,250 Settlement 15/08/2018 | | 6 | 0.01 |
| Bought EUR2,902 for USD3,380 Settlement 15/08/2018 | | — | — |
| Bought EUR3,481 for USD4,087 Settlement 15/08/2018 | | — | — |
| Bought EUR376 for USD440 Settlement 15/08/2018 | | — | — |
| Bought EUR1 for GBP1 Settlement 15/08/2018 | | — | — |
| Bought EUR13,965,695 for USD16,330,451 Settlement 15/08/2018 | | 21 | 0.02 |
| Bought EUR5,688 for USD6,652 Settlement 15/08/2018 | | — | — |
| Bought EUR41 for USD48 Settlement 15/08/2018 | | — | — |
| Bought EUR7,810 for USD9,128 Settlement 15/08/2018 | | — | — |
| Bought EUR37,601,440 for USD43,968,341 Settlement 15/08/2018 | | 55 | 0.07 |
| Bought EUR10,006 for USD11,656 Settlement 15/08/2018 | | — | — |
| Bought EUR18,984 for USD22,285 Settlement 15/08/2018 | | — | — |
| Bought EUR10,772 for USD12,648 Settlement 15/08/2018 | | — | — |
| Bought EUR11,830 for USD13,771 Settlement 15/08/2018 | | — | — |
| Bought EUR5,632 for USD6,572 Settlement 15/08/2018 | | — | — |
| Bought EUR16,090 for USD18,777 Settlement 15/08/2018 | | — | — |
| Bought EUR5,719 for USD6,710 Settlement 15/08/2018 | | — | — |

First State Emerging Markets Bond Fund

Portfolio Statement

(continued)

as at 31 July 2018

| | Market Value £'000 | Total Net Assets % |
|--|--------------------------|--------------------------|
| Bought EUR2,591 for USD3,039 Settlement 15/08/2018 | — | — |
| Bought EUR40,579 for USD47,576 Settlement 15/08/2018 | — | — |
| Bought EUR8,201 for USD9,546 Settlement 15/08/2018 | — | — |
| Bought EUR2,538 for USD2,969 Settlement 15/08/2018 | — | — |
| Sold EUR348 for GBP312 Settlement 06/08/2018 | — | — |
| Sold EUR3,997,080 for GBP3,577,189 Settlement 15/08/2018 | 10 | 0.01 |
| Sold EUR4,612 for GBP4,127 Settlement 15/08/2018 | — | — |
| US Dollar | | |
| Bought USD4,302 for GBP3,268 Settlement 06/08/2018 | — | — |
| Bought USD5,924 for GBP4,500 Settlement 06/08/2018 | — | — |
| Bought USD72,773 for GBP55,277 Settlement 06/08/2018 | — | — |
| Bought USD232,033 for GBP176,248 Settlement 06/08/2018 | 1 | — |
| Bought USD288,773 for GBP219,347 Settlement 06/08/2018 | 1 | — |
| Bought USD974 for GBP734 Settlement 15/08/2018 | — | — |
| Bought USD11,355 for GBP8,566 Settlement 15/08/2018 | — | — |
| Bought USD26 for GBP20 Settlement 15/08/2018 | — | — |
| Bought USD67 for GBP51 Settlement 15/08/2018 | — | — |
| Bought USD29,799 for GBP22,669 Settlement 15/08/2018 | — | — |
| Bought USD450 for GBP341 Settlement 15/08/2018 | — | — |
| Bought USD11,482 for GBP8,760 Settlement 15/08/2018 | — | — |
| Bought USD1,700 for GBP1,296 Settlement 15/08/2018 | — | — |
| Bought USD340 for GBP257 Settlement 15/08/2018 | — | — |
| Bought USD272 for GBP206 Settlement 15/08/2018 | — | — |
| Bought USD36 for GBP28 Settlement 15/08/2018 | — | — |
| Bought USD29 for GBP22 Settlement 15/08/2018 | — | — |
| Bought USD2,168 for GBP1,631 Settlement 15/08/2018 | — | — |
| Bought USD13,141 for GBP9,914 Settlement 15/08/2018 | — | — |
| Bought USD10,254 for GBP7,736 Settlement 15/08/2018 | — | — |
| Bought USD26 for GBP20 Settlement 15/08/2018 | — | — |
| Bought USD8,686 for GBP6,658 Settlement 15/08/2018 | — | — |
| Bought USD11,462 for GBP8,818 Settlement 15/08/2018 | — | — |
| Bought USD9,324 for GBP7,173 Settlement 15/08/2018 | — | — |
| Bought USD133 for GBP102 Settlement 15/08/2018 | — | — |
| Bought USD4,372 for GBP3,351 Settlement 15/08/2018 | — | — |
| Bought USD6,294 for GBP4,784 Settlement 15/08/2018 | — | — |
| Bought USD7,279 for GBP5,538 Settlement 15/08/2018 | — | — |
| Bought USD223 for GBP170 Settlement 15/08/2018 | — | — |
| Bought USD2,924 for GBP2,218 Settlement 15/08/2018 | — | — |
| Bought USD945 for GBP721 Settlement 15/08/2018 | — | — |
| Bought USD487 for GBP371 Settlement 15/08/2018 | — | — |
| Bought USD1,019 for GBP777 Settlement 15/08/2018 | — | — |
| Bought USD1,296 for GBP988 Settlement 15/08/2018 | — | — |
| Bought USD222 for GBP168 Settlement 15/08/2018 | — | — |
| Bought USD2,229 for GBP1,692 Settlement 15/08/2018 | — | — |
| Bought USD42 for GBP32 Settlement 15/08/2018 | — | — |
| Bought USD13 for GBP10 Settlement 15/08/2018 | — | — |
| Bought USD642 for GBP486 Settlement 15/08/2018 | — | — |
| Bought USD38 for GBP29 Settlement 15/08/2018 | — | — |
| Bought USD349 for GBP262 Settlement 15/08/2018 | — | — |

First State Emerging Markets Bond Fund

Portfolio Statement

(continued)

as at 31 July 2018

| | Market Value £'000 | Total Net Assets % |
|--|--------------------------|--------------------------|
| Bought USD4,886 for GBP3,686 Settlement 15/08/2018 | — | — |
| Bought USD638 for GBP481 Settlement 15/08/2018 | — | — |
| Bought USD23 for GBP18 Settlement 15/08/2018 | — | — |
| Bought USD1,021 for GBP783 Settlement 15/08/2018 | — | — |
| Bought USD110 for GBP85 Settlement 15/08/2018 | — | — |
| Bought USD464 for GBP357 Settlement 15/08/2018 | — | — |
| Bought USD52 for GBP40 Settlement 15/08/2018 | — | — |
| Bought USD5,311 for GBP4,071 Settlement 15/08/2018 | — | — |
| Bought USD13 for GBP10 Settlement 15/08/2018 | — | — |
| Bought USD695 for GBP529 Settlement 15/08/2018 | — | — |
| Bought USD401 for GBP305 Settlement 15/08/2018 | — | — |
| Bought USD302 for GBP229 Settlement 15/08/2018 | — | — |
| Bought USD23,314 for GBP17,683 Settlement 15/08/2018 | — | — |
| Bought USD8,289 for GBP6,324 Settlement 15/08/2018 | — | — |
| Bought USD1,001 for GBP763 Settlement 15/08/2018 | — | — |
| Bought USD2,076 for GBP1,582 Settlement 15/08/2018 | — | — |
| Bought USD22,939 for GBP17,418 Settlement 15/08/2018 | — | — |
| Bought USD3,939 for GBP2,991 Settlement 15/08/2018 | — | — |
| Bought USD21,181 for EUR18,123 Settlement 15/08/2018 | — | — |
| Bought USD18,264 for EUR15,556 Settlement 15/08/2018 | — | — |
| Bought USD7,685 for EUR6,602 Settlement 15/08/2018 | — | — |
| Bought USD1,497 for EUR1,282 Settlement 15/08/2018 | — | — |
| Bought USD3 for GBP2 Settlement 15/08/2018 | — | — |
| Bought USD5,577 for EUR4,763 Settlement 15/08/2018 | — | — |
| Bought USD1,264 for EUR1,081 Settlement 15/08/2018 | — | — |
| Bought USD11,470 for EUR9,814 Settlement 15/08/2018 | — | — |
| Bought USD2,674 for EUR2,278 Settlement 15/08/2018 | — | — |
| Bought USD589 for EUR505 Settlement 15/08/2018 | — | — |
| Bought USD11,850 for EUR10,102 Settlement 15/08/2018 | — | — |
| Bought USD49,873 for EUR42,850 Settlement 15/08/2018 | — | — |
| Sold USD5,414 for GBP4,114 Settlement 06/08/2018 | — | — |
| Sold USD4,692,109 for GBP3,565,810 Settlement 06/08/2018 | (11) | (0.01) |
| Sold USD409 for GBP311 Settlement 15/08/2018 | — | — |
| Sold USD222 for GBP168 Settlement 06/08/2018 | — | — |
| Sold USD2,228 for GBP1,692 Settlement 06/08/2018 | — | — |
| Sold USD3,937 for GBP2,991 Settlement 06/08/2018 | — | — |
| Sold USD22,931 for GBP17,418 Settlement 06/08/2018 | — | — |
| Sold USD418 for GBP315 Settlement 15/08/2018 | — | — |
| Sold USD989,975 for GBP748,861 Settlement 15/08/2018 | (5) | (0.01) |
| Sold USD46 for GBP35 Settlement 15/08/2018 | — | — |
| Sold USD198 for GBP150 Settlement 15/08/2018 | — | — |
| Sold USD28,515 for GBP21,499 Settlement 15/08/2018 | — | — |
| Sold USD124 for GBP93 Settlement 15/08/2018 | — | — |
| Sold USD4,672 for GBP3,536 Settlement 15/08/2018 | — | — |
| Sold USD232 for GBP176 Settlement 15/08/2018 | — | — |
| Sold USD17,938,396 for GBP13,569,391 Settlement 15/08/2018 | (98) | (0.12) |
| Sold USD21 for GBP16 Settlement 15/08/2018 | — | — |
| Sold USD21,180 for GBP16,114 Settlement 15/08/2018 | — | — |
| Sold USD1,398 for GBP1,051 Settlement 15/08/2018 | — | — |

First State Emerging Markets Bond Fund

Portfolio Statement

(continued)

as at 31 July 2018

| | Market Value £'000 | Total Net Assets % |
|---|--------------------------|--------------------------|
| Sold USD14,513 for GBP10,917 Settlement 15/08/2018 | — | — |
| Sold USD282 for GBP213 Settlement 15/08/2018 | — | — |
| Sold USD677 for GBP519 Settlement 15/08/2018 | — | — |
| Sold USD1,508 for GBP1,156 Settlement 15/08/2018 | — | — |
| Sold USD6,001 for GBP4,616 Settlement 15/08/2018 | — | — |
| Sold USD2,761 for GBP2,124 Settlement 15/08/2018 | — | — |
| Sold USD1,797 for GBP1,377 Settlement 15/08/2018 | — | — |
| Sold USD848 for GBP645 Settlement 15/08/2018 | — | — |
| Sold USD2,631 for GBP2,000 Settlement 15/08/2018 | — | — |
| Sold USD77 for GBP59 Settlement 15/08/2018 | — | — |
| Sold USD4,107 for GBP3,124 Settlement 15/08/2018 | — | — |
| Sold USD7,133 for GBP5,416 Settlement 15/08/2018 | — | — |
| Sold USD452 for GBP343 Settlement 15/08/2018 | — | — |
| Sold USD14,090 for GBP10,687 Settlement 15/08/2018 | — | — |
| Sold USD11,681 for GBP8,860 Settlement 15/08/2018 | — | — |
| Sold USD3,017 for GBP2,302 Settlement 15/08/2018 | — | — |
| Sold USD111 for GBP85 Settlement 15/08/2018 | — | — |
| Sold USD6,367 for GBP4,854 Settlement 15/08/2018 | — | — |
| Sold USD4,304 for GBP3,268 Settlement 15/08/2018 | — | — |
| Sold USD288,879 for GBP219,347 Settlement 15/08/2018 | (1) | — |
| Sold USD16,049 for GBP12,100 Settlement 15/08/2018 | — | — |
| Sold USD119,124 for GBP90,110 Settlement 15/08/2018 | (1) | — |
| Sold USD4,786 for GBP3,600 Settlement 15/08/2018 | — | — |
| Sold USD4,639 for GBP3,500 Settlement 15/08/2018 | — | — |
| Sold USD260 for GBP200 Settlement 15/08/2018 | — | — |
| Sold USD1,305 for GBP1,000 Settlement 15/08/2018 | — | — |
| Sold USD2,631 for GBP2,000 Settlement 15/08/2018 | — | — |
| Sold USD13,118 for GBP10,000 Settlement 15/08/2018 | — | — |
| Sold USD5,926 for GBP4,500 Settlement 15/08/2018 | — | — |
| Sold USD25 for GBP19 Settlement 15/08/2018 | — | — |
| Sold USD5,748 for GBP4,350 Settlement 15/08/2018 | — | — |
| Sold USD16,183 for GBP12,246 Settlement 15/08/2018 | — | — |
| Sold USD10,182,871 for GBP7,702,771 Settlement 15/08/2018 | (56) | (0.07) |
| Sold USD35,179 for GBP26,765 Settlement 15/08/2018 | — | — |
| Sold USD15,425 for GBP11,603 Settlement 15/08/2018 | — | — |
| Sold USD1,254 for GBP946 Settlement 15/08/2018 | — | — |
| Sold USD25,135 for GBP18,962 Settlement 15/08/2018 | — | — |
| Sold USD33 for GBP25 Settlement 15/08/2018 | — | — |
| Sold USD255 for GBP196 Settlement 15/08/2018 | — | — |
| Sold USD46,209 for GBP35,420 Settlement 15/08/2018 | — | — |
| Sold USD10 for GBP8 Settlement 15/08/2018 | — | — |
| Sold USD6,331 for GBP4,816 Settlement 15/08/2018 | — | — |
| Sold USD32,650 for GBP24,790 Settlement 15/08/2018 | — | — |
| Sold USD298 for GBP226 Settlement 15/08/2018 | — | — |
| Sold USD5,218 for GBP3,958 Settlement 15/08/2018 | — | — |
| Sold USD96,878 for GBP73,480 Settlement 15/08/2018 | — | — |
| Sold USD131 for GBP100 Settlement 15/08/2018 | — | — |
| Sold USD814 for GBP621 Settlement 15/08/2018 | — | — |
| Sold USD595 for GBP454 Settlement 15/08/2018 | — | — |

First State Emerging Markets Bond Fund

Portfolio Statement

(continued)

as at 31 July 2018

| | Market Value £'000 | Total Net Assets % |
|--|--------------------------|--------------------------|
| Sold USD72,800 for GBP55,277 Settlement 15/08/2018 | — | — |
| Sold USD232,118 for GBP176,248 Settlement 15/08/2018 | (1) | — |
| Portfolio of investments^ | 77,347 | 94.07 |
| Net other assets | 4,873 | 5.93 |
| Total net assets | 82,220 | 100.00 |

All holdings represent securities quoted on a listed securities market, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

Stocks shown as FRNs represent floating-rate notes – debt instruments that pay a floating-rate of interest, usually based on an accepted market benchmark rate such as LIBOR.

* Comparative figures shown in brackets relate to 31 July 2017.

^ Including derivative liabilities.

First State Emerging Markets Bond Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Hedged Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 132.79 | 129.40 | 118.91 |
| Return before operating charges* | (1.52) | 6.04 | 13.75 |
| Operating charges | (1.89) | (1.90) | (1.94) |
| Return after operating charges* | (3.41) | 4.14 | 11.81 |
| Distributions | (6.88) | (7.43) | (6.59) |
| Retained distributions on accumulation shares | 6.88 | 6.68 | 5.27 |
| Closing net asset value per share (p) | 129.38 | 132.79 | 129.40 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | (2.56%) | 3.20% | 9.93% |
| Other information | | | |
| Closing net asset value (£'000) | 707 | 496 | 499 |
| Closing number of shares | 546,646 | 373,183 | 385,956 |
| Operating charges | 1.42% | 1.46% | 1.62% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 137.04 | 133.78 | 130.66 |
| Lowest share price | 126.73 | 124.47 | 115.41 |

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class A Hedged Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 105.27 | 107.48 | 103.19 |
| Return before operating charges* | (1.13) | 5.54 | 10.36 |
| Operating charges | (1.43) | (1.62) | (1.56) |
| Return after operating charges* | (2.56) | 3.92 | 8.80 |
| Distributions | (5.43) | (6.13) | (4.51) |
| Closing net asset value per share (p) | 97.28 | 105.27 | 107.48 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | (2.43%) | 3.65% | 8.53% |
| Other information | | | |
| Closing net asset value (£'000) | 124 | 131 | 130 |
| Closing number of shares | 127,272 | 124,660 | 121,172 |
| Operating charges | 1.37% | 1.51% | 1.50% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 108.53 | 111.54 | 111.12 |
| Lowest share price | 97.66 | 103.89 | 98.92 |

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Hedged Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 115.74 | 112.54 | 102.75 |
| Return before operating charges* | (1.36) | 4.97 | 12.03 |
| Operating charges | (0.99) | (1.12) | (1.10) |
| Return after operating charges* | (2.35) | 3.85 | 10.93 |
| Distributions | (6.02) | (6.46) | (5.71) |
| Retained distributions on accumulation shares | 6.02 | 5.81 | 4.57 |
| Closing net asset value per share (p) | 113.39 | 115.74 | 112.54 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | (2.03%) | 3.42% | 10.64% |
| Other information | | | |
| Closing net asset value (£'000) | 13,839 | 12,110 | 7,504 |
| Closing number of shares | 12,204,799 | 10,463,080 | 6,667,484 |
| Operating charges | 0.85% | 0.99% | 1.06% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 119.66 | 116.52 | 113.63 |
| Lowest share price | 111.08 | 108.16 | 100.05 |

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class B Hedged Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 96.07 | 98.03 | 93.32 |
| Return before operating charges* | (0.99) | 4.45 | 9.56 |
| Operating charges | (0.89) | (0.83) | (0.74) |
| Return after operating charges* | (1.88) | 3.62 | 8.82 |
| Distributions | (4.96) | (5.58) | (4.11) |
| Closing net asset value per share (p) | 89.23 | 96.07 | 98.03 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | (1.96%) | 3.69% | 9.45% |
| Other information | | | |
| Closing net asset value (£'000) | 7,898 | 6,272 | 2,860 |
| Closing number of shares | 8,851,279 | 6,528,473 | 2,917,026 |
| Operating charges | 0.93% | 0.85% | 0.78% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 99.33 | 101.16 | 101.29 |
| Lowest share price | 89.65 | 94.41 | 89.78 |

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|--|---------------------------|---------------------------|---------------------------|
| Share class A Hedged Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 128.39 | 126.09 | 117.30 |
| Return before operating charges* | (2.63) | 4.83 | 11.75 |
| Operating charges | (1.89) | (1.80) | (1.69) |
| Return after operating charges* | (4.52) | 3.03 | 10.06 |
| Distributions | (6.60) | (7.18) | (6.36) |
| Retained distributions on accumulation shares | 6.60 | 6.45 | 5.09 |
| Closing net asset value per share (c) | 123.87 | 128.39 | 126.09 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | (3.52%) | 2.40% | 8.58% |
| Other information | | | |
| Closing net asset value (€'000) | 4,125 | 3,600 | 4,346 |
| Closing number of shares | 3,330,215 | 2,803,616 | 3,446,768 |
| Operating charges | 1.47% | 1.42% | 1.44% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 131.94 | 129.94 | 127.44 |
| Lowest share price | 121.55 | 120.98 | 113.60 |

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|--|---------------------------|---------------------------|---------------------------|
| Share class A Hedged Income (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 97.71 | 101.04 | 101.88 |
| Return before operating charges* | (1.88) | 3.79 | 7.85 |
| Operating charges | (1.42) | (1.42) | (1.40) |
| Return after operating charges* | (3.30) | 2.37 | 6.45 |
| Distributions | (4.98) | (5.70) | (7.29) |
| Closing net asset value per share (c) | 89.43 | 97.71 | 101.04 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | (3.38%) | 2.35% | 6.33% |
| Other information | | | |
| Closing net asset value (€'000) | 6 | 5 | 1 |
| Closing number of shares | 6,247 | 5,309 | 1,380 |
| Operating charges | 1.47% | 1.42% | 1.43% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 100.39 | 104.21 | 107.22 |
| Lowest share price | 89.97 | 97.04 | 97.39 |

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|--|---------------------------|---------------------------|---------------------------|
| Share class B Hedged Income (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 101.64 | 104.49 | 100.71 |
| Return before operating charges* | (1.98) | 3.86 | 8.92 |
| Operating charges | (0.83) | (0.81) | (0.80) |
| Return after operating charges* | (2.81) | 3.05 | 8.12 |
| Distributions | (5.20) | (5.90) | (4.34) |
| Closing net asset value per share (c) | 93.63 | 101.64 | 104.49 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | (2.76%) | 2.92% | 8.06% |
| Other information | | | |
| Closing net asset value (€'000) | 36,749 | 36,936 | 22,409 |
| Closing number of shares | 39,246,992 | 36,341,459 | 21,447,097 |
| Operating charges | 0.83% | 0.78% | 0.78% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 104.74 | 107.76 | 108.06 |
| Lowest share price | 94.14 | 100.49 | 96.59 |

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|--|---------------------------|---------------------------|---------------------------|
| Share class B Gross Hedged Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 114.28 | 110.92 | 100.00 |
| Return before operating charges* | (2.19) | 4.23 | 11.59 |
| Operating charges | (0.97) | (0.87) | (0.67) |
| Return after operating charges* | (3.16) | 3.36 | 10.92 |
| Distributions | (5.92) | (6.35) | (4.78) |
| Retained distributions on accumulation shares | 5.92 | 6.35 | 4.78 |
| Closing net asset value per share (c) | 111.12 | 114.28 | 110.92 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | (2.76%) | 3.03% | 10.92% |
| Other information | | | |
| Closing net asset value (€'000) | 9,990 | 14,387 | 8,616 |
| Closing number of shares | 8,990,050 | 12,590,050 | 7,768,227 |
| Operating charges | 0.85% | 0.77% | 0.77% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 117.77 | 115.16 | 112.02 |
| Lowest share price | 108.80 | 107.10 | 98.75 |

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (USD share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 116.87 | 111.24 | 101.99 |
| Return before operating charges* | 0.30 | 7.06 | 11.08 |
| Operating charges | (0.71) | (0.79) | (0.71) |
| Return after operating charges* | (0.41) | 6.27 | 10.37 |
| Distributions | (6.76) | (9.10) | (5.62) |
| Retained distributions on accumulation shares | 6.76 | 8.46 | 4.50 |
| Closing net asset value per share (c) | 116.46 | 116.87 | 111.24 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | (0.35%) | 5.64% | 10.17% |
| Other information | | | |
| Closing net asset value (\$'000) | — | — | 3,264 |
| Closing number of shares | 50 | 50 | 2,934,087 |
| Operating charges | 0.60% | 0.70% | 0.71% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 121.42 | 117.35 | 112.34 |
| Lowest share price | 113.70 | 92.77 | 99.34 |

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Gross Accumulation (USD share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 113.86 | 108.39 | 98.44 |
| Return before operating charges* | 0.52 | 6.24 | 10.66 |
| Operating charges | (0.87) | (0.77) | (0.71) |
| Return after operating charges* | (0.35) | 5.47 | 9.95 |
| Distributions | (6.05) | (6.26) | (5.40) |
| Retained distributions on accumulation shares | 6.05 | 6.26 | 5.40 |
| Closing net asset value per share (c) | 113.51 | 113.86 | 108.39 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | (0.30%) | 5.05% | 10.11% |
| Other information | | | |
| Closing net asset value (\$'000) | 18,728 | 25,443 | 100,154 |
| Closing number of shares | 16,500,050 | 22,346,517 | 92,402,104 |
| Operating charges | 0.75% | 0.70% | 0.69% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 118.63 | 114.33 | 109.43 |
| Lowest share price | 111.00 | 105.18 | 96.25 |

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|--|---------------------------|---------------------------|---------------------------|
| Share class Z Gross Hedged Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 118.60 | 112.85 | 100.67 |
| Return before operating charges* | 0.72 | 5.90 | 12.36 |
| Operating charges | — | (0.15) | (0.18) |
| Return after operating charges* | 0.72 | 5.75 | 12.18 |
| Distributions | — | (7.04) | (2.38) |
| Retained distributions on accumulation shares | — | 7.04 | 2.38 |
| Closing net asset value per share (p) | 119.32* | 118.60 | 112.85 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | 0.61% | 5.10% | 12.10% |
| Other information | | | |
| Closing net asset value (£'000) | — | — | — |
| Closing number of shares | — | 50 | 50 |
| Operating charges | -% | 0.16% | 0.17% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 122.04 | 119.06 | 113.94 |
| Lowest share price | 118.98 | 109.52 | 98.71 |

* Share class Z Gross Hedged Accumulation closed on 14 December 2017.

First State Emerging Markets Bond Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class Z Gross Accumulation (USD share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 119.69 | 112.03 | 100.51 |
| Return before operating charges* | 0.91 | 7.81 | 11.63 |
| Operating charges | — | (0.15) | (0.11) |
| Return after operating charges* | 0.91 | 7.66 | 11.52 |
| Distributions | — | (7.97) | (18.39) |
| Retained distributions on accumulation shares | — | 7.97 | 18.39 |
| Closing net asset value per share (c) | 120.60* | 119.69 | 112.03 |
| * after direct transaction costs of: | — | — | — |
| Performance | | | |
| Return after charges (%) | 0.76% | 6.84% | 11.46% |
| Other information | | | |
| Closing net asset value (\$'000) | — | — | — |
| Closing number of shares | — | 50 | 50 |
| Operating charges | -% | 0.10% | 0.11% |
| Direct transaction costs | -% | -% | -% |
| Prices | | | |
| Highest share price | 123.38 | 120.17 | 113.00 |
| Lowest share price | 120.20 | 109.20 | 98.49 |

* Share class Z Gross Accumulation (USD share class) closed on 14 December 2017.

First State Emerging Markets Bond Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 | | 31 July 2017 | |
|---|-------|--------------|----------------|--------------|--------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (5,618) | | 1,794 |
| Revenue | 3 | 4,093 | | 5,221 | |
| Expenses | 4 | (692) | | (729) | |
| Interest payable and similar charges | | (6) | | (4) | |
| Net revenue before taxation | | 3,395 | | 4,488 | |
| Taxation | 5 | 9 | | — | |
| Net revenue after taxation | | | 3,404 | | 4,488 |
| Total return before distributions | | | (2,214) | | 6,282 |
| Distributions | 6 | | (4,096) | | (5,217) |
| Change in net assets attributable to shareholders from investment activities | | | (6,310) | | 1,065 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 | | 31 July 2017 | |
|--|--------------|---------------|--------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 87,499 | | 119,298 |
| Amounts receivable on issue of shares | 23,963 | | 36,580 | |
| Amounts payable on cancellation of shares | (25,186) | | (72,134) | |
| | | (1,223) | | (35,554) |
| Dilution adjustment | | 102 | | 260 |
| Change in net assets attributable to shareholders from investment activities | | (6,310) | | 1,065 |
| Retained distribution on accumulation shares | | 2,152 | | 2,430 |
| Closing net assets attributable to shareholders | | 82,220 | | 87,499 |

Notes to the Financial Statements are on pages 217 to 224.

First State Emerging Markets Bond Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>77,520</u> | <u>84,383</u> |
| Current assets | | | |
| Debtors | 8 | 1,892 | 1,467 |
| Cash and bank balances | | <u>7,676</u> | <u>3,956</u> |
| Total assets | | <u>87,088</u> | <u>89,806</u> |
| Liabilities | | | |
| Investment liabilities | | (173) | (1) |
| Creditors | | | |
| Bank overdrafts | | (3,265) | – |
| Distribution payable | | (1,033) | (1,118) |
| Other creditors | 9 | <u>(397)</u> | <u>(1,188)</u> |
| Total liabilities | | <u>(4,868)</u> | <u>(2,307)</u> |
| Net assets attributable to shareholders | | <u>82,220</u> | <u>87,499</u> |

Notes to the Financial Statements are on pages 217 to 224.

First State Emerging Markets Bond Fund

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | (3,833) | (161) |
| Forward foreign exchange currency contracts | 1,615 | 2,395 |
| Currency losses | (3,395) | (440) |
| Custodial transaction fees | (5) | — |
| Net capital (losses)/gains | (5,618) | 1,794 |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Interest from bank deposits | 9 | 1 |
| Interest from government and fixed-interest securities | 4,014 | 5,128 |
| Currency hedge gains | 70 | 92 |
| Total revenue | 4,093 | 5,221 |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 507 | 577 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 30 | 14 |
| Other expenses: | | |
| Audit fee | 15 | 16 |
| Registrar fees | 24 | 29 |
| Safe custody charges | 10 | 7 |
| Other expenses | 106 | 86 |
| | 155 | 138 |
| Total expenses | 692 | 729 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| (a) Analysis of (credit)/charge in year: | | |
| Irrecoverable overseas tax | (9) | — |
| Total taxation (note 5b) | (9) | — |

(b) Factors affecting current tax (credit)/charge for the year:

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below:

| | | |
|--|-------|-------|
| Net revenue before taxation | 3,395 | 4,488 |
| Corporation tax of 20% (2017: 20%) | 679 | 898 |
| Effects of: | | |
| Irrecoverable overseas tax | (9) | — |
| Tax-deductible interest distributions | (679) | (898) |
| Total tax (credit)/charge for year (note 5a) | (9) | — |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 2,245 | 1,915 |
| Final distribution | 2,067 | 2,442 |
| Income tax withheld | — | 233 |
| | 4,312 | 4,590 |
| Add: revenue deducted on cancellation of shares | 213 | 1,159 |
| Deduct: revenue received on issue of shares | (429) | (532) |
| Net distributions for the year | 4,096 | 5,217 |

Details of the distribution per share are set out in the Distribution Tables on pages 225 to 227.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--------------------------------|-----------------------|-----------------------|
| Net revenue after taxation | 3,404 | 4,488 |
| Expenses charged to capital | 692 | 729 |
| Net distributions for the year | 4,096 | 5,217 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Sales awaiting settlement | 183 | — |
| Amounts receivable for issue of shares | 528 | 462 |
| Accrued revenue | 938 | 1,005 |
| Foreign currency contracts awaiting settlement | 243 | — |
| Total debtors | <u>1,892</u> | <u>1,467</u> |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | — | 148 |
| Amounts payable for cancellation of shares | 18 | 908 |
| Accrued expenses | 137 | 132 |
| Foreign currency contracts awaiting settlement | 242 | — |
| Total other creditors | <u>397</u> | <u>1,188</u> |

10. Portfolio transaction costs

There were no transactions costs incurred during the year to 31 July 2018 (31/07/17: £nil).

| | Purchases | | Sales | |
|---|---------------|---------------|---------------|----------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Bonds | 67,285 | 75,165 | 68,757 | 105,306 |
| Trades in the year before transaction costs | <u>67,285</u> | <u>75,165</u> | <u>68,757</u> | <u>105,306</u> |
| Commissions | | | | |
| Bonds | — | — | — | — |
| Taxes | | | | |
| Bonds | — | — | — | — |
| Total costs | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total net trades in the year after transaction costs | <u>67,285</u> | <u>75,165</u> | <u>68,757</u> | <u>105,306</u> |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Bonds | — | — | — | — |
| Taxes | | | | |
| Bonds | — | — | — | — |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|-------------|--------------|--------------|
| | % | % |
| Commissions | — | — |
| Taxes | — | — |
| Total costs | <u>—</u> | <u>—</u> |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.69% (31/07/17: 0.63%).

Notes to the Financial Statements

(continued)

as at 31 July 2018

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds fixed-interest securities.

The Fund invests principally in fixed-interest securities. Certain fixed-interest securities are liable to default risk whereby the nominal capital is not or is unlikely to be returned to investors. The value of fixed-interest stocks is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual fixed-interest stock or be caused by a general market factor (such as government policy or the health of the underlying economy), which can affect the entire portfolio.

Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of securities held. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund enters into transactions in financial instruments that expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its obligations. The Fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £7,742,631 (31/07/17: £8,291,010).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(b) Interest-rate risk

The Fund receives revenue from fixed-interest investments. Given that the Fund's objective is to achieve a total investment return from income and capital appreciation, these cash flows are considered to be of primary importance and are actively managed.

As at 31 July 2018, 99.53% (31/07/17: 99.28%) of the Fund's assets were interest-bearing.

The interest-rate risk profile of the Company's financial assets and liabilities at 31 July 2018 was:

| Currency | Floating-rate financial assets £'000 | Fixed-rate financial assets £'000 | Financial assets not carrying interest £'000 | Total £'000 |
|---------------------|---|--|--|----------------|
| 31 July 2018 | | | | |
| Sterling | 355 | — | 28,763 | 29,118 |
| Euro | (3,265) | 768 | 46,197 | 43,700 |
| Uruguayan peso | — | 84 | 1 | 85 |
| US dollar | 7,390 | 76,505 | (74,578) | 9,317 |
| Total | 4,480 | 77,357 | 383 | 82,220 |
| 31 July 2017 | | | | |
| Sterling | 37 | — | 575 | 612 |
| Brazilian real | — | 707 | 6 | 713 |
| Euro | 134 | — | 83 | 217 |
| Russian ruble | 3 | — | (1) | 2 |
| Uruguayan peso | — | 97 | 1 | 98 |
| US dollar | 4,033 | 81,858 | (34) | 85,857 |
| Total | 4,207 | 82,662 | 630 | 87,499 |

* The comparative figures for 2017 have been restated to correct prior year disclosure.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the First State Emerging Markets Bond Fund would be an increase or decrease of approximately £204,593 (31/07/17: £217,172).

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| Currency | Net foreign currency assets 31 July 2018 Total £'000 | Net foreign currency assets 31 July 2017 Total £'000 |
|----------------|---|---|
| Brazilian real | — | 713 |
| Euro | 43,700 | 217 |
| Russian ruble | — | 2 |
| Uruguayan peso | 85 | 98 |
| US dollar | 9,317 | 85,857 |
| Total | 53,102 | 86,887 |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £2,655,105 (31/07/17: £4,344,344).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(d) Credit risk

Credit risk occurs where there is a risk associated with the uncertainty of a counterparty's ability to meet its obligations. This risk is managed by reviewing the counterparty's credit rating, at the time of purchase and on an ongoing basis, and ensuring that the portfolio is sufficiently diversified. The impact of movements in credit rating and spread, and their effect on market prices, is considered to be part of market-price risk, which is discussed above.

The Fund's investments and cash are held on its behalf by State Street Bank and Trust Company (acting as agent), the custodian to the Trust, and its appointed sub-custodians. Bankruptcy or insolvency of the custodian or its sub-custodians may cause the Fund's rights with respect to securities to be delayed. This risk is managed through ongoing monitoring of the custodian and periodic reviews of its procedures for selecting and monitoring sub-custodians, together with ad hoc reviews of custodian and sub-custodian credit ratings.

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities.

The Investment Adviser selects acceptable counterparties through which investments are bought and sold. The Manager has responsibility for monitoring the process by which these counterparties are selected to minimise risk.

Where the Investment Managers make an investment in a bond with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question. The risk is managed by reviewing the credit ratings of those bonds at the time of purchase and on an ongoing basis.

Summary of Investment Assets by Credit Ratings

Rating Block

| | 31 July 2018 | 31 July 2017 |
|----------------------------|---------------|---------------|
| | £'000 | £'000 |
| Investment-grade bonds | 33,747 | 29,273 |
| Non-investment-grade bonds | 43,198 | 53,253 |
| Unrated bonds | 481 | 384 |
| Total bonds | 77,426 | 82,910 |
| Other | 4,794 | 4,589 |
| Net assets | 82,220 | 87,499 |

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

(e) Derivative risk

The Manager may enter into derivatives transactions for investment purposes and for efficient portfolio management purposes. A relatively small market movement may have a potentially larger impact on derivatives than on the underlying assets, and the use of derivatives can therefore increase the volatility of the value of units in the Scheme. However, it is not anticipated that the use of derivatives will have a significant effect on the risk profile of the Scheme.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique that allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets. At the period end, as the sensitivity analysis or value at risk is not significant, no additional disclosure has been shown.

Effective Portfolio Management

Financial derivative instruments exposure as at 31 July 2018

| | |
|--|-----------------|
| Forward foreign currency contracts | Value (£) |
| | (79,030) |
| Total financial derivative instruments exposure | (79,030) |

Value (£)

Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2018

| | |
|-------------------------|----------|
| Bank of New York Mellon | (79,030) |
|-------------------------|----------|

Notes to the Financial Statements

(continued)

as at 31 July 2018

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £43,470 (31/07/17: £46,963) due at the year end.

As at 31 July 2018, First State Investments Services (UK) Limited, a related party of the ACD, owned 0.04% (31/07/17: 0.13%) of the net asset value of the Fund.

Material Shareholders

Clearstream Banking S.A, Raiffeisen Bank International AG, FundSettle EOC Nominees Limited and Transact Nominees Limited held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 38.4%, 18.5%, 18.4% and 12.4% of the Fund's shares in issue respectively.

14. Share classes

The Fund has twelve share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|---|------|
| Share class A Hedged Accumulation | 1.25 |
| Share class A Hedged Income | 1.25 |
| Share class B Hedged Accumulation | 0.60 |
| Share class B Hedged Income | 0.60 |
| Share class A Hedged Accumulation (EUR share class) | 1.25 |
| Share class A Hedged Income (EUR share class) | 1.25 |
| Share class B Hedged Income (EUR share class) | 0.60 |
| Share class B Gross Hedged Accumulation (EUR share class) | 0.60 |
| Share class B Accumulation (USD share class) | 0.60 |
| Share class B Gross Accumulation (USD share class) | 0.60 |
| Share class Z Gross Hedged Accumulation | — |
| Share class Z Gross Accumulation (USD share class) | — |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 203 to 214.

The distributions per share class are given in the Distribution Tables on pages 225 to 227.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | Shares converted | 31 July 2018 Closing shares in issue |
|--|---|------------|---------------|---------------------|--|
| Share class A Hedged Accumulation (Institutional) | 373,183 | 718,252 | (544,789) | — | 546,646 |
| Share class A Hedged Income (Institutional) | 124,660 | 77,131 | (74,519) | — | 127,272 |
| Share class B Hedged Accumulation (Institutional) | 10,463,080 | 2,826,568 | (1,098,267) | 13,418 | 12,204,799 |
| Share class B Hedged Income | 6,528,473 | 3,147,742 | (808,311) | (16,625) | 8,851,279 |
| Share class A Hedged Accumulation (EUR share class) | 2,803,616 | 1,790,394 | (1,263,795) | — | 3,330,215 |
| Share class A Hedged Income (EUR share class) | 5,309 | 2,204 | (1,266) | — | 6,247 |
| Share class B Hedged Income (EUR share class) | 36,341,459 | 3,566,556 | (661,023) | — | 39,246,992 |
| Share class B Gross Hedged Accumulation (EUR share class) | 12,590,050 | 268,558 | (3,868,558) | — | 8,990,050 |
| Share class B Accumulation (USD share class) (Institutional) | 50 | — | — | — | 50 |
| Share class B Gross Accumulation (USD share class) | 22,346,517 | 13,500,000 | (19,346,467) | — | 16,500,050 |
| Share class Z Gross Hedged Accumulation | 50 | — | (50) | — | — |
| Share class Z Gross Accumulation (USD share class) | 50 | — | (50) | — | — |

Notes to the Financial Statements

(continued)

as at 31 July 2018

15. Fair value

| Valuation technique | 31 July 2018 | | 31 July 2017 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | — | — | — | — |
| Level 2 | 77,520 | (173) | 84,383 | (1) |
| Level 3 | — | — | — | — |
| Total fair value | 77,520 | (173) | 84,383 | (1) |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
 Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Emerging Markets Bond Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Hedged Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 3.6912 | – | 3.6912 | 2.9942 |
| Final | 3.1935 | – | 3.1935 | 3.6918 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.0603 | 2.6309 | 3.6912 | 2.9942 |
| Final | 1.8476 | 1.3459 | 3.1935 | 3.6918 |

Share class A Hedged Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.9523 | – | 2.9523 | 2.4954 |
| Final | 2.4757 | – | 2.4757 | 3.0101 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.5692 | 2.3831 | 2.9523 | 2.4954 |
| Final | 0.2387 | 2.2370 | 2.4757 | 3.0101 |

Share class B Hedged Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 3.2212 | – | 3.2212 | 2.6015 |
| Final | 2.7990 | – | 2.7990 | 3.2133 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.7307 | 1.4905 | 3.2212 | 2.6015 |
| Final | 1.2299 | 1.5691 | 2.7990 | 3.2133 |

Share class B Hedged Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.6938 | – | 2.6938 | 2.2698 |
| Final | 2.2616 | – | 2.2616 | 2.7442 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.2611 | 1.4327 | 2.6938 | 2.2698 |
| Final | 0.9321 | 1.3295 | 2.2616 | 2.7442 |

First State Emerging Markets Bond Fund

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class A Hedged Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 3.5488 | — | 3.5488 | 2.9162 |
| Final | 3.0546 | — | 3.0546 | 3.5384 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.5452 | 2.0036 | 3.5488 | 2.9162 |
| Final | 1.8590 | 1.1956 | 3.0546 | 3.5384 |

Share class A Hedged Income (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 2.7129 | — | 2.7129 | 2.3509 |
| Final | 2.2653 | — | 2.2653 | 2.7618 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.4961 | 1.2168 | 2.7129 | 2.3509 |
| Final | 1.2022 | 1.0631 | 2.2653 | 2.7618 |

Share class B Hedged Income (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 2.8297 | — | 2.8297 | 2.4215 |
| Final | 2.3701 | — | 2.3701 | 2.8770 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.2593 | 1.5704 | 2.8297 | 2.4215 |
| Final | 1.2941 | 1.0760 | 2.3701 | 2.8770 |

Share class B Gross Hedged Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 3.1798 | — | 3.1798 | 3.2036 |
| Final | 2.7448 | — | 2.7448 | 3.1478 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 3.1798 | — | 3.1798 | 3.2036 |
| Final | 2.7448 | — | 2.7448 | 3.1478 |

First State Emerging Markets Bond Fund

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class B Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 3.4600 | — | 3.4600 | 2.5774 |
| Final | 3.3000 | — | 3.3000 | 5.8795 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 3.4600 | — | 3.4600 | 2.5774 |
| Final | 3.3000 | — | 3.3000 | 5.8795 |

Share class B Gross Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 3.1570 | — | 3.1570 | 3.1358 |
| Final | 2.8963 | — | 2.8963 | 3.1234 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 3.1570 | — | 3.1570 | 3.1358 |
| Final | 0.2200 | 2.6763 | 2.8963 | 3.1234 |

Share class Z Gross Hedged Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | — | — | — | 3.3600 |
| Final | — | — | — | 3.6800 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | — | — | — | 3.3600 |
| Final | — | — | — | 3.6800 |

Share class Z Gross Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | 3.8800 |
| Final | — | — | — | 4.0946 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | 3.8800 |
| Final | — | — | — | 4.0946 |

First State Emerging Markets Local Currency Bond Fund (closed)

Authorised Fund Manager's Report

for the year ended 31 July 2018

Fund Termination

First State Emerging Markets Local Currency Bond Fund terminated on 31 July 2018.

First State Emerging Markets Local Currency Bond Fund (closed)

Portfolio Statement

as at 31 July 2018

There are no holdings to disclose due to the Fund termination on 31 July 2018.

First State Emerging Markets Local Currency Bond Fund (closed)

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 \$'000 | \$'000 | 31 July 2017 \$'000 | \$'000 |
|---|-------|------------------------|--------------|------------------------|--------------|
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (53) | | 814 |
| Revenue | 3 | 805 | | 2,496 | |
| Expenses | 4 | (142) | | (341) | |
| Interest payable and similar charges | | (12) | | (5) | |
| Net revenue before taxation | | 651 | | 2,150 | |
| Taxation | 5 | 19 | | (73) | |
| Net revenue after taxation | | | 670 | | 2,077 |
| Total return before equalisation/distributions | | | 617 | | 2,891 |
| Equalisation/distributions | 6 | | (821) | | (2,418) |
| Change in net assets attributable to shareholders from investment activities | | | (204) | | 473 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 \$'000 | \$'000 | 31 July 2017 \$'000 | \$'000 |
|--|------------------------|---------------|------------------------|---------------|
| Opening net assets attributable to shareholders | | 37,761 | | 33,594 |
| Amounts receivable on issue of shares | 1,318 | | 3,842 | |
| Amounts payable on cancellation of shares | (38,866) | | (158) | |
| Amounts payable to shareholders | (62) | | — | |
| | | (37,610) | | 3,684 |
| Dilution adjustment | | 53 | | 4 |
| Change in net assets attributable to shareholders from investment activities | | (204) | | 473 |
| Retained distribution on accumulation shares | | — | | 6 |
| Closing net assets attributable to shareholders | | — | | 37,761 |

Notes to the Financial Statements are on pages 232 to 234.

First State Emerging Markets Local Currency Bond Fund (closed)

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 \$'000 | 31 July 2017 \$'000 |
|--|-------|------------------------|------------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | — | 36,517 |
| Current assets | | | |
| Debtors | 8 | — | 655 |
| Cash and bank balances | | 62 | 2,344 |
| Total assets | | 62 | 39,516 |
| Liabilities | | | |
| Investment liabilities | | — | (364) |
| Creditors | | | |
| Distribution payable | | — | (1,318) |
| Other creditors | 9 | (62) | (73) |
| Total liabilities | | (62) | (1,755) |
| Net assets attributable to shareholders | | — | 37,761 |

Notes to the Financial Statements are on pages 232 to 234.

First State Emerging Markets Local Currency Bond Fund (closed)

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

| | 31 July 2018 \$'000 | 31 July 2017 \$'000 |
|---|------------------------|------------------------|
| Non-derivative securities | (131) | 185 |
| Derivative contracts | 30 | (14) |
| Forward foreign exchange currency contracts | 321 | 760 |
| Currency losses | (265) | (117) |
| Custodial transaction fees | (8) | — |
| Net capital (losses)/gains | (53) | 814 |

3. Revenue

| | 31 July 2018 \$'000 | 31 July 2017 \$'000 |
|--|------------------------|------------------------|
| Interest from bank deposits | 4 | 3 |
| Interest from government and fixed-interest securities | 795 | 2,522 |
| Currency hedge gains/(losses) | 5 | (35) |
| Swap income | 1 | 6 |
| Total revenue | 805 | 2,496 |

4. Expenses

| | 31 July 2018 \$'000 | 31 July 2017 \$'000 |
|--|------------------------|------------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 60 | 210 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 15 | 5 |
| Other expenses: | | |
| Audit fee | — | 14 |
| Registrar fees | 11 | — |
| Safe custody charges | 10 | 23 |
| Other expenses | 46 | 89 |
| | 67 | 126 |
| Total expenses | 142 | 341 |

First State Emerging Markets Local Currency Bond Fund (closed)

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 \$'000 | 31 July 2017 \$'000 |
|---|------------------------|------------------------|
| (a) Analysis of (credit)/charge in year: | | |
| Corporation tax – prior year adjustment | (18) | – |
| Irrecoverable overseas tax | (1) | 73 |
| Total taxation (note 5b) | (19) | 73 |
| (b) Factors affecting current tax (credit)/charge for the year: | | |
| The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 651 | 2,150 |
| Corporation tax of 20% (2017: 20%) | 130 | 430 |
| Effects of: | | |
| Corporation tax – prior year adjustment | (18) | – |
| Irrecoverable overseas tax | (1) | 73 |
| Tax-deductible interest distributions | (130) | (430) |
| Total tax (credit)/charge for year (note 5a) | (19) | 73 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

6. Equalisation/Distribution

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 \$'000 | 31 July 2017 \$'000 |
|---|------------------------|------------------------|
| Interim distribution | – | 921 |
| Final distribution | – | 1,303 |
| Income tax withheld | – | 227 |
| | – | 2,451 |
| Add: revenue deducted on cancellation of shares | 837 | 4 |
| Deduct: revenue received on issue of shares | (16) | (37) |
| Net equalisation/distribution for the year | 821 | 2,418 |

7. Movement between net revenue and net equalisation/distribution

| | 31 July 2018 \$'000 | 31 July 2017 \$'000 |
|--|------------------------|------------------------|
| Net revenue after taxation | 670 | 2,077 |
| Expenses charged to capital | 137 | 341 |
| Revenue deficit | 14 | – |
| Net equalisation/distribution for the year | 821 | 2,418 |

First State Emerging Markets Local Currency Bond Fund (closed)

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 \$'000 | 31 July 2017 \$'000 |
|-----------------|------------------------|------------------------|
| Accrued revenue | – | 655 |
| Total debtors | – | 655 |

9. Other creditors

| | 31 July 2018 \$'000 | 31 July 2017 \$'000 |
|---------------------------------|------------------------|------------------------|
| Accrued expenses | – | 73 |
| Amounts payable to shareholders | 62 | – |
| Total other creditors | 62 | 73 |

Stewart Investors Global Emerging Markets Fund

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Outlook

In terms of valuation, much of the global emerging market universe is less expensive than a year ago. Portfolio holdings are not dictated by a benchmark index, meaning the Manager will continue to invest only in companies they consider to be of high enough quality. Some companies will continue to be uninvestable at any price, precisely because the Manager focuses on capital preservation and the potential downside to every investment.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | (0.5) | (0.9) | 4.6 | 45.2 | 39.5 | 190.2 | 703.9 |
| Benchmark return % | (0.8) | (4.5) | 4.9 | 53.8 | 49.3 | 100.5 | 396.6 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 4.6 | 13.4 | 22.5 | (4.9) | 0.9 |
| Benchmark return % | 4.9 | 25.7 | 16.7 | (6.3) | 3.6 |

Benchmark: MSCI Emerging Markets Index.

Sector: IA Specialist.

This Fund was previously part of the IA Global Emerging Markets sector. Due to the changing geographical nature of the earnings of the stocks in this portfolio, this Fund was then reclassified by the IA as IA Specialist sector. The performance ranking of funds within the IA Specialist sector is not viewed as a fair comparison given the diverse nature of the funds within the sector. Performance statistics are therefore noted versus the benchmark rather than the IA sector. The Specialist sector constituents are defined by the IA as funds that have an investment universe that is not accommodated by the other IA mainstream sectors.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Please note that the Stewart Investors Global Emerging Markets Fund A Accumulation GBP share class launched in 1992. For historic performance of this share class, please see the factsheets by visiting firststateinvestments.com

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|---------------------------|-----------|---------------------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Tata Consultancy Services | 6.81 | US Treasury 0% 21/9/2017 | 5.95 |
| US Treasury 0% 06/9/2018 | 5.79 | Housing Development Finance | 3.51 |
| Uni-President Enterprises | 4.68 | Unilever | 3.50 |
| Unilever | 3.42 | Uni-President Enterprises | 3.48 |
| Tiger Brands | 2.67 | Tata Consultancy Services | 2.48 |
| Tech Mahindra | 2.67 | ENKA | 2.25 |
| Remgro | 2.57 | PZ Cussons | 2.13 |
| United Breweries | 2.34 | Fomento Economico Mexicano ADR | 2.12 |
| KOC | 2.21 | Standard Bank Group | 2.00 |
| Tullow Oil | 2.13 | Grupo Financiero Santander Mexico ADR | 1.91 |

Types of shares

Accumulation.

Stewart Investors Global Emerging Markets Fund

Portfolio Statement

as at 31 July 2018

| Holdings or Nominal Values | Market Value £'000 | Total Net Assets % |
|---|--------------------------|--------------------------|
| UNITED KINGDOM (7.28%*) | 51,576 | 7.38 |
| 5,481,792 PZ Cussons | 12,773 | 1.83 |
| 6,568,661 Tullow Oil | 14,865 | 2.13 |
| 549,658 Unilever | 23,938 | 3.42 |
| UNITED STATES (5.95%*) | 40,473 | 5.79 |
| USD53,191,300 US Treasury 0% 06/9/2018 | 40,473 | 5.79 |
| SWITZERLAND (1.54%*) | 7,012 | 1.00 |
| 256,564 Coca-Cola HBC | 7,012 | 1.00 |
| AUSTRALIA (2.18%*) | 12,255 | 1.75 |
| 1,000,192 Newcrest Mining | 12,255 | 1.75 |
| BANGLADESH (0.00%*) | 54 | 0.01 |
| 90,707 BRAC Bank | 54 | 0.01 |
| HONG KONG (4.53%*) | 32,234 | 4.61 |
| 11,863,639 China Resources Pharmaceutical | 13,162 | 1.88 |
| 22,980,000 Texwinca | 7,702 | 1.10 |
| 4,115,000 Vinda International | 5,717 | 0.82 |
| 2,764,500 Yue Yuen Industrial | 5,653 | 0.81 |
| INDIA (21.41%*) | 165,018 | 23.62 |
| 923,608 Cipla | 6,570 | 0.94 |
| 1,123,613 Cyient | 8,742 | 1.25 |
| 495,480 Housing Development Finance | 10,953 | 1.57 |
| 18,811,800 Idea Cellular | 11,417 | 1.64 |
| 942,982 Mahindra Lifespace Developers | 5,670 | 0.81 |
| 104,187 Nestlé India | 12,223 | 1.75 |
| 2,204,112 Tata Consultancy Services | 47,601 | 6.81 |
| 4,712,558 Tata Global Beverages | 12,943 | 1.85 |
| 16,825,110 Tata Power | 13,914 | 1.99 |
| 2,468,344 Tech Mahindra | 18,656 | 2.67 |
| 1,329,497 United Breweries | 16,329 | 2.34 |
| INDONESIA (0.36%*) | 1,854 | 0.27 |
| 13,697,000 Acset Indonusa | 1,854 | 0.27 |
| SINGAPORE (0.97%*) | 7,315 | 1.05 |
| 11,358,400 Delfi | 7,315 | 1.05 |
| SOUTH KOREA (1.52%*) | 7,711 | 1.10 |
| 260,099 Shinhan Financial | 7,711 | 1.10 |
| TAIWAN (6.95%*) | 55,231 | 7.91 |
| 2,987,000 Merida Industry | 10,934 | 1.57 |
| 1,389,776 President Chain Store | 11,611 | 1.66 |
| 16,245,104 Uni-President Enterprises | 32,686 | 4.68 |
| EGYPT (0.76%*) | 6,368 | 0.91 |
| 13,362,101 Juhayna Food Industries | 6,368 | 0.91 |
| KENYA (0.58%*) | — | — |

Stewart Investors Global Emerging Markets Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| NIGERIA (3.80%*) | 32,272 | 4.62 |
| 125,779,941 Guaranty Trust Bank | 10,595 | 1.52 |
| 709,429 Guaranty Trust Bank GDR | 2,893 | 0.41 |
| 24,432,815 Lafarge Africa | 1,415 | 0.20 |
| 19,066,958 Nigerian Breweries | 4,216 | 0.60 |
| 61,970,854 UAC of Nigeria | 1,723 | 0.25 |
| 103,880,479 Unilever Nigeria | 11,430 | 1.64 |
| SOUTH AFRICA (9.40%*) | 71,406 | 10.22 |
| 1,621,803 Adcock Ingram | 6,054 | 0.87 |
| 132,514 Adcock Ingram warrants 26/7/2019 | 42 | 0.01 |
| 3,231,112 African Oxygen | 5,265 | 0.75 |
| 1,188,865 AngloGold Ashanti | 7,943 | 1.14 |
| 7,252,678 Grindrod | 3,314 | 0.47 |
| 181,316 Grindrod Shipping | 1,414 | 0.20 |
| 1,795,726 Impala Platinum | 2,036 | 0.29 |
| 10,062,920 Nampak | 8,738 | 1.25 |
| 1,422,204 Remgro | 17,937 | 2.57 |
| 917,504 Tiger Brands | 18,663 | 2.67 |
| TURKEY (4.18%*) | 29,338 | 4.20 |
| 725,946 Anadolu Grubu | 1,995 | 0.29 |
| 15,689,371 ENKA | 11,866 | 1.70 |
| 7,221,907 KOC | 15,477 | 2.21 |
| UAE (1.45%*) | 11,479 | 1.64 |
| 1,930,401 Orascom Construction | 11,479 | 1.64 |
| BRAZIL (7.55%*) | 46,946 | 6.72 |
| 2,033,925 Banco Bradesco | 11,441 | 1.63 |
| 2,941,191 Duratex | 6,076 | 0.87 |
| 2,418,200 Klabin | 9,913 | 1.42 |
| 1,642,260 Natura | 9,698 | 1.39 |
| 498,228 Porto Seguro | 5,015 | 0.72 |
| 535,808 Wilson Sons BDR | 4,803 | 0.69 |
| CHILE (10.62%*) | 46,518 | 6.66 |
| 12,869,258 Aguas Andinas | 5,663 | 0.81 |
| 1,199,205 Cia Cervecerias Unidas | 12,392 | 1.78 |
| 9,679,776 Inversiones Aguas Metropolitanas | 11,598 | 1.66 |
| 5,137,064 Quinenco | 11,692 | 1.67 |
| 72,353,698 Sociedad Matriz SAAM | 5,173 | 0.74 |

Stewart Investors Global Emerging Markets Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| MEXICO (5.31%*) | 35,930 | 5.14 |
| 2,124,857 Banco Santander Mexico ADR | 13,542 | 1.94 |
| 186,819 Fomento Economico Mexicano ADR | 13,974 | 2.00 |
| 5,133,281 Herdez | 8,414 | 1.20 |
| Portfolio of investments | 660,990 | 94.60 |
| Net other assets | 37,740 | 5.40 |
| Total net assets | 698,730 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stock shown as ADRs, GDRs and BDRs represent American Depositary Receipts, Global Depositary Receipts and Brazilian Depositary Receipts, respectively.

Stewart Investors Global Emerging Markets Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 790.90 | 702.30 | 578.00 |
| Return before operating charges* | 45.21 | 102.79 | 135.32 |
| Operating charges | (14.99) | (14.19) | (11.02) |
| Return after operating charges* | 30.22 | 88.60 | 124.30 |
| Distributions | (2.11) | (1.98) | (1.94) |
| Retained distributions on accumulation shares | 2.11 | 1.98 | 1.94 |
| Closing net asset value per share (p) | 821.12 | 790.90 | 702.30 |
| * after direct transaction costs of: | 0.71 | 0.91 | 0.60 |
| Performance | | | |
| Return after charges (%) | 3.82% | 12.62% | 21.51% |
| Other information | | | |
| Closing net asset value (£'000) | 40,108 | 47,696 | 48,051 |
| Closing number of shares | 4,884,462 | 6,030,570 | 6,841,976 |
| Operating charges | 1.85% | 1.89% | 1.89% |
| Direct transaction costs | 0.09% | 0.12% | 0.10% |
| Prices | | | |
| Highest share price | 848.94 | 803.40 | 710.10 |
| Lowest share price | 782.75 | 686.02 | 517.46 |

Stewart Investors Global Emerging Markets Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 890.36 | 784.78 | 641.03 |
| Return before operating charges* | 51.06 | 114.84 | 150.83 |
| Operating charges | (9.80) | (9.26) | (7.08) |
| Return after operating charges* | 41.26 | 105.58 | 143.75 |
| Distributions | (9.55) | (8.49) | (7.21) |
| Retained distributions on accumulation shares | 9.55 | 8.49 | 7.21 |
| Closing net asset value per share (p) | 931.62 | 890.36 | 784.78 |
| * after direct transaction costs of: | 0.80 | 1.02 | 0.67 |
| Performance | | | |
| Return after charges (%) | 4.63% | 13.45% | 22.42% |
| Other information | | | |
| Closing net asset value (£'000) | 658,622 | 632,036 | 831,725 |
| Closing number of shares | 70,696,226 | 70,986,300 | 105,982,561 |
| Operating charges | 1.07% | 1.09% | 1.09% |
| Direct transaction costs | 0.09% | 0.12% | 0.10% |
| Prices | | | |
| Highest share price | 959.14 | 904.23 | 793.43 |
| Lowest share price | 882.46 | 768.59 | 575.96 |

Stewart Investors Global Emerging Markets Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 | | 31 July 2017 | |
|---|-------|--------------|---------------|--------------|---------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains | 2 | | 24,975 | | 83,139 |
| Revenue | 3 | 15,789 | | 15,746 | |
| Expenses | 4 | (7,733) | | (8,063) | |
| Interest payable and similar charges | | (15) | | (5) | |
| Net revenue before taxation | | 8,041 | | 7,678 | |
| Taxation | 5 | (2,140) | | (1,943) | |
| Net revenue after taxation | | | 5,901 | | 5,735 |
| Total return before distributions | | | 30,876 | | 88,874 |
| Distributions | 6 | | (6,902) | | (6,911) |
| Change in net assets attributable to shareholders from investment activities | | | 23,974 | | 81,963 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 | | 31 July 2017 | |
|--|--------------|----------------|--------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 679,732 | | 879,776 |
| Amounts receivable on issue of shares | 7,483 | | 23,376 | |
| Less: Amounts payable on cancellation of shares | (19,331) | | (312,921) | |
| | | (11,848) | | (289,545) |
| Dilution adjustment | | — | | 1,270 |
| Change in net assets attributable to shareholders from investment activities | | 23,974 | | 81,963 |
| Retained distribution on accumulation shares | | 6,872 | | 6,268 |
| Closing net assets attributable to shareholders | | 698,730 | | 679,732 |

Notes to the Financial Statements are on pages 244 to 249.

Stewart Investors Global Emerging Markets Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>660,990</u> | <u>654,837</u> |
| Current assets | | | |
| Debtors | 8 | 2,575 | 812 |
| Cash and bank balances | | <u>38,843</u> | <u>25,715</u> |
| Total assets | | <u>702,408</u> | <u>681,364</u> |
| Liabilities | | | |
| Creditors | | | |
| Other creditors | 9 | <u>(3,678)</u> | <u>(1,632)</u> |
| Total liabilities | | <u>(3,678)</u> | <u>(1,632)</u> |
| Net assets attributable to shareholders | | <u>698,730</u> | <u>679,732</u> |

Notes to the Financial Statements are on pages 244 to 249.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 26,155 | 84,223 |
| Forward foreign exchange currency contracts | – | (3) |
| Currency losses | (1,154) | (1,081) |
| Custodial transaction fees | (26) | – |
| Net capital gains | <u>24,975</u> | <u>83,139</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Dividends from UK companies | 1,040 | 1,538 |
| Overseas taxable revenue | – | (172) |
| Overseas non-taxable revenue | 13,308 | 12,888 |
| Overseas scrip dividends | – | 56 |
| Interest from bank deposits | 25 | 6 |
| Interest from government and fixed-interest securities | 597 | 115 |
| Interest on capital revenue from Brazilian companies | 744 | 1,218 |
| Initial charge revenue | 75 | 97 |
| Total revenue | <u>15,789</u> | <u>15,746</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>7,266</u> | <u>7,352</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>71</u> | <u>105</u> |
| Other expenses: | | |
| Audit fee | 10 | 11 |
| Registrar fees | 52 | 47 |
| Safe custody charges | 239 | 380 |
| Other expenses | 95 | 168 |
| | <u>396</u> | <u>606</u> |
| Total expenses | <u>7,733</u> | <u>8,063</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 1,145 | 769 |
| Indian capital gains tax | 995 | 1,174 |
| Total taxation (note 5b) | 2,140 | 1,943 |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 8,041 | 7,678 |
| Corporation tax of 20% (2017: 20%) | 1,608 | 1,536 |
| Effects of: | | |
| UK dividends* | (208) | (308) |
| Non-taxable scrip dividends* | – | (11) |
| Overseas non-taxable revenue* | (2,662) | (2,578) |
| Movement in excess management expenses | 1,257 | 1,396 |
| Irrecoverable overseas tax | 1,145 | 769 |
| Overseas tax expensed | 5 | (35) |
| Indian capital gains tax | 995 | 1,174 |
| Total tax charge for year (note 5a) | 2,140 | 1,943 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £12,964,125 (31/07/17: £11,706,887); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 3,025 | 2,548 |
| Final distribution | 3,847 | 3,720 |
| | 6,872 | 6,268 |
| Add: revenue deducted on cancellation of shares | 45 | 728 |
| Deduct: revenue received on issue of shares | (15) | (85) |
| Net distributions for the year | 6,902 | 6,911 |

Details of the distribution per share are set out in the Distribution Tables on page 250.

Notes to the Financial Statements

(continued)

as at 31 July 2018

7. Movement between net revenue and net distributions

| | 31 July 2018 | 31 July 2017 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Net revenue after taxation | 5,901 | 5,735 |
| Movement in net income as a result of conversions | 6 | 2 |
| Indian capital gains tax | 995 | 1,174 |
| Net distributions for the year | 6,902 | 6,911 |

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Sales awaiting settlement | 1,713 | – |
| Amounts receivable for issue of shares | 6 | 37 |
| Accrued revenue | 555 | 775 |
| Foreign currency contracts awaiting settlement | 301 | – |
| Total debtors | 2,575 | 812 |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | 1,404 | 746 |
| Amounts payable for cancellation of shares | 240 | 85 |
| Accrued expenses | 1,734 | 801 |
| Foreign currency contracts awaiting settlement | 300 | – |
| Total other creditors | 3,678 | 1,632 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|--|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 140,618 | 118,019 | 160,980 | 380,470 |
| Bonds | 76,784 | 76,701 | 77,632 | 50,588 |
| Trades in the year before transaction costs | 217,402 | 194,720 | 238,612 | 431,058 |
| Commissions | | | | |
| Equities | 128 | 126 | (169) | (370) |
| Bonds | – | – | – | – |
| Taxes | | | | |
| Equities | 181 | 87 | (126) | (255) |
| Bonds | – | – | – | – |
| Total costs | 309 | 213 | (295) | (625) |
| Total net trades in the year after transaction costs | 217,711 | 194,933 | 238,317 | 430,433 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

10. Portfolio transaction costs (continued)

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.09 | 0.11 | 0.10 | 0.10 |
| Bonds | — | — | — | — |
| Taxes | | | | |
| Equities | 0.13 | 0.07 | 0.08 | 0.07 |
| Bonds | — | — | — | — |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|--------------------|--------------|--------------|
| | % | % |
| Commissions | 0.04 | 0.07 |
| Taxes | 0.04 | 0.05 |
| Total costs | 0.09 | 0.12 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.61% (31/07/17: 0.39%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund predominantly holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £66,098,970 (31/07/17: £65,483,686).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(b) Interest-rate risk

The Fund invests in fixed-interest assets for liquidity management purposes; as such, it is exposed to interest-rate risk. The Fund is also exposed to interest-rate risk on bank deposits or bank overdraft positions.

As at 31 July 2018, 11.35% (31/07/17: 9.74%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Global Emerging Markets Fund would be an increase or decrease of approximately £198,291 (31/07/17: £165,505).

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| Currency | Net foreign currency assets | Net foreign currency assets |
|--------------------|-----------------------------|-----------------------------|
| | 31 July 2018 | 31 July 2017 |
| | Total | Total |
| | £'000 | £'000 |
| Australian dollar | 12,256 | 14,827 |
| Bangladeshi taka | 34 | |
| Brazilian real | 47,024 | 51,454 |
| Chilean peso | 46,518 | 63,662 |
| Egyptian pound | 7,377 | 5,194 |
| Hong Kong dollar | 32,234 | 30,800 |
| Indian rupee | 164,728 | 146,030 |
| Indonesian rupiah | 1,854 | 2,444 |
| Kenyan shilling | — | 3,951 |
| Mexican peso | 8,414 | 8,691 |
| Nigerian naira | 28,431 | 22,945 |
| Singapore dollar | 7,315 | 6,586 |
| South African rand | 71,352 | 63,095 |
| South Korean won | 7,711 | 10,321 |
| Taiwanese dollar | 55,258 | 47,427 |
| Turkish lira | 29,338 | 28,444 |
| UAE dirham | 383 | — |
| US dollar | 89,832 | 98,985 |
| Total | <u>610,059</u> | <u>604,856</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £30,483,783 (31/07/17: £30,242,810).

Notes to the Financial Statements

(continued)

as at 31 July 2018

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £609,459 (31/07/17: £606,674) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.39% (31/07/17: 0.50%) of the net asset value of the Fund.

Material Shareholders

Santander (CF Trustee) Limited and Centrica Combined Common Investment held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 35.5% and 15.7% of the Fund's shares in issue respectively.

14. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|----------------------------|------|
| Share class A Accumulation | 1.75 |
| Share class B Accumulation | 1.00 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 240 to 241.

The distributions per share class are given in the Distribution Tables on page 250.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | 31 July 2018 Closing shares in issue |
|----------------------------|---|-----------|---------------|----------------------------------|--|
| Share class A Accumulation | 6,030,570 | 23,521 | (789,172) | (380,457) | 4,884,462 |
| Share class B Accumulation | 70,986,300 | 796,768 | (1,424,054) | 337,212 | 70,696,226 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 620,517 | — | 654,837 | — |
| Level 2 | 40,473 | — | — | — |
| Level 3 | — | — | — | — |
| Total fair value | 660,990 | — | 654,837 | — |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Stewart Investors Global Emerging Markets Fund

Distribution Tables

for year ended 31 July 2018

Distribution in pence per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue (p) | Equalisation (p) | Distributions paid to/payable 30/09/2018 (p) | Distributions paid 30/09/2017 (p) |
|---------|-----------------------|---------------------|---|--|
| Group 1 | | | | |
| Interim | 0.4863 | – | 0.4863 | 0.2916 |
| Final | 1.6263 | – | 1.6263 | 1.6862 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 0.4863 | 0.4863 | 0.2916 |
| Final | 1.3218 | 0.3045 | 1.6263 | 1.6862 |

Share class B Accumulation

| | Net revenue (p) | Equalisation (p) | Distributions paid to/payable 30/09/2018 (p) | Distributions paid 30/09/2017 (p) |
|---------|-----------------------|---------------------|---|--|
| Group 1 | | | | |
| Interim | 4.2216 | – | 4.2216 | 3.3919 |
| Final | 5.3293 | – | 5.3293 | 5.0971 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.5399 | 3.6817 | 4.2216 | 3.3919 |
| Final | 4.4740 | 0.8553 | 5.3293 | 5.0971 |

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

First State Global Emerging Markets Focus Fund

Authorised Fund Manager's Report

for the period 29 September 2017 to 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund invests primarily in large-capitalisation and mid-capitalisation securities in emerging economies, including those of companies listed on developed market exchanges whose activities predominantly take place in emerging market countries.

In order to gain exposure to these types of equities and equity-related instruments, up to 10% of the net assets of the Fund may be invested in other collective investment schemes, including in collective investment schemes managed by the ACD or its associates ("Associated Schemes"), and/or other Funds of the Company ("Second Funds").

Investment may be in cash or near cash.

Risks and reward profile

| | ← Lower Risk | | | | | Higher Risk → | |
|--|---------------------------|---|---|---|---|----------------------------|---|
| | Potentially Lower Rewards | | | | | Potentially Higher Rewards | |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 6 due to its past performance and the nature of its investments. Shares with a rating of 6 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

As the Fund has not yet reached one year of performance, the Manager has not included any fund commentary at this point.

Outlook

The Manager remains cautiously positioned in its emerging markets portfolios. Although large economies like China and India continue to grow well, other economies like Brazil, Argentina, Egypt, Nigeria and, to a lesser extent, Indonesia and South Africa are still within the last innings of what has been quite substantial slowdowns or even recessions. While many emerging markets' fundamentals such as fiscal and current accounts have improved substantially (compared to a few years ago) and most currencies are fair to mildly undervalued, a continuation of US dollar strength could create volatility in the near term. On the other hand, company fundamentals remain supportive, and earnings have generally been in line or mildly positively surprising. The Manager believes overall valuations look reasonable.

Authorised Fund Manager's Report

(continued)

for the period 29 September 2017 to 31 July 2018

Cumulative performance as at 31 July 2018

We are not in a position to provide performance data as the Fund was launched to the market on 29 September 2017. This will be provided in future reports once the Fund has obtained a track record of one year.

Ten largest holdings

| Stock name | 31 July 2018 |
|---|--------------|
| | % of Fund |
| First State Indian Subcontinent Fund 3 Accumulation USD | 9.82 |
| HDFC Bank ADR | 6.34 |
| Alsea | 6.11 |
| Bank Rakyat Indonesia | 3.62 |
| Natura | 3.49 |
| Bank Mandiri Persero | 3.31 |
| Ambuja Cements GDR | 3.22 |
| Lojas Americanas pref. | 3.18 |
| Mercadolibre | 2.82 |
| AVI | 2.78 |

Types of shares

Accumulation.

First State Global Emerging Markets Focus Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED KINGDOM | 126 | 2.64 |
| 13,164 Integrated Diagnostics | 42 | 0.88 |
| 4,102 X5 Retail | 84 | 1.76 |
| UNITED STATES | 369 | 7.72 |
| 652 Credicorp | 114 | 2.39 |
| 518 Mercadolibre | 135 | 2.82 |
| 4,365 Yum China | 120 | 2.51 |
| CHINA | 564 | 11.80 |
| 34,000 China Mengniu Dairy | 80 | 1.67 |
| 14,000 ENN Energy | 109 | 2.28 |
| 45,760 Hongfa Technology | 116 | 2.43 |
| 15,500 Midea | 82 | 1.72 |
| 14,249 Shanghai International Airport | 96 | 2.01 |
| 7,300 Yunnan Baiyao | 81 | 1.69 |
| HONG KONG | 89 | 1.86 |
| 26,000 China Resources Enterprise | 89 | 1.86 |
| INDIA | 1,056 | 22.10 |
| 60,278 Ambuja Cements GDR | 154 | 3.22 |
| 4,287 Axis Bank GDR | 130 | 2.72 |
| 22,913 First State Indian Subcontinent Fund 3 Accumulation USD† | 469 | 9.82 |
| 3,849 HDFC Bank ADR | 303 | 6.34 |
| INDONESIA | 427 | 8.94 |
| 450,200 Bank Mandiri Persero | 158 | 3.31 |
| 1,068,000 Bank Rakyat Indonesia | 173 | 3.62 |
| 238,800 Semen Indonesia | 96 | 2.01 |
| PAKISTAN | 117 | 2.45 |
| 3,540 Indus Motor | 30 | 0.63 |
| 81,000 United Bank | 87 | 1.82 |
| PHILIPPINES | 129 | 2.70 |
| 70,180 Universal Robina | 129 | 2.70 |
| TAIWAN | 79 | 1.65 |
| 13,000 Taiwan Semiconductor Manufacturing | 79 | 1.65 |
| EGYPT | 189 | 3.96 |
| 35,989 CIB | 128 | 2.68 |
| 76,099 Edita Food Industries | 61 | 1.28 |
| NIGERIA | 70 | 1.47 |
| 829,682 Guaranty Trust Bank | 70 | 1.47 |
| SOUTH AFRICA | 429 | 8.98 |
| 20,853 AVI | 133 | 2.78 |
| 1,496 Capitec Bank | 83 | 1.74 |
| 8,634 Clicks | 97 | 2.03 |
| 28,880 FirstRand | 116 | 2.43 |
| ARGENTINA | 205 | 4.29 |
| 3,855 Grupo Financiero Galicia ADR | 105 | 2.20 |
| 9,699 Grupo Supervielle ADR | 100 | 2.09 |

First State Global Emerging Markets Focus Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|----------------------------------|-----------------------|-----------------------|
| BRAZIL | 435 | 9.10 |
| 7,300 Hypermarcas | 41 | 0.86 |
| 41,468 Lojas Americanas pref. | 152 | 3.18 |
| 28,200 Natura | 167 | 3.49 |
| 27,800 OdontoPrev | 75 | 1.57 |
| MEXICO | 411 | 8.60 |
| 111,300 Alsea | 292 | 6.11 |
| 41,145 Banco Santander (Regd.) | 53 | 1.11 |
| 8,800 Fomento Economico Mexicano | 66 | 1.38 |
| Portfolio of Investments | 4,695 | 98.26 |
| Net other assets | 83 | 1.74 |
| Total net assets | 4,778 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

There are no comparatives for this statement as this Fund launched on 29 September 2017.

Stocks shown as ADRs and GDRs represent American Depositary Receipts and Global Depositary Receipts, respectively.

† This investment is a related party.

First State Global Emerging Markets Focus Fund

Comparative Table

for the period 29 September 2017 to 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018
(p)

Share class B Accumulation

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | 3.50 |
| Operating charges | (0.92) |
| Return after operating charges* | 2.58 |
| Distributions | (0.54) |
| Retained distributions on accumulation shares | 0.54 |
| Closing net asset value per share (p) | 102.58 |

* after direct transaction costs of: 0.27

Performance

Return after charges (%) 2.58%

Other information

| | |
|---------------------------------|-----------|
| Closing net asset value (£'000) | 2,199 |
| Closing number of shares | 2,143,957 |
| Operating charges | 1.34% |
| Direct transaction costs | 0.39% |

Prices

| | |
|---------------------|--------|
| Highest share price | 110.39 |
| Lowest share price | 98.08 |

Share class B Accumulation was launched on 4 December 2017.

First State Global Emerging Markets Focus Fund

Comparative Table

(continued)

for the period 29 September 2017 to 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018

(c)

Share class B Accumulation (EUR share class)

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | 2.27 |
| Operating charges | (0.92) |
| Return after operating charges* | 1.35 |
| Distributions | (0.50) |
| Retained distributions on accumulation shares | 0.50 |
| Closing net asset value per share (c) | 101.35 |

* after direct transaction costs of: 0.27

Performance

Return after charges (%) 1.35%

Other information

| | |
|---------------------------------|-----------|
| Closing net asset value (€'000) | 1,463 |
| Closing number of shares | 1,443,219 |
| Operating charges | 1.34% |
| Direct transaction costs | 0.39% |

Prices

| | |
|---------------------|--------|
| Highest share price | 110.76 |
| Lowest share price | 97.65 |

Share class B Accumulation (EUR share class) was launched on 4 December 2017.

First State Global Emerging Markets Focus Fund

Comparative Table

(continued)

for the period 29 September 2017 to 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018

(c)

Share class B Accumulation (USD share class)

Change in net assets per share

| | |
|-----------------------------------|--------|
| Opening net asset value per share | 100.00 |
|-----------------------------------|--------|

| | |
|----------------------------------|------|
| Return before operating charges* | 0.58 |
|----------------------------------|------|

| | |
|-------------------|--------|
| Operating charges | (0.93) |
|-------------------|--------|

| | |
|---------------------------------|--------|
| Return after operating charges* | (0.35) |
|---------------------------------|--------|

| | |
|---------------|--------|
| Distributions | (0.49) |
|---------------|--------|

| | |
|---|------|
| Retained distributions on accumulation shares | 0.49 |
|---|------|

| | |
|---------------------------------------|-------|
| Closing net asset value per share (c) | 99.65 |
|---------------------------------------|-------|

| | |
|--------------------------------------|------|
| * after direct transaction costs of: | 0.27 |
|--------------------------------------|------|

Performance

| | |
|--------------------------|---------|
| Return after charges (%) | (0.35%) |
|--------------------------|---------|

Other information

| | |
|----------------------------------|-------|
| Closing net asset value (\$'000) | 1,672 |
|----------------------------------|-------|

| | |
|--------------------------|-----------|
| Closing number of shares | 1,677,467 |
|--------------------------|-----------|

| | |
|-------------------|-------|
| Operating charges | 1.34% |
|-------------------|-------|

| | |
|--------------------------|-------|
| Direct transaction costs | 0.39% |
|--------------------------|-------|

Prices

| | |
|---------------------|--------|
| Highest share price | 115.10 |
|---------------------|--------|

| | |
|--------------------|-------|
| Lowest share price | 95.14 |
|--------------------|-------|

Share class B Accumulation (USD share class) was launched on 4 December 2017.

First State Global Emerging Markets Focus Fund

Statement of Total Return

for the period 29 September 2017 to 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 |
|---|-------|-----------------------|-------------|
| Income | | | |
| Net capital losses | 2 | | (55) |
| Revenue | 3 | 63 | |
| Expenses | 4 | (30) | |
| Interest payable and similar charges | | — | |
| Net revenue before taxation | | 33 | |
| Taxation | 5 | (7) | |
| Net expense after taxation | | | 26 |
| Total return before distributions | | | (29) |
| Distributions | 6 | | (26) |
| Change in net assets attributable to shareholders from investment activities | | | (55) |

Statement of Change in Net Assets Attributable to Shareholders

for the period 29 September 2017 to 31 July 2018

| | 31 July 2018 £'000 | £'000 |
|--|-----------------------|--------------|
| Opening net assets attributable to shareholders | | — |
| Amounts receivable on issue of shares | 8,888 | |
| Amounts payable on cancellation of shares | (4,083) | |
| | | 4,805 |
| Dilution adjustment | | 4 |
| Change in net assets attributable to shareholders from investment activities | | (55) |
| Retained distribution on accumulation shares | | 24 |
| Closing net assets attributable to shareholders | | 4,778 |

No comparatives are shown as the Fund was launched on 29 September 2017.

First State Global Emerging Markets Focus Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 |
|--|-------|-----------------------|
| Assets | | |
| Fixed assets | | |
| Investments | | 4,695 |
| Current assets | | |
| Debtors | 8 | 5 |
| Cash and bank balances | | 116 |
| Total assets | | 4,816 |
| Liabilities | | |
| Creditors | | |
| Other creditors | 9 | (38) |
| Total liabilities | | (38) |
| Net assets attributable to shareholders | | 4,778 |

No comparatives are shown as the Fund was launched on 29 September 2017.

Notes to the Financial Statements are on pages 260 to 265.

First State Global Emerging Markets Focus Fund

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital losses

The net capital losses during the period comprise:

| | 31 July 2018 £'000 |
|----------------------------|-----------------------|
| Non-derivative securities | (13) |
| Currency losses | (34) |
| Custodial transaction fees | (8) |
| Net capital losses | <u>(55)</u> |

3. Revenue

| | 31 July 2018 £'000 |
|------------------------------|-----------------------|
| Overseas non-taxable revenue | 63 |
| Total revenue | <u>63</u> |

4. Expenses

| | 31 July 2018 £'000 |
|--|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | |
| ACD's periodic charge | 25 |
| ACD's periodic charge rebate | (62) |
| | <u>(37)</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | |
| Depositary's fees | 25 |
| Other expenses: | |
| Audit fee | 10 |
| Safe custody charges | 2 |
| Other expenses | 30 |
| | <u>42</u> |
| Total expenses | <u>30</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

31 July 2018
£'000

(a) Analysis of charge in period:

Irrecoverable overseas tax

7

Total taxation (note 5b)

7

(b) Factors affecting current tax charge for the period:

The tax assessed for the period is the same as the standard rate of corporation tax in the UK for an open-ended investment company of 20%. The differences are explained below:

Net revenue before taxation

33

Corporation tax of 20%

7

Effects of:

Overseas non-taxable revenue*

(13)

Movement in excess management expenses

6

Irrecoverable overseas tax

7

Total tax charge for period (note 5a)

7

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

** As an authorised OEIC, these items are not subject to corporation tax.*

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current period.

(d) Factors that may affect future tax charges:

At the period end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,067; this relates to surplus management expenses.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

31 July 2018
£'000

Final distribution

24

Add: revenue deducted on cancellation of shares

4

Deduct: revenue received on issue of shares

(2)

Net distributions for the period

26

Details of the distribution per share are set out in the Distribution Tables on page 266 to 267.

7. Movement between net revenue and net distributions

31 July 2018
£'000

Net revenue after taxation

26

Net distributions for the period

26

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 £'000 |
|--|-----------------------|
| Amounts receivable for issue of shares | 1 |
| Accrued revenue | 4 |
| Total debtors | <u>5</u> |

9. Other creditors

| | 31 July 2018 £'000 |
|-----------------------|-----------------------|
| Accrued expenses | 38 |
| Total other creditors | <u>38</u> |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases 31 July 2018 £'000 | Sales 31 July 2018 £'000 |
|---|------------------------------------|--------------------------------|
| Collective investment schemes | 505 | 66 |
| Equities | <u>6,379</u> | <u>2,118</u> |
| Trades in the period before transaction costs | <u>6,884</u> | <u>2,184</u> |
| Commissions | | |
| Collective investment schemes | — | — |
| Equities | <u>4</u> | <u>(1)</u> |
| Total commissions | <u>4</u> | <u>(1)</u> |
| Taxes | | |
| Collective investment schemes | — | — |
| Equities | <u>4</u> | <u>(2)</u> |
| Total taxes | <u>4</u> | <u>(2)</u> |
| Total costs | <u>8</u> | <u>(3)</u> |
| Total net trades in the period after transaction costs | <u><u>6,892</u></u> | <u><u>2,181</u></u> |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases 31 July 2018 % | Sales 31 July 2018 % |
|-------------------------------|--------------------------------|----------------------------|
| Commissions | | |
| Collective investment schemes | — | — |
| Equities | 0.06 | 0.07 |
| Taxes | | |
| Collective investment schemes | — | — |
| Equities | 0.07 | 0.07 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

10. Portfolio transaction costs (continued)

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 |
|---|--------------|
| | % |
| Commissions | 0.12 |
| Taxes | 0.13 |
| Total costs | <u>0.25</u> |
| Average portfolio dealing spread | |

The average portfolio dealing spread at the Balance Sheet date was 0.26%.

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities and no commitments.

12. Derivatives and other financial instruments**(a) General**

In pursuing its investment objectives, the Fund holds predominantly equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £469,534.

(b) Interest-rate risk

The Fund no longer invests in either fixed-rate or floating-rate securities, and interest-rate risk exposure is predominantly restricted to interest receivable.

As at 31 July 2018, 2.42% of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the First State Global Emerging Markets Focus Fund would be an increase or decrease of approximately £289.

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 |
|--------------------|---|
| Currency | Total £'000 |
| Brazilian real | 436 |
| Chinese yuan | 375 |
| Egyptian pound | 189 |
| Euro | 1 |
| Hong Kong dollar | 280 |
| Indonesian rupiah | 427 |
| Mexican peso | 411 |
| Nigerian naira | 70 |
| Pakistani rupee | 117 |
| Philippine peso | 129 |
| South African rand | 429 |
| Taiwanese dollar | 80 |
| US dollar | 1,758 |
| Total | <u>4,702</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £235,132.

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the period end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £3,382 due at the period end.

Investments considered to be related parties have been identified in the Portfolio Statement if held at the year end. Total purchases of related-party securities were £504,493. Total sales of related-party securities were £65,995.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 79.98% of the net asset value of the Fund.

Material Shareholders

RBC, as trustee for First State Investments Services (UK) Limited Employee Benefits Trust, held material shareholding in the Fund during the period to 31 July 2018, and at the period end held 82.2% of the Fund's shares in issue.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has three share classes in issue.

Share class Z Accumulation was launched on 29 September 2017 and subsequently closed on 4 December 2017.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class B Accumulation | 0.85 |
| Share class B Accumulation (EUR share class) | 0.85 |
| Share class B Accumulation (USD share class) | 0.85 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 255 to 257.

The distributions per share class are given in the Distribution Tables on pages 266 to 267.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the period:

| | 29 September 2017 | | | 31 July 2018 |
|--|-------------------|-----------|---------------|---------------------------|
| | Opening | | | Closing shares |
| | shares in issue | Creations | Cancellations | Shares converted in issue |
| Share class B Accumulation | – | 2,488,379 | (344,422) | – 2,143,957 |
| Share class B Accumulation (EUR share class) | – | 1,443,219 | – | – 1,443,219 |
| Share class B Accumulation (USD share class) | – | 1,677,467 | – | – 1,677,467 |

15. Fair value

| | 31 July 2018 | |
|---------------------|--------------|-------------|
| Valuation technique | Assets | Liabilities |
| | £'000 | £'000 |
| Level 1 | 4,226 | – |
| Level 2 | 469 | – |
| Level 3 | – | – |
| Total fair value | 4,695 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Global Emerging Markets Focus Fund

Distribution Tables

for the period 29 September 2017 to 31 July 2018

Distribution in pence and cents per share

Group 1 Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 29 September 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class B Accumulation

| | Net revenue (p) | Equalisation (p) | Distribution paid to/payable 30/09/2018 (p) |
|---------|-----------------------|---------------------|--|
| Group 1 | | | |
| Interim | – | – | – |
| Final | 0.5387 | – | 0.5387 |
| Group 2 | (p) | (p) | (p) |
| Interim | – | – | – |
| Final | 0.1817 | 0.3570 | 0.5387 |

Share class B Accumulation (EUR share class)

| | Net revenue (c) | Equalisation (c) | Distribution paid to/payable 30/09/2018 (c) |
|---------|-----------------------|---------------------|--|
| Group 1 | | | |
| Interim | – | – | – |
| Final | 0.4984 | – | 0.4984 |
| Group 2 | (c) | (c) | (c) |
| Interim | – | – | – |
| Final | – | 0.4984 | 0.4984 |

Share class B Accumulation (USD share class)

| | Net revenue (c) | Equalisation (c) | Distribution paid to/payable 30/09/2018 (c) |
|---------|-----------------------|---------------------|--|
| Group 1 | | | |
| Interim | – | – | – |
| Final | 0.4891 | – | 0.4891 |
| Group 2 | (c) | (c) | (c) |
| Interim | – | – | – |
| Final | 0.4891 | – | 0.4891 |

Share class B Accumulation was launched on 4 December 2017.

Share class B Accumulation (EUR share class) was launched on 4 December 2017.

Share class B Accumulation (USD share class) was launched on 4 December 2017.

Distribution Tables

(continued)

for the period 29 September 2017 to 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund invests worldwide in large-capitalisation 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. •

- Clarification point: large-capitalisation 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 that are not classified as a developed market by MSCI or FTSE or are categorised by the World Bank as middle or low-income or are not members of the Organisation for Economic Co-operation and Development.

Risks and reward profile

| | ← Lower Risk | | | | Higher Risk → | | |
|--|---------------------------|---|---|---|----------------------------|---|---|
| | Potentially Lower Rewards | | | | Potentially Higher Rewards | | |
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 5.4% in sterling terms over the twelve months and has provided cumulative returns of 43.8% and 44.1% over three and five years respectively to 31 July 2018.

Uni-President Enterprises gained as it continued to show improvements in its China business. Tata Consultancy Services and Infosys both rose because of positive management and board changes, as well as good results and rupee weakness.

On the negative side, Idea Cellular declined on concerns about competition and poor profitability, and Magnit fell as founder Sergei Galitsky was forced to sell his stake to the Russian state bank VTB. Nigerian Breweries was negatively influenced by weak consumption, increasing competition and the introduction of a new excise duty regime.

Stewart Investors Global Emerging Markets Leaders Fund

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Portfolio changes

Significant purchases over the twelve months included Kuala Lumpur Kepong, a family-owned palm oil business with strong finances, which has displayed careful financial stewardship in the past. The Fund bought President Chain Store, a high-quality, cash-generative consumer franchise owned by Uni-President Enterprises. The Fund also bought Ultrapar Participacoes, a reasonably valued Brazilian fuel distribution company backed by the Igel family and long-term owner-managers who have shares in the company.

The Fund sold Bank Pekao as ownership changes turned it into a state-owned company. The Fund also sold Housing Development Finance Corp and Coca-Cola HBC on valuation concerns.

Outlook

Portfolio holdings are not dictated by a benchmark index, meaning the Manager will continue to invest only in companies they consider to be of high enough quality. Some companies will continue to be uninvestable at any price, precisely because the Manager focuses on capital preservation and the potential downside to every investment.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | (0.9) | (0.8) | 5.4 | 43.8 | 44.1 | 197.3 | 547.8 |
| Benchmark return % | (0.8) | (4.5) | 4.9 | 53.8 | 49.3 | 100.5 | 382.5 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 5.4 | 12.7 | 21.0 | (0.6) | 0.9 |
| Benchmark return % | 4.9 | 25.7 | 16.7 | (6.3) | 3.6 |

Benchmark: MSCI Emerging Markets Index.

Sector: IA Specialist.

This Fund was previously part of the IA Global Emerging Markets sector. Due to the changing geographical nature of the earnings of the stocks in this portfolio, this Fund was then reclassified by the IA as IA Specialist sector. The performance ranking of funds within the IA Specialist sector is not viewed as a fair comparison given the diverse nature of the funds within the sector. Performance statistics are therefore noted versus the benchmark rather than the IA sector. The Specialist sector constituents are defined by the IA as funds that have an investment universe that is not accommodated by the other IA mainstream sectors.

Performance is based on B Accumulation share class, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|---------------------------|-----------|-----------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Infosys | 5.20 | Uni-President Enterprises | 4.57 |
| Uni-President Enterprises | 4.89 | Unilever | 4.06 |
| Unilever | 4.53 | Housing Development Finance | 4.06 |
| Tata Consultancy Services | 4.20 | Tata Consultancy Services | 4.05 |
| Tiger Brands | 3.71 | Tata Power | 3.40 |
| Remgro | 3.68 | Cia Cervecerias Unidas | 3.15 |
| Tata Power | 3.49 | Remgro | 2.77 |
| Cipla | 3.37 | Banco Santander Mexico ADR | 2.72 |
| ASUSTeK Computer | 2.66 | MediaTek | 2.66 |
| Newcrest Mining | 2.59 | Cipla | 2.65 |

Types of shares

Income and Accumulation.

Stewart Investors Global Emerging Markets Leaders Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED KINGDOM (5.44%*) | 115,637 | 4.53 |
| 2,655,276 Unilever | 115,637 | 4.53 |
| NETHERLANDS (1.92%*) | 42,237 | 1.65 |
| 588,218 Heineken | 42,237 | 1.65 |
| SWITZERLAND (2.12%*) | — | — |
| JAPAN (0.95%*) | — | — |
| AUSTRALIA (2.07%*) | 66,233 | 2.59 |
| 5,405,585 Newcrest Mining | 66,233 | 2.59 |
| CHINA (1.89%*) | — | — |
| HONG KONG (5.77%*) | 144,806 | 5.67 |
| 43,238,356 China Resources Pharmaceutical | 47,970 | 1.88 |
| 16,978,292 Hong Kong & China Gas | 26,424 | 1.03 |
| 155,240,000 Li & Fung | 39,966 | 1.57 |
| 3,569,478 Vtech | 30,446 | 1.19 |
| INDIA (26.23%*) | 685,025 | 26.83 |
| 12,082,347 Cipla | 85,949 | 3.37 |
| 3,310,666 Colgate-Palmolive | 42,128 | 1.65 |
| 2,727,037 Dr. Reddy's Laboratories | 64,563 | 2.53 |
| 29,267,799 Federal Bank | 29,002 | 1.13 |
| 77,870,734 Idea Cellular | 47,258 | 1.85 |
| 8,733,930 Infosys | 132,716 | 5.20 |
| 4,962,363 Tata Consultancy Services | 107,170 | 4.20 |
| 12,911,598 Tata Global Beverages | 35,462 | 1.39 |
| 107,804,751 Tata Power | 89,150 | 3.49 |
| 4,203,398 United Breweries | 51,627 | 2.02 |
| MALAYSIA (1.49%*) | 59,681 | 2.34 |
| 12,873,600 Kuala Lumpur Kepong | 59,681 | 2.34 |
| PHILIPPINES (0.00%*) | 38,036 | 1.49 |
| 20,748,940 Universal Robina | 38,036 | 1.49 |
| SINGAPORE (2.12%*) | 39,795 | 1.56 |
| 6,389,400 Dairy Farm International | 39,795 | 1.56 |
| SOUTH KOREA (3.91%*) | 128,318 | 5.03 |
| 732,085 Amorepacific | 47,795 | 1.87 |
| 12,840 KT | 249 | 0.01 |
| 5,982,772 KT ADR | 62,439 | 2.45 |
| 36,602 NAVER | 17,835 | 0.70 |
| TAIWAN (9.51%*) | 294,204 | 11.53 |
| 10,360,000 ASUSTeK Computer | 67,978 | 2.66 |
| 7,548,000 Delta Electronics | 19,924 | 0.78 |
| 5,940,000 MediaTek | 37,497 | 1.47 |
| 5,277,000 President Chain Store | 44,087 | 1.73 |
| 61,985,338 Uni-President Enterprises | 124,718 | 4.89 |
| NIGERIA (1.42%*) | 40,242 | 1.58 |
| 181,990,535 Nigerian Breweries | 40,242 | 1.58 |
| POLAND (2.08%*) | — | — |
| RUSSIA (0.47%*) | — | — |

Stewart Investors Global Emerging Markets Leaders Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| SOUTH AFRICA (7.89%*) | 299,947 | 11.75 |
| 2,670,938 Aspen Pharmacare | 39,516 | 1.55 |
| 7,458,031 Remgro | 94,064 | 3.68 |
| 2,841,343 Spar | 31,451 | 1.23 |
| 3,399,921 Standard Bank | 40,333 | 1.58 |
| 4,649,945 Tiger Brands | 94,583 | 3.71 |
| TURKEY (2.96%*) | 75,835 | 2.97 |
| 27,757,367 Akbank | 31,122 | 1.22 |
| 13,909,206 Anadolu Efes Biracilik ve Malt Sanayii | 44,713 | 1.75 |
| BRAZIL (6.31%*) | 87,654 | 3.43 |
| 9,772,700 Klabin | 40,060 | 1.57 |
| 5,769,600 Ultrapar Participacoes | 47,594 | 1.86 |
| CHILE (5.05%*) | 76,653 | 3.00 |
| 83,865,057 Aguas Andinas | 36,904 | 1.44 |
| 3,846,574 Cia Cervecerias Unidas | 39,749 | 1.56 |
| MEXICO (3.33%*) | 80,762 | 3.17 |
| 6,389,769 Banco Santander Mexico ADR | 40,723 | 1.60 |
| 28,629,447 Kimberly-Clark de Mexico | 40,039 | 1.57 |
| Portfolio of investments | 2,275,065 | 89.12 |
| Net other assets | 277,876 | 10.88 |
| Total net assets | 2,552,941 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stocks shown as ADRs represent American Depositary Receipts.

Stewart Investors Global Emerging Markets Leaders Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 565.77 | 505.40 | 420.35 |
| Return before operating charges* | 36.80 | 68.88 | 91.65 |
| Operating charges | (9.07) | (8.51) | (6.60) |
| Return after operating charges* | 27.73 | 60.37 | 85.05 |
| Distributions | (4.73) | (4.24) | (3.36) |
| Retained distributions on accumulation shares | 4.73 | 4.24 | 3.36 |
| Closing net asset value per share (p) | 593.50 | 565.77 | 505.40 |
| * after direct transaction costs of: | 1.02 | 0.54 | 0.44 |
| Performance | | | |
| Return after charges (%) | 4.90% | 11.94% | 20.23% |
| Other information | | | |
| Closing net asset value (£'000) | 495,088 | 585,054 | 580,447 |
| Closing number of shares | 83,419,095 | 103,407,899 | 114,849,251 |
| Operating charges | 1.55% | 1.58% | 1.57% |
| Direct transaction costs | 0.17% | 0.10% | 0.10% |
| Prices | | | |
| Highest share price | 618.56 | 577.51 | 511.92 |
| Lowest share price | 556.84 | 491.10 | 376.97 |

Stewart Investors Global Emerging Markets Leaders Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 613.81 | 544.71 | 450.09 |
| Return before operating charges* | 40.01 | 74.47 | 98.79 |
| Operating charges | (5.67) | (5.37) | (4.17) |
| Return after operating charges* | 34.34 | 69.10 | 94.62 |
| Distributions | (9.32) | (8.43) | (6.60) |
| Retained distributions on accumulation shares | 9.32 | 8.43 | 6.60 |
| Closing net asset value per share (p) | 648.15 | 613.81 | 544.71 |
| * after direct transaction costs of: | 1.11 | 0.59 | 0.47 |
| Performance | | | |
| Return after charges (%) | 5.59% | 12.69% | 21.02% |
| Other information | | | |
| Closing net asset value (£'000) | 1,649,775 | 1,697,638 | 1,799,399 |
| Closing number of shares | 254,534,668 | 276,573,847 | 330,338,523 |
| Operating charges | 0.89% | 0.92% | 0.92% |
| Direct transaction costs | 0.17% | 0.10% | 0.10% |
| Prices | | | |
| Highest share price | 673.10 | 625.00 | 551.71 |
| Lowest share price | 604.78 | 530.52 | 404.92 |

Stewart Investors Global Emerging Markets Leaders Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) |
|---------------------------------------|---------------------------|---------------------------|
| Share class B Income | | |
| Change in net assets per share | | |
| Opening net asset value per share | 110.91 | 100.00 |
| Return before operating charges* | 7.22 | 13.22 |
| Operating charges | (1.04) | (1.00) |
| Return after operating charges* | 6.18 | 12.22 |
| Distributions | (1.66) | (1.31) |
| Closing net asset value per share (p) | 115.43 | 110.91 |
| * after direct transaction costs of: | 0.20 | 0.11 |
| Performance | | |
| Return after charges (%) | 5.57% | 12.22% |
| Other information | | |
| Closing net asset value (£'000) | 37,149 | 37,743 |
| Closing number of shares | 32,183,313 | 34,030,880 |
| Operating charges | 0.91% | 0.91% |
| Direct transaction costs | 0.17% | 0.10% |
| Prices | | |
| Highest share price | 121.60 | 113.91 |
| Lowest share price | 109.26 | 97.00 |

Share class B Income was launched on 1 September 2016.

Stewart Investors Global Emerging Markets Leaders Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 235.26 | 222.65 | 221.50 |
| Return before operating charges* | 15.85 | 16.26 | 4.40 |
| Operating charges | (3.80) | (3.65) | (3.25) |
| Return after operating charges* | 12.05 | 12.61 | 1.15 |
| Distributions | (1.96) | (1.93) | (1.50) |
| Retained distributions on accumulation shares | 1.96 | 1.93 | 1.50 |
| Closing net asset value per share (c) | 247.31 | 235.26 | 222.65 |
| * after direct transaction costs of: | 0.43 | 0.23 | 0.22 |
| Performance | | | |
| Return after charges (%) | 5.12% | 5.66% | 0.52% |
| Other information | | | |
| Closing net asset value (€'000) | 82,105 | 124,178 | 118,276 |
| Closing number of shares | 33,198,642 | 52,783,626 | 53,122,000 |
| Operating charges | 1.55% | 1.57% | 1.57% |
| Direct transaction costs | 0.17% | 0.10% | 0.10% |
| Prices | | | |
| Highest share price | 260.13 | 248.37 | 227.25 |
| Lowest share price | 232.67 | 214.86 | 180.99 |

Stewart Investors Global Emerging Markets Leaders Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 177.61 | 167.07 | 165.13 |
| Return before operating charges* | 12.00 | 12.13 | 3.36 |
| Operating charges | (1.65) | (1.59) | (1.42) |
| Return after operating charges* | 10.35 | 10.54 | 1.94 |
| Distributions | (2.73) | (2.50) | (2.09) |
| Retained distributions on accumulation shares | 2.73 | 2.50 | 2.09 |
| Closing net asset value per share (c) | 187.96 | 177.61 | 167.07 |
| * after direct transaction costs of: | 0.32 | 0.18 | 0.16 |
| Performance | | | |
| Return after charges (%) | 5.83% | 6.31% | 1.17% |
| Other information | | | |
| Closing net asset value (€'000) | 333,743 | 429,972 | 234,378 |
| Closing number of shares | 177,557,438 | 242,092,238 | 140,281,706 |
| Operating charges | 0.89% | 0.91% | 0.91% |
| Direct transaction costs | 0.17% | 0.10% | 0.10% |
| Prices | | | |
| Highest share price | 197.03 | 187.22 | 170.51 |
| Lowest share price | 175.69 | 161.54 | 135.41 |

Stewart Investors Global Emerging Markets Leaders Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 | | 31 July 2017 | |
|---|-------|---------------|----------------|---------------|----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains | 2 | | 111,556 | | 288,498 |
| Revenue | 3 | 67,387 | | 70,097 | |
| Expenses | 4 | (28,098) | | (30,950) | |
| Interest payable and similar charges | | (62) | | (30) | |
| Net revenue before taxation | | 39,227 | | 39,117 | |
| Taxation | 5 | (6,523) | | (3,228) | |
| Net revenue after taxation | | | 32,704 | | 35,889 |
| Total return before distributions | | | 144,260 | | 324,387 |
| Distributions | 6 | | (35,541) | | (35,861) |
| Change in net assets attributable to shareholders from investment activities | | | 108,719 | | 288,526 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 | | 31 July 2017 | |
|--|--------------|------------------|--------------|------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 2,815,831 | | 2,677,211 |
| Amounts receivable on issue of shares | 178,625 | | 278,354 | |
| Less: Amounts payable on cancellation of shares | (583,938) | | (463,129) | |
| | | (405,313) | | (184,775) |
| Dilution adjustment | | 71 | | 344 |
| Change in net assets attributable to shareholders from investment activities | | 108,719 | | 288,526 |
| Retained distribution on accumulation shares | | 33,633 | | 34,525 |
| Closing net assets attributable to shareholders | | 2,552,941 | | 2,815,831 |

Notes to the Financial Statements are on pages 279 to 284.

Stewart Investors Global Emerging Markets Leaders Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-------------------------|-------------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>2,275,065</u> | <u>2,616,628</u> |
| Current assets | | | |
| Debtors | 8 | 34,661 | 5,197 |
| Cash and bank balances | | <u>257,622</u> | <u>203,238</u> |
| Total assets | | <u>2,567,348</u> | <u>2,825,063</u> |
| Liabilities | | | |
| Creditors | | | |
| Distribution payable | | (288) | (328) |
| Other creditors | 9 | <u>(14,119)</u> | <u>(8,904)</u> |
| Total liabilities | | <u>(14,407)</u> | <u>(9,232)</u> |
| Net assets attributable to shareholders | | <u>2,552,941</u> | <u>2,815,831</u> |

Notes to the Financial Statements are on pages 279 to 284.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 115,474 | 286,280 |
| Forward foreign exchange currency contracts | – | 390 |
| Currency (losses)/gains | (3,889) | 1,828 |
| Custodial transaction fees | (29) | – |
| Net capital gains | 111,556 | 288,498 |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Dividends from UK companies | 3,184 | 5,168 |
| Overseas taxable revenue | 144 | (734) |
| Overseas non-taxable revenue | 63,124 | 60,791 |
| Overseas scrip dividends | – | 400 |
| Interest from bank deposits | 295 | 37 |
| Interest on capital revenue from Brazilian companies | 444 | 3,998 |
| Initial charge revenue | 196 | 437 |
| Total revenue | 67,387 | 70,097 |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 26,973 | 28,560 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 243 | 390 |
| Other expenses: | | |
| Audit fee | 11 | 12 |
| Registrar fees | 206 | 374 |
| Safe custody charges | 566 | 991 |
| Other expenses | 99 | 623 |
| | 882 | 2,000 |
| Total expenses | 28,098 | 30,950 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---------------------------------|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Corporation tax | – | 9 |
| Irrecoverable overseas tax | 3,737 | 3,219 |
| Indian capital gains tax | 2,786 | – |
| Total taxation (note 5b) | 6,523 | 3,228 |

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below:

| | | |
|---|----------|----------|
| Net revenue before taxation | 39,227 | 39,117 |
| Corporation tax of 20% (2017: 20%) | 7,845 | 7,823 |
| Effects of: | | |
| UK dividends* | (637) | (1,034) |
| Non-taxable scrip dividends* | – | (80) |
| Overseas non-taxable revenue* | (12,625) | (12,158) |
| Movement in excess management expenses | 5,420 | 5,563 |
| Irrecoverable overseas tax | 3,737 | 3,219 |
| Indian capital gains tax | 2,786 | – |
| Overseas tax expensed | (3) | (114) |
| Corporation tax: adjustment in respect of prior years | – | 9 |
| Total tax charge for year (note 5a) | 6,523 | 3,228 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £51,193,714 (31/07/17: £45,774,014); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 16,269 | 13,026 |
| Final distribution | 17,911 | 21,956 |
| | 34,180 | 34,982 |
| Add: revenue deducted on cancellation of shares | 2,190 | 1,790 |
| Deduct: revenue received on issue of shares | (829) | (911) |
| Net distributions for the year | 35,541 | 35,861 |

Details of the distribution per share are set out in the Distribution Tables on pages 285 to 286.

Notes to the Financial Statements

(continued)

as at 31 July 2018

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net revenue after taxation | 32,704 | 35,889 |
| Movement in net income as a result of conversions | 51 | (28) |
| Indian capital gains tax | 2,786 | – |
| Net distributions for the year | <u>35,541</u> | <u>35,861</u> |

8. Debtors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Sales awaiting settlement | 32,047 | – |
| Amounts receivable for issue of shares | – | 85 |
| Foreign currency contracts awaiting settlement | 338 | – |
| Overseas tax recoverable | 327 | 285 |
| Accrued revenue | 1,949 | 4,827 |
| Total debtors | <u>34,661</u> | <u>5,197</u> |

9. Other creditors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Purchases awaiting settlement | 7,908 | 1,567 |
| Amounts payable for cancellation of shares | 3,523 | 4,362 |
| Foreign currency contracts awaiting settlement | 338 | – |
| Accrued expenses | 2,350 | 2,975 |
| Total other creditors | <u>14,119</u> | <u>8,904</u> |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 July 2018 £'000 | 31 July 2017 £'000 | 31 July 2018 £'000 | 31 July 2017 £'000 |
| Equities | 987,001 | 782,887 | 1,441,949 | 934,672 |
| Bonds | – | – | – | 421 |
| Trades in the year before transaction costs | <u>987,001</u> | <u>782,887</u> | <u>1,441,949</u> | <u>935,093</u> |
| Commissions | | | | |
| Equities | 1,023 | 724 | (1,314) | (823) |
| Bonds | – | – | – | (1) |
| Total commissions | <u>1,023</u> | <u>724</u> | <u>(1,314)</u> | <u>(824)</u> |
| Taxes | | | | |
| Equities | 1,076 | 649 | (1,270) | (629) |
| Total taxes | <u>1,076</u> | <u>649</u> | <u>(1,270)</u> | <u>(629)</u> |
| Total costs | <u>2,099</u> | <u>1,373</u> | <u>(2,584)</u> | <u>(1,453)</u> |
| Total net trades in the year after transaction costs | <u>989,100</u> | <u>784,260</u> | <u>1,439,365</u> | <u>933,640</u> |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 31 July 2018 % | 31 July 2017 % | 31 July 2018 % | 31 July 2017 % |
| Commissions | | | | |
| Equities | 0.10 | 0.09 | 0.09 | 0.09 |
| Bonds | – | – | – | 0.24 |
| Taxes | | | | |
| Equities | 0.11 | 0.08 | 0.09 | 0.07 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

10. Portfolio transaction costs (continued)

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|-------------|--------------|--------------|
| | % | % |
| Commissions | 0.08 | 0.05 |
| Taxes | 0.09 | 0.05 |
| Total costs | 0.17 | 0.10 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.25% (31/07/17: 0.24%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds predominantly equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £227,506,450 (31/07/17: £261,662,751).

(b) Interest-rate risk

The Fund no longer invests in either fixed-rate or floating-rate securities, and interest-rate risk exposure is predominantly restricted to interest receivable.

As at 31 July 2018, 10.09% (31/07/17: 7.22%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Global Emerging Markets Leaders Fund would be an increase or decrease of approximately £644,055 (31/07/17: £508,138).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|--------------------|---|---|
| Currency | Total £'000 | Total £'000 |
| Australian dollar | 66,233 | 58,195 |
| Brazilian real | 87,654 | 177,542 |
| Chilean peso | 76,653 | 123,167 |
| Euro | 57,589 | 54,400 |
| Hong Kong dollar | 144,806 | 215,740 |
| Indian rupee | 695,050 | 740,953 |
| Japanese yen | — | 26,842 |
| Malaysian ringgit | 60,043 | 42,096 |
| Mexican peso | 40,039 | 17,035 |
| Nigerian naira | 40,242 | 39,988 |
| Philippine peso | 38,036 | — |
| Polish zloty | — | 58,541 |
| South African rand | 299,679 | 220,638 |
| South Korean won | 65,878 | 46,430 |
| Swiss franc | 253 | 258 |
| Taiwanese dollar | 307,454 | 270,339 |
| Turkish lira | 75,835 | 83,371 |
| US dollar | 236,570 | 313,672 |
| Total | <u>2,292,014</u> | <u>2,489,207</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £114,600,740 (31/07/17: £124,460,346).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £2,137,295 (31/07/17: £2,432,529) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.20% (31/07/17: 0.19%) of the net asset value of the Fund.

As at 31 July 2018, HTSG A/C First State, a related party of the ACD, owned 0.29% (31/07/17: 0.32%) of the net asset value of the Fund.

Material Shareholders

Clearstream Banking S.A. held material shareholding in the Fund during the year to 31 July 2018, and at the year end held 27.2% of the Fund's shares in issue.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has five share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.50 |
| Share class B Accumulation | 0.85 |
| Share class B Income | 0.85 |
| Share class A Accumulation (EUR share class) | 1.50 |
| Share class B Accumulation (EUR share class) | 0.85 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 272 to 276.

The distributions per share class are given in the Distribution Tables on pages 285 to 286.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | 31 July 2018 Closing shares in issue |
|--|---|------------|---------------|----------------------------------|--|
| Share class A Accumulation | 103,407,899 | 5,572,370 | (20,928,759) | (4,632,415) | 83,419,095 |
| Share class B Accumulation | 276,573,847 | 11,055,205 | (37,090,116) | 3,995,732 | 254,534,668 |
| Share class B Income | 34,030,880 | 6,296,579 | (9,604,385) | 1,460,239 | 32,183,313 |
| Share class A Accumulation (EUR share class) | 52,783,626 | 665,386 | (20,250,370) | – | 33,198,642 |
| Share class B Accumulation (EUR share class) | 242,092,238 | 40,401,425 | (104,936,225) | – | 177,557,438 |

15. Fair value

| | 31 July 2018 Assets £'000 | 31 July 2018 Liabilities £'000 | 31 July 2017 Assets £'000 | 31 July 2017 Liabilities £'000 |
|---------------------|---------------------------------|--------------------------------------|---------------------------------|--------------------------------------|
| Valuation technique | | | | |
| Level 1 | 2,275,065 | – | 2,616,628 | – |
| Level 2 | – | – | – | – |
| Level 3 | – | – | – | – |
| Total fair value | 2,275,065 | – | 2,616,628 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Stewart Investors Global Emerging Markets Leaders Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.0447 | – | 2.0447 | 1.2032 |
| Final | 2.6899 | – | 2.6899 | 3.0368 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 2.0447 | 2.0447 | 1.2032 |
| Final | 1.9570 | 0.7329 | 2.6899 | 3.0368 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 4.3124 | – | 4.3124 | 3.1676 |
| Final | 5.0067 | – | 5.0067 | 5.2655 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.7656 | 3.5468 | 4.3124 | 3.1676 |
| Final | 2.8014 | 2.2053 | 5.0067 | 5.2655 |

Share class B Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.7668 | – | 0.7668 | 0.3418 |
| Final | 0.8959 | – | 0.8959 | 0.9646 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.0629 | 0.7039 | 0.7668 | 0.3418 |
| Final | 0.7826 | 0.1133 | 0.8959 | 0.9646 |

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.8531 | – | 0.8531 | 0.6446 |
| Final | 1.1035 | – | 1.1035 | 1.2886 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | 0.8531 | 0.8531 | 0.6446 |
| Final | 0.7258 | 0.3777 | 1.1035 | 1.2886 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 1.2726 | — | 1.2726 | 0.9657 |
| Final | 1.4570 | — | 1.4570 | 1.5321 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.0953 | 1.1773 | 1.2726 | 0.9657 |
| Final | 0.8360 | 0.6210 | 1.4570 | 1.5321 |

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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 that are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate.

- Clarification point: the Fund's emphasis on sustainable 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).

Risks and reward profile

| | ← Lower Risk | | | | Higher Risk → | | |
|--|---------------------------|---|---|---|----------------------------|---|---|
| | Potentially Lower Rewards | | | | Potentially Higher Rewards | | |
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 10.3% in sterling terms over the twelve months and provided cumulative returns of 47.5% and 55.6% over three and five years respectively to 31 July 2018.

Tata Consultancy Services and Tech Mahindra both rose on good results and rupee weakness. Vitasoy gained as it continued to deliver earnings growth as demand for its healthy products remained strong.

On the negative side, Standard Foods declined on disappointing results from its China business and Lafarge Cement Wapco Nigeria was weak on a subdued operating performance. Delta Electronics fell as margins were impacted by continued investment in its automation and electric-vehicle-related businesses.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Portfolio changes

Significant purchases over the twelve months included Kimberly-Clark de Mexico as currency weakness and an attractive valuation provided an opportunity to buy this well-stewarded consumer franchise. The Fund also bought Raia Drogasil, a Brazilian family-owned drug retail chain that had become attractively valued during market weakness, and Philippine Seven, the leading convenience store operator in a very underpenetrated market. The Fund sold Standard Bank as it performed well and became fully valued after the ANC leadership election saw Cyril Ramaphosa appointed. The Fund sold Dr. Reddy's Laboratories because of increased competition and the receipt of an FDA warning letter relating to quality control processes. The Fund also sold Sonda on concerns about the quality of the franchise.

Outlook

The Fund remains defensively positioned and focused on companies with good-quality management teams, conservative Balance Sheets and growing, but predictable cash flows. The Manager continues to look for companies that should benefit from and contribute to the sustainable development of global emerging markets over the long term.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 2.3 | 2.7 | 10.3 | 47.5 | 55.6 | n/a | 256.5 |
| Benchmark return % | (0.8) | (4.5) | 4.9 | 53.8 | 49.3 | n/a | 149.4 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 10.3 | 13.9 | 17.4 | 1.5 | 4.0 |
| Benchmark return % | 4.9 | 25.7 | 16.7 | (6.3) | 3.6 |

Benchmark: MSCI Emerging Markets Index.

Sector: IA Specialist.

This Fund was previously part of the IA Global Emerging Markets sector. Due to the changing geographical nature of the earnings of the stocks in this portfolio, this Fund was then reclassified by the IA as IA Specialist sector. The performance ranking of funds within the IA Specialist sector is not viewed as a fair comparison given the diverse nature of the funds within the sector. Performance statistics are therefore noted versus the benchmark rather than the IA sector. The Specialist sector constituents are defined by the IA as funds that have an investment universe that is not accommodated by the other IA mainstream sectors.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| Stock name | 31 July 2018 | | 31 July 2017 | |
|-----------------------------|--------------|-----------------------------|--------------|--|
| | % of Fund | | % of Fund | |
| Unilever | 7.66 | Unilever | 7.34 | |
| Tata Consultancy Services | 5.78 | Marico | 4.90 | |
| Tech Mahindra | 3.57 | Natura Cosmetics | 3.57 | |
| Marico | 3.54 | Tech Mahindra | 3.41 | |
| Vitasoy International | 3.13 | Tata Consultancy Services | 3.27 | |
| Unicharm | 3.08 | Standard Foods | 2.86 | |
| Kimberly-Clark de Mexico | 2.99 | Vitasoy International | 2.59 | |
| Tiger Brands | 2.92 | TOTVS | 2.58 | |
| Housing Development Finance | 2.85 | Housing Development Finance | 2.51 | |
| Mahindra & Mahindra | 2.36 | Manila Water | 2.46 | |

Types of shares

Accumulation.

Stewart Investors Global Emerging Markets Sustainability Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED KINGDOM (8.59%*) | 35,811 | 8.76 |
| 1,417,536 Integrated Diagnostics | 4,485 | 1.10 |
| 719,320 Unilever | 31,326 | 7.66 |
| PORTUGAL (0.57%*) | 5,694 | 1.39 |
| 502,482 Jeronimo Martins | 5,694 | 1.39 |
| SWITZERLAND (0.45%*) | 4,489 | 1.10 |
| 2,254 SGS (Regd.) | 4,489 | 1.10 |
| JAPAN (3.44%*) | 16,631 | 4.07 |
| 231,000 Kansai Paint | 4,037 | 0.99 |
| 544,400 Unicharm | 12,594 | 3.08 |
| BANGLADESH (0.96%*) | 7,457 | 1.82 |
| 6,060,295 BRAC Bank | 3,613 | 0.88 |
| 1,582,833 Square Pharmaceuticals | 3,844 | 0.94 |
| CHINA (0.00%*) | 2,688 | 0.66 |
| 339,498 Foshan Haitian Flavouring & Food | 2,688 | 0.66 |
| HONG KONG (2.59%*) | 12,804 | 3.13 |
| 4,724,000 Vitasoy International | 12,804 | 3.13 |
| INDIA (21.97%*) | 95,117 | 23.26 |
| 1,538,359 Dabur India | 7,211 | 1.76 |
| 414,656 Dr Lal PathLabs | 4,319 | 1.06 |
| 526,619 Housing Development Finance | 11,641 | 2.85 |
| 371,651 Kotak Mahindra Bank | 5,400 | 1.32 |
| 929,273 Mahindra & Mahindra | 9,648 | 2.36 |
| 650,636 Mahindra Logistics | 4,156 | 1.02 |
| 3,584,165 Marico | 14,497 | 3.54 |
| 1,094,254 Tata Consultancy Services | 23,632 | 5.78 |
| 1,933,344 Tech Mahindra | 14,613 | 3.57 |
| PHILIPPINES (5.05%*) | 26,663 | 6.52 |
| 427,062 Ayala | 6,121 | 1.50 |
| 5,120,628 Bank of the Philippine Islands | 7,189 | 1.76 |
| 20,099,720 Manila Water | 7,574 | 1.85 |
| 3,500,820 Philippine Seven | 5,779 | 1.41 |
| SRI LANKA (0.93%*) | 2,405 | 0.59 |
| 5,036,288 Hemas | 2,405 | 0.59 |
| TAIWAN (8.44%*) | 15,129 | 3.70 |
| 1,049,772 Chroma ATE | 4,496 | 1.10 |
| 2,698,757 Delta Electronics | 7,124 | 1.74 |
| 2,380,444 Standard Foods | 3,509 | 0.86 |
| THAILAND (1.33%*) | 4,068 | 0.99 |
| 2,554,154 Delta Electronics | 4,068 | 0.99 |
| BOTSWANA (0.68%*) | 2,327 | 0.57 |
| 7,102,976 Choppies Enterprises BSE | 1,226 | 0.30 |
| 8,014,220 Choppies Enterprises JSE | 1,101 | 0.27 |
| EGYPT (1.40%*) | 7,884 | 1.93 |
| 1,223,669 Commercial International Bank GDR | 4,268 | 1.04 |
| 7,588,148 Juhayna Food Industries | 3,616 | 0.89 |

Stewart Investors Global Emerging Markets Sustainability Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| GHANA (0.20%*) | 1,448 | 0.35 |
| 512,072 Unilever Ghana | 1,448 | 0.35 |
| NIGERIA (4.42%*) | 19,322 | 4.73 |
| 29,253,094 Chemical and Allied Products | 1,941 | 0.48 |
| 46,435,678 Guaranty Trust Bank | 3,912 | 0.96 |
| 674,771 Guaranty Trust Bank GDR | 2,752 | 0.67 |
| 55,627,144 Lafarge Africa | 3,222 | 0.79 |
| 68,110,917 Unilever Nigeria | 7,495 | 1.83 |
| SOUTH AFRICA (9.51%*) | 36,576 | 8.94 |
| 163,673 Adbee Rf | 517 | 0.13 |
| 1,092,216 Adcock Ingram | 4,077 | 1.00 |
| 50,667 Adcock Ingram warrants 26/7/2019 | 16 | — |
| 396,410 AVI | 2,521 | 0.62 |
| 726,138 Clicks | 8,146 | 1.99 |
| 740,382 Remgro | 9,338 | 2.28 |
| 588,021 Tiger Brands | 11,961 | 2.92 |
| BRAZIL (12.86%*) | 31,461 | 7.69 |
| 1,029,100 Natura | 6,077 | 1.48 |
| 483,800 Raia Drogasil | 7,283 | 1.78 |
| 239,684 Sul America | 1,073 | 0.26 |
| 1,442,249 Totvs | 8,619 | 2.11 |
| 2,250,874 Weg | 8,409 | 2.06 |
| CHILE (6.98%*) | 14,231 | 3.48 |
| 14,092,213 Aguas Andinas | 6,201 | 1.52 |
| 6,701,813 Inversiones Aguas Metropolitanas | 8,030 | 1.96 |
| MEXICO (2.05%*) | 22,963 | 5.62 |
| 409,445 Corporativo Fragua | 4,433 | 1.09 |
| 3,840,141 Herdez | 6,295 | 1.54 |
| 8,748,900 Kimberly-Clark de Mexico | 12,235 | 2.99 |
| Portfolio of investments | 365,168 | 89.30 |
| Net other assets | 43,754 | 10.70 |
| Total net assets | 408,922 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stocks shown as GDRs represent Global Depositary Receipts.

Stewart Investors Global Emerging Markets Sustainability Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 305.02 | 269.56 | 231.27 |
| Return before operating charges* | 33.99 | 40.57 | 42.29 |
| Operating charges | (5.16) | (5.11) | (4.00) |
| Return after operating charges* | 28.83 | 35.46 | 38.29 |
| Distributions | (1.29) | (0.61) | (1.08) |
| Retained distributions on accumulation shares | 1.29 | 0.61 | 1.08 |
| Closing net asset value per share (p) | 333.85 | 305.02 | 269.56 |
| * after direct transaction costs of: | 0.53 | 0.27 | 0.26 |
| Performance | | | |
| Return after charges (%) | 9.45% | 13.15% | 16.56% |
| Other information | | | |
| Closing net asset value (£'000) | 7,697 | 7,914 | 7,826 |
| Closing number of shares | 2,305,584 | 2,594,640 | 2,903,231 |
| Operating charges | 1.62% | 1.76% | 1.78% |
| Direct transaction costs | 0.17% | 0.09% | 0.11% |
| Prices | | | |
| Highest share price | 334.79 | 310.63 | 272.76 |
| Lowest share price | 301.16 | 262.12 | 205.10 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 322.75 | 283.16 | 241.16 |
| Return before operating charges* | 36.10 | 42.66 | 44.51 |
| Operating charges | (3.32) | (3.07) | (2.51) |
| Return after operating charges* | 32.78 | 39.59 | 42.00 |
| Distributions | (3.55) | (2.88) | (2.92) |
| Retained distributions on accumulation shares | 3.55 | 2.88 | 2.92 |
| Closing net asset value per share (p) | 355.53 | 322.75 | 283.16 |
| * after direct transaction costs of: | 0.57 | 0.28 | 0.28 |
| Performance | | | |
| Return after charges (%) | 10.16% | 13.98% | 17.42% |
| Other information | | | |
| Closing net asset value (£'000) | 350,960 | 340,163 | 294,444 |
| Closing number of shares | 98,715,005 | 105,394,317 | 103,984,672 |
| Operating charges | 0.98% | 1.00% | 1.06% |
| Direct transaction costs | 0.17% | 0.09% | 0.11% |
| Prices | | | |
| Highest share price | 356.86 | 328.16 | 286.50 |
| Lowest share price | 319.06 | 276.01 | 214.65 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 328.21 | 306.81 | 313.60 |
| Return before operating charges* | 37.44 | 27.00 | (1.58) |
| Operating charges | (5.92) | (5.60) | (5.21) |
| Return after operating charges* | 31.52 | 21.40 | (6.79) |
| Distributions | (1.03) | (1.37) | (2.36) |
| Retained distributions on accumulation shares | 1.03 | 1.37 | 2.36 |
| Closing net asset value per share (c) | 359.73 | 328.21 | 306.81 |
| * after direct transaction costs of: | 0.58 | 0.30 | 0.33 |
| Performance | | | |
| Return after charges (%) | 9.60% | 6.98% | (2.17)% |
| Other information | | | |
| Closing net asset value (€'000) | 10,218 | 11,046 | 9,976 |
| Closing number of shares | 2,840,541 | 3,365,626 | 3,251,520 |
| Operating charges | 1.71% | 1.73% | 1.81% |
| Direct transaction costs | 0.17% | 0.09% | 0.11% |
| Prices | | | |
| Highest share price | 363.83 | 349.11 | 320.24 |
| Lowest share price | 324.19 | 299.80 | 255.00 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 177.18 | 164.77 | 167.72 |
| Return before operating charges* | 20.27 | 14.15 | (1.36) |
| Operating charges | (1.86) | (1.74) | (1.59) |
| Return after operating charges* | 18.41 | 12.41 | (2.95) |
| Distributions | (1.91) | (1.63) | (1.87) |
| Retained distributions on accumulation shares | 1.91 | 1.63 | 1.87 |
| Closing net asset value per share (c) | 195.59 | 177.18 | 164.77 |
| * after direct transaction costs of: | 0.31 | 0.16 | 0.18 |
| Performance | | | |
| Return after charges (%) | 10.39% | 7.53% | (1.76)% |
| Other information | | | |
| Closing net asset value (€'000) | 46,133 | 40,680 | 22,382 |
| Closing number of shares | 23,586,882 | 22,959,921 | 13,583,792 |
| Operating charges | 0.99% | 0.99% | 1.05% |
| Direct transaction costs | 0.17% | 0.09% | 0.11% |
| Prices | | | |
| Highest share price | 197.10 | 188.15 | 171.30 |
| Lowest share price | 175.05 | 161.15 | 136.51 |

Stewart Investors Global Emerging Markets Sustainability Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|---------------|-----------------------|---------------|
| Income | | | | | |
| Net capital gains | 2 | | 35,816 | | 44,112 |
| Revenue | 3 | 8,927 | | 7,933 | |
| Expenses | 4 | (4,041) | | (3,786) | |
| Interest payable and similar charges | | (2) | | (7) | |
| Net revenue before taxation | | 4,884 | | 4,140 | |
| Taxation | 5 | (1,944) | | (778) | |
| Net revenue after taxation | | | 2,940 | | 3,362 |
| Total return before distributions | | | 38,756 | | 47,474 |
| Distributions | 6 | | (4,041) | | (3,362) |
| Change in net assets attributable to shareholders from investment activities | | | 34,715 | | 44,112 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|----------------|-----------------------|----------------|
| Opening net assets attributable to shareholders | | 394,319 | | 329,555 |
| Amounts receivable on issue of shares | 33,245 | | 30,278 | |
| Less: Amounts payable on cancellation of shares | (57,620) | | (13,060) | |
| | | (24,375) | | 17,218 |
| Dilution adjustment | | 216 | | 68 |
| Change in net assets attributable to shareholders from investment activities | | 34,715 | | 44,112 |
| Retained distribution on accumulation shares | | 4,047 | | 3,366 |
| Closing net assets attributable to shareholders | | 408,922 | | 394,319 |

Notes to the Financial Statements are on pages 297 to 302.

Stewart Investors Global Emerging Markets Sustainability Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>365,168</u> | <u>364,437</u> |
| Current assets | | | |
| Debtors | 8 | 1,150 | 1,178 |
| Cash and bank balances | | <u>44,148</u> | <u>29,413</u> |
| Total assets | | <u>410,466</u> | <u>395,028</u> |
| Liabilities | | | |
| Creditors | | | |
| Other creditors | 9 | <u>(1,544)</u> | <u>(709)</u> |
| Total liabilities | | <u>(1,544)</u> | <u>(709)</u> |
| Net assets attributable to shareholders | | <u>408,922</u> | <u>394,319</u> |

Notes to the Financial Statements are on pages 297 to 302.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 36,838 | 44,843 |
| Forward foreign exchange currency contracts | — | 5 |
| Derivative contracts | (11) | — |
| Currency losses | (983) | (736) |
| Custodial transaction fees | (28) | — |
| Net capital gains | <u>35,816</u> | <u>44,112</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Dividends from UK companies | 1,034 | 708 |
| Overseas taxable revenue | 202 | 72 |
| Overseas non-taxable revenue | 6,831 | 6,061 |
| Overseas scrip dividends | 55 | — |
| Interest from bank deposits | 33 | 5 |
| Interest on capital revenue from Brazilian companies | 716 | 1,011 |
| Initial charge revenue | 56 | 76 |
| Total revenue | <u>8,927</u> | <u>7,933</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>3,749</u> | <u>3,406</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>37</u> | <u>55</u> |
| Other expenses: | | |
| Audit fee | 11 | 11 |
| Registrar fees | 41 | 54 |
| Safe custody charges | 144 | 208 |
| Other expenses | 59 | 52 |
| | <u>255</u> | <u>325</u> |
| Total expenses | <u>4,041</u> | <u>3,786</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 843 | 778 |
| Indian capital gains tax | 1,101 | – |
| Total taxation (note 5b) | <u>1,944</u> | <u>778</u> |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 4,884 | 4,140 |
| Corporation tax of 20% (2017: 20%) | <u>977</u> | <u>828</u> |
| Effects of: | | |
| UK dividends* | (207) | (142) |
| Non-taxable scrip dividends* | (11) | – |
| Overseas non-taxable revenue* | (1,366) | (1,212) |
| Movement in excess management expenses | 613 | 557 |
| Irrecoverable overseas tax | 843 | 778 |
| Overseas tax expensed | (6) | (31) |
| Indian capital gains tax | 1,101 | – |
| Total tax charge for year (note 5a) | <u>1,944</u> | <u>778</u> |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

** As an authorised OEIC, these items are not subject to corporation tax.*

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £3,990,205 (31/07/17: £3,377,296); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 1,113 | 954 |
| Final distribution | <u>2,934</u> | <u>2,412</u> |
| | 4,047 | 3,366 |
| Add: revenue deducted on cancellation of shares | 65 | 32 |
| Deduct: revenue received on issue of shares | (71) | (36) |
| Net distributions for the year | <u>4,041</u> | <u>3,362</u> |

Details of the distribution per share are set out in the Distribution Tables on pages 303 to 304.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--------------------------------|-----------------------|-----------------------|
| Net revenue after taxation | 2,940 | 3,362 |
| Indian capital gains tax | 1,101 | – |
| Net distributions for the year | <u>4,041</u> | <u>3,362</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amounts receivable for issue of shares | 111 | 291 |
| Accrued revenue | 931 | 837 |
| Overseas tax recoverable | 93 | 50 |
| Foreign currency contracts awaiting settlement | 15 | – |
| Total debtors | 1,150 | 1,178 |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | 24 | – |
| Amounts payable for cancellation of shares | – | 239 |
| Accrued expenses | 1,505 | 470 |
| Foreign currency contracts awaiting settlement | 15 | – |
| Total other creditors | 1,544 | 709 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|----------------|---------------|----------------|---------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 130,224 | 73,633 | 167,062 | 71,482 |
| Trades in the year before transaction costs | 130,224 | 73,633 | 167,062 | 71,482 |
| Commissions | | | | |
| Equities | 155 | 95 | (191) | (72) |
| Taxes | | | | |
| Equities | 156 | 119 | (176) | (52) |
| Total costs | 311 | 214 | (367) | (124) |
| Total net trades in the year after transaction costs | 130,535 | 73,847 | 166,695 | 71,358 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.12 | 0.13 | 0.11 | 0.10 |
| Taxes | | | | |
| Equities | 0.12 | 0.16 | 0.11 | 0.07 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|--------------------|--------------|--------------|
| | % | % |
| Commissions | 0.09 | 0.04 |
| Taxes | 0.08 | 0.05 |
| Total costs | 0.17 | 0.09 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.55% (31/07/17: 1.61%).

Notes to the Financial Statements

(continued)

as at 31 July 2018

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £36,516,754 (31/07/17: £36,443,670).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 10.80% (31/07/17: 7.46%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Global Emerging Markets Sustainability Fund would be an increase or decrease of approximately £110,368 (31/07/17: £73,533).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|--------------------|---|---|
| Currency | Total £'000 | Total £'000 |
| Bangladeshi taka | 7,449 | 3,771 |
| Botswana pula | 1,224 | 1,317 |
| Brazilian real | 31,546 | 50,779 |
| Chilean peso | 14,231 | 27,542 |
| Chinese yuan | 2,688 | — |
| Egyptian pound | 3,616 | 3,694 |
| Euro | 6,805 | 2,207 |
| Ghanaian cedi | 1,448 | 805 |
| Hong Kong dollar | 12,804 | 10,200 |
| Indian rupee | 94,608 | 87,338 |
| Japanese yen | 16,673 | 13,569 |
| Mexican peso | 22,963 | 8,077 |
| Nigerian naira | 16,568 | 14,770 |
| Philippine peso | 26,664 | 19,932 |
| South African rand | 37,677 | 38,848 |
| Sri Lankan rupee | 2,405 | 3,674 |
| Swiss franc | 4,559 | 1,843 |
| Taiwanese dollar | 15,342 | 33,272 |
| Thai baht | 4,068 | 5,508 |
| US dollar | 18,422 | 19,185 |
| Total | <u>341,760</u> | <u>346,331</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £17,087,962 (31/07/17: £17,316,529).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £313,697 (31/07/17: £309,861) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.10% (31/07/17: 0.04%) of the net asset value of the Fund.

As at 31 July 2018, close family members of the Directors of the ACD had a combined holding in share class B Accumulation of nil% (31/07/17: 0.02%).

Material Shareholders

Environment Agency Active Pension Fund, Bank Lombard Odier & Co Limited and Trossamfundet Svenska Kyrkan held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 22.9%, 22.8% and 10.9% of the Fund's shares in issue respectively.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has four share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.55 |
| Share class B Accumulation | 0.90 |
| Share class A Accumulation (EUR share class) | 1.55 |
| Share class B Accumulation (EUR share class) | 0.90 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 291 to 294.

The distributions per share class are given in the Distribution Tables on pages 303 to 304.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | Closing shares in issue |
|--|---|------------|---------------|----------------------------------|----------------------------|
| Share class A Accumulation | 2,594,640 | 38,881 | (255,808) | (72,129) | 2,305,584 |
| Share class B Accumulation | 105,394,317 | 1,888,374 | (8,635,677) | 67,991 | 98,715,005 |
| Share class A Accumulation (EUR share class) | 3,365,626 | 476,041 | (1,001,126) | – | 2,840,541 |
| Share class B Accumulation (EUR share class) | 22,959,921 | 15,268,290 | (14,641,329) | – | 23,586,882 |

15. Fair value

| | 31 July 2018 | | 31 July 2017 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| Valuation technique | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 365,168 | – | 364,437 | – |
| Level 2 | – | – | – | – |
| Level 3 | – | – | – | – |
| Total fair value | 365,168 | – | 364,437 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Stewart Investors Global Emerging Markets Sustainability Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 1.2933 | – | 1.2933 | 0.6107 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 1.2135 | 0.0798 | 1.2933 | 0.6107 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.9340 | – | 0.9340 | 0.8572 |
| Final | 2.6168 | – | 2.6168 | 2.0252 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.3772 | 0.5568 | 0.9340 | 0.8572 |
| Final | 1.8570 | 0.7598 | 2.6168 | 2.0252 |

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | 0.3550 |
| Final | 1.0328 | – | 1.0328 | 1.0183 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | 0.3550 |
| Final | 0.2038 | 0.8290 | 1.0328 | 1.0183 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.5083 | – | 0.5083 | 0.5069 |
| Final | 1.4008 | – | 1.4008 | 1.1230 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.2156 | 0.2927 | 0.5083 | 0.5069 |
| Final | 0.7332 | 0.6676 | 1.4008 | 1.1230 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund invests in equities in the natural resources and energy sectors worldwide.

Risks and reward profile

| | ← Lower Risk | | | | | Higher Risk → | |
|--|---------------------------|---|---|---|---|----------------------------|---|
| | Potentially Lower Rewards | | | | | Potentially Higher Rewards | |
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 6 due to its past performance and the nature of its investments. Shares with a rating of 6 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

Single-sector risk: investing in a single sector may be riskier than investing in a number of different sectors. Investing in a larger number of sectors helps spread risk.

Global resources risk: the Fund may be vulnerable to price fluctuations and other factors that particularly affect the global resources sector, such as taxes, government regulation or supply.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 6.93% in sterling terms over the 12 months and has provided cumulative returns of 59.97% and 14.62% over three and five years respectively to 31 July 2018 (net of fees and tax for the B GBP Accumulation share class).

Portfolio changes

Over the period, the Fund's largest purchases were Rio Tinto, Suncor Energy and Teck Resources. The largest sells were Glencore, Lundin Mining and Trevali Mining during the period.

Outlook

Thematics to watch in the coming months are likely to include ongoing supply constraint from miners and Chinese processing companies, a pick-up in merger and acquisition activity, inflation, and cash returns to shareholders. The Global Resources Fund will be actively managed until its scheduled termination date on 11 December 2018.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 3.4 | 2.1 | 6.9 | 60.0 | 14.6 | (2.0) | 225.1 |
| Benchmark return % | 5.3 | 3.9 | 14.6 | 81.6 | 30.2 | 20.0 | 321.4 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 6.9 | 11.8 | 33.8 | (36.0) | 11.9 |
| Benchmark return % | 14.6 | 15.5 | 37.2 | (33.5) | 7.7 |

Benchmark: 75% Euromoney Global Mining/25% MSCI AC World Energy Indices.

(Note: The benchmark changed from the HSBC Global Mining Index to the above on 01/10/2013).

Sector: IA Global.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|--------------------|-----------|------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Rio Tinto | 9.62 | BHP Billiton | 9.94 |
| BHP Billiton | 6.97 | Rio Tinto | 6.69 |
| Vale ADR | 5.22 | Glencore | 5.67 |
| Chevron | 4.47 | Vale ADR | 5.06 |
| Teck Resources 'B' | 3.55 | Chevron | 3.53 |
| Suncor Energy | 3.51 | Franco-Nevada | 2.94 |
| BHP Billiton | 3.13 | Enbridge | 2.76 |
| Franco-Nevada | 3.13 | First Quantum Minerals | 2.71 |
| Goldcorp | 3.07 | Goldcorp | 2.39 |
| Glencore | 2.98 | Teck Resources 'B' | 2.34 |

Types of shares

Accumulation.

First State Global Resources Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---------------------------------------|-----------------------|-----------------------|
| UNITED KINGDOM (11.84%*) | 32,070 | 8.50 |
| 193,107 Anglo American | 3,344 | 0.89 |
| 673,806 BHP Billiton | 11,823 | 3.13 |
| 167,784 Fresnillo | 1,742 | 0.46 |
| 3,358,978 Glencore | 11,236 | 2.98 |
| 8,513,365 Petra Diamonds | 3,925 | 1.04 |
| UNITED STATES (13.55%*) | 79,484 | 21.08 |
| 175,194 Chevron | 16,862 | 4.47 |
| 74,018 Concho Resources | 8,228 | 2.18 |
| 80,162 EQT | 3,035 | 0.81 |
| 151,916 Exxon Mobil | 9,440 | 2.50 |
| 114,066 Halliburton | 3,688 | 0.98 |
| 266,217 Patterson-UTI Energy | 3,489 | 0.93 |
| 91,009 Schlumberger | 4,683 | 1.24 |
| 162,998 Southern Copper | 6,133 | 1.63 |
| 170,599 TechnipFMC | 4,232 | 1.12 |
| 1,763,392 Vale ADR | 19,694 | 5.22 |
| CANADA (42.02%*) | 159,208 | 42.22 |
| 237,315 Agnico Eagle Mines | 7,567 | 2.01 |
| 1,242,800 Alamos Gold | 5,137 | 1.36 |
| 457,520 ARC Resources | 4,133 | 1.10 |
| 793,933 Cameco | 6,522 | 1.73 |
| 391,616 Canadian Natural Resources | 10,924 | 2.90 |
| 708,857 Detour Gold | 5,292 | 1.40 |
| 306,551 Enbridge | 8,271 | 2.19 |
| 366,900 Endeavour Mining | 5,074 | 1.35 |
| 1,867,000 Erdene Resource Development | 394 | 0.11 |
| 287,609 ERO Copper | 1,447 | 0.38 |
| 897,467 First Quantum Minerals | 10,594 | 2.81 |
| 211,676 Franco-Nevada | 11,806 | 3.13 |
| 1,217,322 Goldcorp | 11,575 | 3.07 |
| 964,983 Hudbay | 3,814 | 1.01 |
| 1,243,673 Ivanhoe Mines | 1,864 | 0.49 |
| 791,505 Lundin Mining | 3,332 | 0.88 |
| 979,400 MAG Silver | 6,959 | 1.85 |
| 1,252,988 Mountain Province Diamonds | 2,274 | 0.60 |
| 1,001,052 OceanaGold | 2,339 | 0.62 |
| 209,011 PrairieSky Royalty | 3,020 | 0.80 |
| 1,080,200 Pretium Resources | 6,730 | 1.79 |
| 427,983 Seven Generations Energy | 3,684 | 0.98 |
| 413,167 Suncor Energy | 13,242 | 3.51 |
| 676,561 Teck Resources 'B' | 13,401 | 3.55 |
| 195,727 TMAC Resources | 805 | 0.21 |
| 6,674,000 Trevali Mining | 3,048 | 0.81 |
| 373,960 Wheaton Precious Metals | 5,960 | 1.58 |
| DENMARK (0.49%*) | 3,578 | 0.95 |
| 72,553 Vestas Wind Systems | 3,578 | 0.95 |
| FRANCE (1.10%*) | 6,938 | 1.84 |
| 139,554 Total | 6,938 | 1.84 |
| LUXEMBOURG (0.65%*) | 4,299 | 1.14 |
| 308,354 Tenaris | 4,299 | 1.14 |

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | | Market Value £'000 | Total Net Assets % |
|------------|------------------------------|--------------------------|--------------------------|
| | SPAIN (0.49%*) | 2,768 | 0.73 |
| 250,742 | Acerinox | 2,768 | 0.73 |
| | SWEDEN (0.91%*) | — | — |
| | AUSTRALIA (18.95%*) | 71,485 | 18.95 |
| 15,149,970 | Beadell Resources | 472 | 0.12 |
| 1,331,569 | BHP Billiton | 26,299 | 6.97 |
| 788,156 | Rio Tinto | 36,270 | 9.62 |
| 2,381,813 | Western Areas | 4,374 | 1.16 |
| 1,322,449 | Whitehaven Coal | 4,070 | 1.08 |
| | CHINA (0.50%*) | — | — |
| | SOUTH KOREA (0.48%*) | 1,938 | 0.51 |
| 7,585 | LG Chemical | 1,938 | 0.51 |
| | SOUTH AFRICA (0.47%*) | — | — |
| | BRAZIL (5.06%) | — | — |
| | CHILE (1.27%) | 4,967 | 1.32 |
| 495,178 | Antofagasta | 4,967 | 1.32 |
| | MEXICO (0.64%*) | — | — |
| | Portfolio of investments | 366,735 | 97.24 |
| | Net other assets | 10,391 | 2.76 |
| | Total net assets | 377,126 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stocks shown as ADRs represent American Depositary Receipts.

First State Global Resources Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 277.01 | 249.74 | 188.84 |
| Return before operating charges* | 23.67 | 31.70 | 64.03 |
| Operating charges | (4.46) | (4.43) | (3.13) |
| Return after operating charges* | 19.21 | 27.27 | 60.90 |
| Distributions | (1.53) | (0.59) | (1.59) |
| Retained distributions on accumulation shares | 1.53 | 0.59 | 1.59 |
| Closing net asset value per share (p) | 296.22 | 277.01 | 249.74 |
| * after direct transaction costs of: | 0.15 | 0.44 | 0.35 |
| Performance | | | |
| Return after charges (%) | 6.93% | 10.92% | 32.25% |
| Other information | | | |
| Closing net asset value (£'000) | 44,553 | 53,932 | 59,301 |
| Closing number of shares | 15,040,418 | 19,469,193 | 23,745,251 |
| Operating charges | 1.56% | 1.63% | 1.67% |
| Direct transaction costs | 0.05% | 0.16% | 0.19% |
| Prices | | | |
| Highest share price | 311.59 | 308.05 | 255.09 |
| Lowest share price | 263.24 | 238.61 | 142.47 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 303.51 | 271.39 | 203.51 |
| Return before operating charges* | 26.04 | 34.55 | 69.59 |
| Operating charges | (2.48) | (2.43) | (1.71) |
| Return after operating charges* | 23.56 | 32.12 | 67.88 |
| Distributions | (4.11) | (3.06) | (3.41) |
| Retained distributions on accumulation shares | 4.11 | 3.06 | 3.41 |
| Closing net asset value per share (p) | 327.07 | 303.51 | 271.39 |
| * after direct transaction costs of: | 0.17 | 0.48 | 0.39 |
| Performance | | | |
| Return after charges (%) | 7.76% | 11.84% | 33.35% |
| Other information | | | |
| Closing net asset value (£'000) | 301,457 | 382,869 | 373,598 |
| Closing number of shares | 92,168,051 | 126,148,620 | 137,658,583 |
| Operating charges | 0.79% | 0.82% | 0.84% |
| Direct transaction costs | 0.05% | 0.16% | 0.19% |
| Prices | | | |
| Highest share price | 342.61 | 336.25 | 277.10 |
| Lowest share price | 289.89 | 259.50 | 154.16 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 69.44 | 66.34 | 59.98 |
| Return before operating charges* | 6.12 | 4.23 | 7.28 |
| Operating charges | (1.14) | (1.13) | (0.92) |
| Return after operating charges* | 4.98 | 3.10 | 6.36 |
| Distributions | (0.37) | (0.18) | (0.48) |
| Retained distributions on accumulation shares | 0.37 | 0.18 | 0.48 |
| Closing net asset value per share (c) | 74.42 | 69.44 | 66.34 |
| * after direct transaction costs of: | 0.04 | 0.12 | 0.11 |
| Performance | | | |
| Return after charges (%) | 7.17% | 4.67% | 10.60% |
| Other information | | | |
| Closing net asset value (€'000) | 21,849 | 26,342 | 28,119 |
| Closing number of shares | 29,357,313 | 37,935,896 | 42,385,769 |
| Operating charges | 1.58% | 1.59% | 1.63% |
| Direct transaction costs | 0.05% | 0.16% | 0.19% |
| Prices | | | |
| Highest share price | 78.57 | 81.22 | 68.54 |
| Lowest share price | 67.32 | 63.49 | 41.29 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 76.58 | 72.59 | 65.09 |
| Return before operating charges* | 6.77 | 4.62 | 8.01 |
| Operating charges | (0.66) | (0.63) | (0.51) |
| Return after operating charges* | 6.11 | 3.99 | 7.50 |
| Distributions | (1.02) | (0.79) | (0.96) |
| Retained distributions on accumulation shares | 1.02 | 0.79 | 0.96 |
| Closing net asset value per share (c) | 82.69 | 76.58 | 72.59 |
| * after direct transaction costs of: | 0.04 | 0.13 | 0.12 |
| Performance | | | |
| Return after charges (%) | 7.98% | 5.50% | 11.52% |
| Other information | | | |
| Closing net asset value (€'000) | 13,034 | 17,415 | 7,808 |
| Closing number of shares | 15,762,713 | 22,740,053 | 10,754,328 |
| Operating charges | 0.82% | 0.82% | 0.82% |
| Direct transaction costs | 0.05% | 0.16% | 0.19% |
| Prices | | | |
| Highest share price | 86.95 | 89.26 | 74.97 |
| Lowest share price | 74.29 | 69.53 | 44.99 |

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|---------------|-----------------------|---------------|
| Income | | | | | |
| Net capital gains | 2 | | 24,267 | | 49,222 |
| Revenue | 3 | 10,160 | | 10,395 | |
| Expenses | 4 | (4,028) | | (4,784) | |
| Interest payable and similar charges | | (18) | | (20) | |
| Net revenue before taxation | | 6,114 | | 5,591 | |
| Taxation | 5 | (815) | | (1,155) | |
| Net revenue after taxation | | | 5,299 | | 4,436 |
| Total return before distributions | | | 29,566 | | 53,658 |
| Distributions | 6 | | (5,305) | | (4,440) |
| Change in net assets attributable to shareholders from investment activities | | | 24,261 | | 49,218 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|----------------|-----------------------|----------------|
| Opening net assets attributable to shareholders | | 475,919 | | 463,194 |
| Amounts receivable on issue of shares | 58,854 | | 75,934 | |
| Amounts payable on cancellation of shares | (186,838) | | (116,760) | |
| | | (127,984) | | (40,826) |
| Dilution adjustment | | 205 | | 25 |
| Change in net assets attributable to shareholders from investment activities | | 24,261 | | 49,218 |
| Retained distribution on accumulation shares | | 4,725 | | 4,308 |
| Closing net assets attributable to shareholders | | 377,126 | | 475,919 |

Notes to the Financial Statements are on pages 315 to 320.

First State Global Resources Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 366,735 | 468,409 |
| Current assets | | | |
| Debtors | 8 | 4,808 | 1,378 |
| Cash and bank balances | | 11,426 | 6,797 |
| Total assets | | 382,969 | 476,584 |
| Liabilities | | | |
| Creditors | | | |
| Bank overdrafts | | (190) | – |
| Other creditors | 9 | (5,653) | (665) |
| Total liabilities | | (5,843) | (665) |
| Net assets attributable to shareholders | | 377,126 | 475,919 |

Notes to the Financial Statements are on pages 315 to 320.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 24,178 | 48,815 |
| Forward foreign exchange currency contracts | — | (30) |
| Currency gains | 98 | 437 |
| Custodial transaction fees | (9) | — |
| Net capital gains | <u>24,267</u> | <u>49,222</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Dividends from UK companies | 894 | 1,043 |
| Overseas taxable revenue | — | 23 |
| Overseas non-taxable revenue | 8,741 | 8,506 |
| Overseas scrip dividends | 40 | — |
| Interest from bank deposits | 3 | 4 |
| Interest on capital revenue from Brazilian companies | 482 | 819 |
| Total revenue | <u>10,160</u> | <u>10,395</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 3,845 | 4,400 |
| ACD's periodic charge rebate | (13) | — |
| | <u>3,832</u> | <u>4,400</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 40 | 75 |
| Other expenses: | | |
| Audit fee | 10 | 11 |
| Registrar fees | 66 | 206 |
| Safe custody charges | 18 | 33 |
| Other expenses | 62 | 59 |
| | <u>156</u> | <u>309</u> |
| Total expenses | <u>4,028</u> | <u>4,784</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 815 | 1,155 |
| Total taxation (note 5b) | 815 | 1,155 |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 6,114 | 5,591 |
| Corporation tax of 20% (2017: 20%) | 1,223 | 1,118 |
| Effects of: | | |
| UK dividends* | (179) | (208) |
| Non-taxable scrip dividends* | (8) | – |
| Overseas non-taxable revenue* | (1,748) | (1,701) |
| Movement in excess management expenses | 712 | 816 |
| Irrecoverable overseas tax | 815 | 1,155 |
| Overseas tax expensed | – | (25) |
| Total tax charge for year (note 5a) | 815 | 1,155 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £9,607,781 (31/07/17: £8,895,708); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 2,148 | 1,400 |
| Final distribution | 2,577 | 2,908 |
| | 4,725 | 4,308 |
| Add: revenue deducted on cancellation of shares | 829 | 307 |
| Deduct: revenue received on issue of shares | (249) | (175) |
| Net distributions for the year | 5,305 | 4,440 |

Details of the distribution per share are set out in the Distribution Tables on pages 321 to 322.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net revenue after taxation | 5,299 | 4,436 |
| Movement in net income as a result of conversions | 6 | 4 |
| Net distributions for the year | 5,305 | 4,440 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Sales awaiting settlement | 4,528 | 483 |
| Amounts receivable for issue of shares | — | 794 |
| Accrued revenue | 26 | 73 |
| Foreign currency contracts awaiting settlement | 201 | — |
| Overseas tax recoverable | 53 | 28 |
| Total debtors | 4,808 | 1,378 |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | — | 35 |
| Amounts payable for cancellation of shares | 5,100 | 83 |
| Accrued expenses | 352 | 547 |
| Foreign currency contracts awaiting settlement | 201 | — |
| Total other creditors | 5,653 | 665 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|---------------|----------------|----------------|----------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 99,759 | 251,573 | 225,705 | 287,166 |
| Trades in the year before transaction costs | 99,759 | 251,573 | 225,705 | 287,166 |
| Commissions | | | | |
| Equities | 76 | 356 | (144) | (334) |
| Taxes | | | | |
| Equities | 6 | 77 | (6) | (37) |
| Total costs | 82 | 433 | (150) | (371) |
| Total net trades in the year after transaction costs | 99,841 | 252,006 | 225,555 | 286,795 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.08 | 0.14 | 0.06 | 0.12 |
| Taxes | | | | |
| Equities | 0.01 | 0.03 | 0.00 | 0.01 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|-------------|--------------|--------------|
| | % | % |
| Commissions | 0.05 | 0.14 |
| Taxes | 0.00 | 0.02 |
| Total costs | 0.05 | 0.16 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.27% (31/07/17: 0.33%).

Notes to the Financial Statements

(continued)

as at 31 July 2018

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £36,673,488 (31/07/17: £46,840,877).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 2.98% (31/07/17: 1.43%) of the Fund's assets were interest-bearing.

As exposure to interest-rate risk is not significant, no additional numerical or sensitivity analysis is presented.

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|--------------------|---|---|
| Currency | Total £'000 | Total £'000 |
| Australian dollar | 71,493 | 90,198 |
| Canadian dollar | 157,658 | 201,532 |
| Danish krone | 3,640 | 2,394 |
| Euro | 14,275 | 11,271 |
| Hong Kong dollar | — | 3,294 |
| Mexican peso | — | 3,123 |
| South African rand | — | 2,247 |
| South Korean won | 1,939 | 2,273 |
| Swedish krona | — | 4,608 |
| US dollar | 84,844 | 89,125 |
| Total | <u>333,849</u> | <u>410,065</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £16,692,467 (31/07/17: £20,503,246).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £285,159 (31/07/17: £340,592) due at the year end.

As at 31 July 2018, HTSG A/C First State, a related party of the ACD, owned 56.83% (31/07/17: 52.24%) of the net asset value of the Fund.

Material Shareholders

HTSG A/C First State, Skandia Insurance Company Limited and Clearstream Banking S.A held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 43.2%, 12.7% and 10.2% of the Fund's shares in issue respectively.

14. Share classes

The Fund has four share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.50 |
| Share class B Accumulation | 0.75 |
| Share class A Accumulation (EUR share class) | 1.50 |
| Share class B Accumulation (EUR share class) | 0.75 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 309 to 312.

The distributions per share class are given in the Distribution Tables on pages 321 to 322.

All share classes have the same rights on winding up.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes (continued)

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted Closing shares in issue |
|--|---|------------|---------------|---|
| Share class A Accumulation | 19,469,193 | 6,365,236 | (9,847,378) | (946,633) 15,040,418 |
| Share class B Accumulation | 126,148,620 | 5,221,809 | (40,063,947) | 861,569 92,168,051 |
| Share class A Accumulation (EUR share class) | 37,935,896 | 20,457,014 | (29,035,597) | – 29,357,313 |
| Share class B Accumulation (EUR share class) | 22,740,053 | 13,797,117 | (20,774,457) | – 15,762,713 |

15. Fair value

| Valuation technique | 31 July 2018 | | 31 July 2017 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 366,735 | – | 468,409 | – |
| Level 2 | – | – | – | – |
| Level 3 | – | – | – | – |
| Total fair value | 366,735 | – | 468,409 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Global Resources Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.4079 | – | 0.4079 | – |
| Final | 1.1183 | – | 1.1183 | 0.5895 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 0.4079 | 0.4079 | – |
| Final | – | 1.1183 | 1.1183 | 0.5895 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 1.6656 | – | 1.6656 | 0.9779 |
| Final | 2.4418 | – | 2.4418 | 2.0813 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.3105 | 1.3551 | 1.6656 | 0.9779 |
| Final | 1.0346 | 1.4072 | 2.4418 | 2.0813 |

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.0969 | – | 0.0969 | – |
| Final | 0.2765 | – | 0.2765 | 0.1766 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | 0.0969 | 0.0969 | – |
| Final | – | 0.2765 | 0.2765 | 0.1766 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.4147 | – | 0.4147 | 0.2570 |
| Final | 0.6078 | – | 0.6078 | 0.5292 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.0064 | 0.4083 | 0.4147 | 0.2570 |
| Final | 0.1152 | 0.4926 | 0.6078 | 0.5292 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Stewart Investors Worldwide Equity Fund

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund will seek to invest in a diverse portfolio of equity securities that 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.

Risks and reward profile

| | ← Lower Risk | | | | Higher Risk → | | |
|--|---------------------------|---|---|---|----------------------------|---|---|
| | Potentially Lower Rewards | | | | Potentially Higher Rewards | | |
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 5.2% in sterling terms over the twelve months and has provided cumulative returns of 49.6% and 63.9% over the three and five years respectively to 31 July 2018.

On the positive side, Berkshire Hathaway climbed on optimism about the outlook for the US economy and a strong stock market. Tata Consultancy Services rose on good results and rupee weakness, while Tesco gained on continuing operational improvement.

Henkel declined due to the impact of negative currency moves and as supply chain challenges continued to impact the company's North American operations. PZ Cussons contributed negatively on the back of a more challenging environment in both the UK and Nigeria. Delfi fell on weak demand in Indonesia, where confectionary remains an aspirational good.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Portfolio changes

Significant new positions established during the twelve months included Roche, a reasonably valued oncology leader, and L Brands, a 'specialty retailer' operating under the Victoria's Secret and Bath & Body Works brands. The Fund also bought Fastenal, an industrial supplies company with a conservative culture and scope to grow over the long term, which was trading at an acceptable valuation.

The Fund sold GlaxoSmithKline on valuation concerns and W.W. Grainger as the Manager preferred Fastenal. The Fund also sold Brambles because the company was not cheap enough to compensate for the risks if a turnaround does not materialise.

Outlook

The portfolio holdings are not dictated by a benchmark index, allowing the Manager to invest only in companies they consider to be of high enough quality. Consequently, there are many companies in which the Manager would never invest at any price. They remain focused on capital preservation and always consider the potential downside, as well as the upside, of any investment.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 2.1 | 2.1 | 5.2 | 49.6 | 63.9 | n/a | 100.7 |
| Benchmark return % | 7.7 | 5.3 | 11.5 | 53.8 | 78.1 | n/a | 123.4 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 5.2 | 14.5 | 24.2 | 11.6 | (1.8) |
| Benchmark return % | 11.5 | 17.9 | 17.0 | 11.3 | 4.1 |

Benchmark: MSCI AC World Index.

Sector: IA Global.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|---------------------------|-----------|---|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Henkel | 8.67 | Henkel | 9.21 |
| US Treasury 0% 13/9/2018 | 6.13 | Unilever | 7.60 |
| Beiersdorf | 6.13 | Berkshire Hathaway 'A' | 5.79 |
| Unilever | 4.53 | Beiersdorf | 4.92 |
| Berkshire Hathaway 'A' | 3.74 | Loews | 4.08 |
| Loews | 3.66 | Tata Consultancy Services | 3.58 |
| Lloyds Banking | 3.52 | United States Treasury Bill 0% 07/09/2017 | 3.53 |
| Merck | 3.22 | Oversea-Chinese Banking | 3.00 |
| Tata Consultancy Services | 3.03 | Unicharm | 2.85 |
| Oversea-Chinese Banking | 2.72 | PZ Cussons | 2.72 |

Types of shares

Income and Accumulation.

Stewart Investors Worldwide Equity Fund

Portfolio Statement

as at 31 July 2018

| Holdings or Nominal Values | Market Value £'000 | Total Net Assets % |
|---|--------------------------|--------------------------|
| UNITED KINGDOM (16.03%*) | 4,952 | 13.44 |
| 2,077,459 Lloyds Banking | 1,296 | 3.52 |
| 378,872 PZ Cussons | 883 | 2.40 |
| 293,537 Tesco | 764 | 2.07 |
| 150,798 Tullow Oil | 341 | 0.92 |
| 38,306 Unilever | 1,668 | 4.53 |
| UNITED STATES (18.14%*) | 8,312 | 22.56 |
| 21,514 Agnico Eagle Mines | 687 | 1.86 |
| 23,411 Bed Bath & Beyond | 334 | 0.91 |
| 6 Berkshire Hathaway 'A' | 1,378 | 3.74 |
| 12,638 Expeditors International of Washington | 734 | 1.99 |
| 18,136 Fastenal | 787 | 2.14 |
| 32,530 L Brands | 785 | 2.13 |
| 34,813 Loews | 1,348 | 3.66 |
| Cash and Short Term | | |
| USD2,970,200 US Treasury 0% 13/9/2018 | 2,259 | 6.13 |
| DENMARK (1.42%*) | — | — |
| GERMANY (16.66%*) | 6,896 | 18.72 |
| 25,398 Beiersdorf | 2,259 | 6.13 |
| 5,482 Drägerwerk | 256 | 0.70 |
| 38,986 Henkel | 3,194 | 8.67 |
| 15,119 Merck | 1,187 | 3.22 |
| ITALY (0.00%*) | 340 | 0.92 |
| 4,154 DiaSorin | 340 | 0.92 |
| NORWAY (0.66%*) | — | — |
| SWITZERLAND (1.95%*) | 1,671 | 4.54 |
| 18,108 Energiedienst | 418 | 1.14 |
| 4,426 Roche (Bearer) | 837 | 2.27 |
| 209 SGS (Regd.) | 416 | 1.13 |
| JAPAN (5.41%*) | 2,041 | 5.54 |
| 64,500 ASICS | 796 | 2.16 |
| 12,700 Kikkoman | 456 | 1.24 |
| 34,100 Unicharm | 789 | 2.14 |
| AUSTRALIA (3.48%*) | — | — |
| HONG KONG (1.83%*) | 337 | 0.91 |
| 1,006,000 Texwinca | 337 | 0.91 |
| INDIA (6.49%*) | 2,173 | 5.90 |
| 51,679 Tata Consultancy Services | 1,116 | 3.03 |
| 96,938 Tata Global Beverages | 266 | 0.72 |
| 35,441 United Breweries | 435 | 1.18 |
| 115,805 Wipro | 356 | 0.97 |
| SINGAPORE (3.00%*) | 1,327 | 3.60 |
| 154,472 Oversea-Chinese Banking | 1,001 | 2.72 |
| 506,000 Petra Foods | 326 | 0.88 |

Stewart Investors Worldwide Equity Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|-----------------------------------|-----------------------|-----------------------|
| TAIWAN (0.00%*) | 741 | 2.01 |
| 368,000 Uni-President Enterprises | 741 | 2.01 |
| NIGERIA (0.33%*) | 297 | 0.81 |
| 2,701,239 Unilever Nigeria | 297 | 0.81 |
| SOUTH AFRICA (2.94%*) | 1,391 | 3.78 |
| 132,802 Impala Platinum | 151 | 0.41 |
| 49,477 Remgro | 624 | 1.69 |
| 28,185 Standard Bank | 334 | 0.91 |
| 13,845 Tiger Brands | 282 | 0.77 |
| BRAZIL (2.10%*) | 667 | 1.81 |
| 66,311 Natura | 392 | 1.06 |
| 33,300 Ultrapar Participacoes | 275 | 0.75 |
| CHILE (4.32%*) | 1,298 | 3.52 |
| 33,062 Antofagasta | 332 | 0.90 |
| 34,652 Cia Cervecerias Unidas | 358 | 0.97 |
| 8,506,851 Sociedad Matriz SAAM | 608 | 1.65 |
| Portfolio of investments | 32,443 | 88.06 |
| Net other assets | 4,397 | 11.94 |
| Total net assets | 36,840 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stewart Investors Worldwide Equity Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 182.61 | 160.52 | 130.09 |
| Return before operating charges* | 12.02 | 25.45 | 33.11 |
| Operating charges | (3.75) | (3.36) | (2.68) |
| Return after operating charges* | 8.27 | 22.09 | 30.43 |
| Distributions | — | — | — |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share (p) | 190.88 | 182.61 | 160.52 |
| * after direct transaction costs of: | 0.14 | 0.19 | 0.08 |
| Performance | | | |
| Return after charges (%) | 4.53% | 13.76% | 23.39% |
| Other information | | | |
| Closing net asset value (£'000) | 2,958 | 3,008 | 2,438 |
| Closing number of shares | 1,549,565 | 1,647,249 | 1,518,995 |
| Operating charges | 2.02% | 1.95% | 2.00% |
| Direct transaction costs | 0.07% | 0.11% | 0.06% |
| Prices | | | |
| Highest share price | 192.06 | 186.99 | 162.09 |
| Lowest share price | 176.58 | 159.10 | 119.55 |

Stewart Investors Worldwide Equity Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class A Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 185.10 | 162.70 | 131.86 |
| Return before operating charges* | 12.19 | 25.82 | 33.56 |
| Operating charges | (3.81) | (3.42) | (2.72) |
| Return after operating charges* | 8.38 | 22.40 | 30.84 |
| Distributions | — | — | — |
| Closing net asset value per share (p) | 193.48 | 185.10 | 162.70 |
| * after direct transaction costs of: | 0.14 | 0.19 | 0.08 |
| Performance | | | |
| Return after charges (%) | 4.53% | 13.77% | 23.39% |
| Other information | | | |
| Closing net asset value (£'000) | 79 | 73 | 67 |
| Closing number of shares | 40,595 | 39,656 | 40,955 |
| Operating charges | 2.02% | 1.95% | 2.03% |
| Direct transaction costs | 0.07% | 0.11% | 0.06% |
| Prices | | | |
| Highest share price | 194.68 | 189.54 | 164.29 |
| Lowest share price | 178.99 | 161.26 | 121.18 |

Stewart Investors Worldwide Equity Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 190.77 | 166.53 | 134.05 |
| Return before operating charges* | 12.62 | 26.51 | 34.31 |
| Operating charges | (2.49) | (2.27) | (1.83) |
| Return after operating charges* | 10.13 | 24.24 | 32.48 |
| Distributions | (0.60) | (0.21) | (0.10) |
| Retained distributions on accumulation shares | 0.60 | 0.21 | 0.10 |
| Closing net asset value per share (p) | 200.90 | 190.77 | 166.53 |
| * after direct transaction costs of: | 0.15 | 0.20 | 0.09 |
| Performance | | | |
| Return after charges (%) | 5.31% | 14.56% | 24.23% |
| Other information | | | |
| Closing net asset value (£'000) | 24,597 | 24,187 | 15,996 |
| Closing number of shares | 12,243,641 | 12,678,242 | 9,605,466 |
| Operating charges | 1.28% | 1.26% | 1.31% |
| Direct transaction costs | 0.07% | 0.11% | 0.06% |
| Prices | | | |
| Highest share price | 202.06 | 195.20 | 168.11 |
| Lowest share price | 185.35 | 165.08 | 123.25 |

Stewart Investors Worldwide Equity Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class B Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 166.25 | 145.24 | 116.97 |
| Return before operating charges* | 10.94 | 23.13 | 29.95 |
| Operating charges | (2.17) | (1.94) | (1.54) |
| Return after operating charges* | 8.77 | 21.19 | 28.41 |
| Distributions | (0.47) | (0.18) | (0.14) |
| Closing net asset value per share (p) | 174.55 | 166.25 | 145.24 |
| * after direct transaction costs of: | 0.13 | 0.17 | 0.08 |
| Performance | | | |
| Return after charges (%) | 5.27% | 14.59% | 24.29% |
| Other information | | | |
| Closing net asset value (£'000) | 3,957 | 9,143 | 7,870 |
| Closing number of shares | 2,267,246 | 5,499,260 | 5,418,811 |
| Operating charges | 1.28% | 1.23% | 1.27% |
| Direct transaction costs | 0.07% | 0.11% | 0.06% |
| Prices | | | |
| Highest share price | 176.05 | 170.28 | 146.75 |
| Lowest share price | 161.48 | 143.97 | 107.53 |

Stewart Investors Worldwide Equity Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 163.57 | 151.29 | 145.58 |
| Return before operating charges* | 11.17 | 14.20 | 7.46 |
| Operating charges | (2.21) | (1.92) | (1.75) |
| Return after operating charges* | 8.96 | 12.28 | 5.71 |
| Distributions | (0.40) | (0.22) | (0.17) |
| Retained distributions on accumulation shares | 0.40 | 0.22 | 0.17 |
| Closing net asset value per share (c) | 172.53 | 163.57 | 151.29 |
| * after direct transaction costs of: | 0.13 | 0.17 | 0.09 |
| Performance | | | |
| Return after charges (%) | 5.48% | 8.12% | 3.92% |
| Other information | | | |
| Closing net asset value (€'000) | 2,830 | 6,331 | 5,504 |
| Closing number of shares | 1,640,471 | 3,870,471 | 3,637,771 |
| Operating charges | 1.31% | 1.20% | 1.24% |
| Direct transaction costs | 0.07% | 0.11% | 0.06% |
| Prices | | | |
| Highest share price | 175.92 | 170.90 | 153.04 |
| Lowest share price | 159.27 | 148.67 | 128.39 |

Stewart Investors Worldwide Equity Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (USD share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 123.02 | 107.78 | 102.46 |
| Return before operating charges* | 8.13 | 16.58 | 6.56 |
| Operating charges | (1.65) | (1.34) | (1.24) |
| Return after operating charges* | 6.48 | 15.24 | 5.32 |
| Distributions | (0.39) | — | (0.12) |
| Retained distributions on accumulation shares | 0.39 | — | 0.12 |
| Closing net asset value per share (c) | 129.50 | 123.02 | 107.78 |
| * after direct transaction costs of: | 0.10 | 0.12 | 0.06 |
| Performance | | | |
| Return after charges (%) | 5.27% | 14.14% | 5.19% |
| Other information | | | |
| Closing net asset value (\$'000) | 3,573 | 3,395 | 9,213 |
| Closing number of shares | 2,759,414 | 2,759,414 | 8,547,565 |
| Operating charges | 1.28% | 1.21% | 1.25% |
| Direct transaction costs | 0.07% | 0.11% | 0.06% |
| Prices | | | |
| Highest share price | 138.41 | 123.30 | 108.38 |
| Lowest share price | 121.70 | 103.29 | 90.28 |

Stewart Investors Worldwide Equity Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|--------------|-----------------------|--------------|
| Income | | | | | |
| Net capital gains | 2 | | 1,986 | | 5,598 |
| Revenue | 3 | 663 | | 625 | |
| Expenses | 4 | (522) | | (537) | |
| Interest payable and similar charges | | (1) | | — | |
| Net revenue before taxation | | 140 | | 88 | |
| Taxation | 5 | (140) | | (81) | |
| Net revenue after taxation | | | — | | 7 |
| Total return before distributions | | | 1,986 | | 5,605 |
| Distributions | 6 | | (104) | | (45) |
| Change in net assets attributable to shareholders from investment activities | | | 1,882 | | 5,560 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|---------------|-----------------------|---------------|
| Opening net assets attributable to shareholders | | 44,657 | | 38,003 |
| Amounts receivable on issue of shares | 1,668 | | 9,849 | |
| Amounts payable on cancellation of shares | (11,466) | | (8,807) | |
| | | (9,798) | | 1,042 |
| Dilution adjustment | | 12 | | 17 |
| Change in net assets attributable to shareholders from investment activities | | 1,882 | | 5,560 |
| Retained distribution on accumulation shares | | 87 | | 35 |
| Closing net assets attributable to shareholders | | 36,840 | | 44,657 |

Notes to the Financial Statements are on pages 335 to 340.

Stewart Investors Worldwide Equity Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>32,443</u> | <u>37,850</u> |
| Current assets | | | |
| Debtors | 8 | 100 | 71 |
| Cash and bank balances | | <u>4,525</u> | <u>6,849</u> |
| Total assets | | <u>37,068</u> | <u>44,770</u> |
| Liabilities | | | |
| Creditors | | | |
| Distribution payable | | (11) | (10) |
| Other creditors | 9 | <u>(217)</u> | <u>(103)</u> |
| Total liabilities | | <u>(228)</u> | <u>(113)</u> |
| Net assets attributable to shareholders | | <u>36,840</u> | <u>44,657</u> |

Notes to the Financial Statements are on pages 335 to 340.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 2,060 | 5,546 |
| Forward foreign exchange currency contracts | – | 1 |
| Currency (losses)/gains | (69) | 51 |
| Custodial transaction fees | (5) | – |
| Net capital gains | 1,986 | 5,598 |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Dividends from UK companies | 167 | 199 |
| Overseas taxable revenue | – | 1 |
| Overseas non-taxable revenue | 461 | 399 |
| Overseas scrip dividends | – | 15 |
| Interest from bank deposits | 4 | 2 |
| Interest from government and fixed-interest securities | 28 | 4 |
| Interest on capital revenue from Brazilian companies | 3 | 5 |
| Total revenue | 663 | 625 |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 415 | 444 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 30 | 6 |
| Other expenses: | | |
| Audit fee | 9 | 10 |
| Registrar fees | 7 | 16 |
| Safe custody charges | 4 | 8 |
| Other expenses | 57 | 53 |
| | 77 | 87 |
| Total expenses | 522 | 537 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 50 | 64 |
| Indian capital gains tax | 90 | 17 |
| Total taxation (note 5b) | 140 | 81 |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 140 | 88 |
| Corporation tax of 20% (2017: 20%) | 28 | 18 |
| Effects of: | | |
| UK dividends* | (34) | (40) |
| Non-taxable scrip dividends* | – | (3) |
| Overseas non-taxable revenue* | (92) | (80) |
| Movement in excess management expenses | 98 | 105 |
| Irrecoverable overseas tax | 50 | 64 |
| Indian capital gains tax | 90 | 17 |
| Current tax charge for year (note 5a) | 140 | 81 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £557,913 (31/07/17: £460,402); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Final distribution | 98 | 45 |
| | 98 | 45 |
| Add: revenue deducted on cancellation of shares | 8 | 2 |
| Deduct: revenue received on issue of shares | (2) | (2) |
| Net distribution for the year | 104 | 45 |

Details of the distribution per share are set out in the Distribution Tables on pages 341 to 342.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--------------------------------|-----------------------|-----------------------|
| Net revenue after taxation | – | 7 |
| Revenue deficit | 14 | 21 |
| Indian capital gains tax | 90 | 17 |
| Net distributions for the year | 104 | 45 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amounts receivable for issue of shares | 33 | 16 |
| Accrued revenue | 16 | 8 |
| Overseas tax recoverable | 51 | 47 |
| Total debtors | 100 | 71 |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amounts payable for cancellation of shares | 65 | 15 |
| Accrued expenses | 152 | 88 |
| Total other creditors | 217 | 103 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|---------------|---------------|---------------|---------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 11,641 | 16,627 | 19,832 | 16,519 |
| Bonds | 8,794 | 1,600 | 8,128 | 3,446 |
| Trades in the year before transaction costs | 20,435 | 18,227 | 27,960 | 19,965 |
| Commissions | | | | |
| Equities | 7 | 10 | (10) | (10) |
| Taxes | | | | |
| Equities | 9 | 21 | (4) | (4) |
| Total costs | 16 | 31 | (14) | (14) |
| Total net trades in the year after transaction costs | 20,451 | 18,258 | 27,946 | 19,951 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.06 | 0.06 | 0.05 | 0.06 |
| Taxes | | | | |
| Equities | 0.08 | 0.13 | 0.02 | 0.02 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|--------------------|--------------|--------------|
| | % | % |
| Commissions | 0.04 | 0.05 |
| Taxes | 0.03 | 0.06 |
| Total costs | 0.07 | 0.11 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.27% (31/07/17: 0.25%).

Notes to the Financial Statements

(continued)

as at 31 July 2018

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £3,244,319 (31/07/17: £3,785,044).

(b) Interest-rate risk

The Fund does not significantly invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is predominantly restricted to interest receivable.

As at 31 July 2018, 18.41% (31/07/17: 18.87%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Worldwide Equity Fund would be an increase or decrease of approximately £16,960 (31/07/17: £21,062).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| Currency | Net foreign currency assets | Net foreign currency assets |
|--------------------|-----------------------------|-----------------------------|
| | 31 July 2018 | 31 July 2017 |
| | Total | Total |
| | £'000 | £'000 |
| Australian dollar | — | 1,554 |
| Brazilian real | 666 | 937 |
| Chilean peso | 966 | 1,449 |
| Danish krone | 2 | 634 |
| Euro | 7,279 | 7,448 |
| Hong Kong dollar | 337 | 819 |
| Indian rupee | 2,099 | 2,902 |
| Japanese yen | 2,048 | 2,421 |
| Nigerian naira | 297 | 147 |
| Norwegian krone | 2 | 298 |
| Singapore dollar | 3,118 | 1,340 |
| South African rand | 1,391 | 1,312 |
| Swiss franc | 1,712 | 902 |
| Taiwan dollar | 740 | — |
| US dollar | 9,057 | 11,568 |
| Total | <u>29,714</u> | <u>33,731</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £1,485,753 (31/07/17: £1,686,552).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £33,106 (31/07/17: £39,759) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 5.73% (31/07/17: 5.94%) of the net asset value of the Fund.

Material Shareholders

Dentists' Provident Society Limited and St John's College Oxford held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 27.3% and 23.4% of the Fund's shares in issue respectively.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has six share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.75 |
| Share class A Income | 1.75 |
| Share class B Accumulation | 1.00 |
| Share class B Income (Institutional) | 1.00 |
| Share class B Accumulation (EUR share class) | 1.00 |
| Share class B Accumulation (USD share class) | 1.00 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 327 to 332.

The distribution per share class is given in the Distribution Tables on pages 341 to 342.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | Shares converted | 31 July 2018 Closing shares in issue |
|--|---|-----------|---------------|---------------------|--|
| Share class A Accumulation | 1,647,249 | 148,445 | (244,291) | (1,838) | 1,549,565 |
| Share class A Income | 39,656 | 3,205 | (1,782) | (484) | 40,595 |
| Share class B Accumulation | 12,678,242 | 557,661 | (994,020) | 1,758 | 12,243,641 |
| Share class B Income | 5,499,260 | 177,057 | (3,409,606) | 535 | 2,267,246 |
| Share class B Accumulation (EUR share class) | 3,870,471 | – | (2,230,000) | – | 1,640,471 |
| Share class B Accumulation (USD share class) | 2,759,414 | – | – | – | 2,759,414 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 30,184 | – | 37,850 | – |
| Level 2 | 2,259 | – | – | – |
| Level 3 | – | – | – | – |
| Total fair value | 32,443 | – | 37,850 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Stewart Investors Worldwide Equity Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |

This share class is in deficit and therefore not making a distribution.

Share class A Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |

This share class is in deficit and therefore not making a distribution.

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 0.5961 | – | 0.5961 | 0.2139 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 0.2684 | 0.3277 | 0.5961 | 0.2139 |

Share class B Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 0.4672 | – | 0.4672 | 0.1762 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 0.1884 | 0.2788 | 0.4672 | 0.1762 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.3964 | — | 0.3964 | 0.2233 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.3964 | — | 0.3964 | 0.2233 |

Share class B Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.3888 | — | 0.3888 | — |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.3888 | — | 0.3888 | — |

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund invests primarily in a diverse portfolio of equity securities of larger capitalisation companies that are listed, traded or dealt in on any of the regulated markets worldwide.

Larger capitalisation companies are currently defined as companies with a minimum investible market capitalisation (free float) of US\$3 billion at the time of investment. The Investment Manager may review this definition as considered appropriate.

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.

Risks and reward profile

← Lower Risk Higher Risk →

Potentially Lower Rewards Potentially Higher Rewards

| | | | | | | | |
|--|---|---|---|---|---|---|---|
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

Concentration risk: the Fund invests in a relatively small number of companies or countries, which may be riskier than a Fund that invests in a large number of companies.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 7.4% in sterling terms over the twelve months and has provided cumulative returns of 50.9% and 72.0% over the three and five years respectively to 31 July 2018.

On the positive side, Uni-President Enterprises rose as it continued to show improvements in its China business, and Expeditors International of Washington gained on the back of improving margins, especially in the airfreight business. Berkshire Hathaway climbed on optimism about the outlook for the US economy and a strong stock market.

Henkel declined due to the impact of negative currency moves and as supply chain challenges continued to impact the company's North American operations. Dr. Reddy's Laboratories fell on increased competition and the receipt of an FDA warning letter relating to quality control processes and reporting data, which impacted sales in the US. LafargeHolcim was weak on a subdued operating performance.

Stewart Investors Worldwide Leaders Fund

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Portfolio changes

Major purchases during the twelve months included Colgate-Palmolive, a high-quality global consumer franchise, and Roche, a reasonably valued oncology leader. The Fund also bought L Brands, a 'specialty retailer' operating under the Victoria's Secret and Bath & Body Works brands.

The Fund sold GlaxoSmithKline, Kansai Paint and Novo Nordisk on valuation concerns.

Outlook

The portfolio holdings are not dictated by a benchmark index, allowing the Manager to invest only in companies they consider to be of high enough quality. Consequently, there are many companies in which the Manager would never invest at any price. The Manager remains focused on capital preservation and always considers the potential downside, as well as the upside, of any investment.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 3.8 | 5.6 | 7.4 | 50.9 | 72.0 | 166.6 | 408.4 |
| Benchmark return % | 7.7 | 5.3 | 11.5 | 53.8 | 79.5 | 189.1 | 235.9 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 7.4 | 13.4 | 23.8 | 12.7 | 1.2 |
| Benchmark return % | 11.5 | 17.9 | 17.0 | 11.3 | 4.8 |

Benchmark: MSCI AC World Index.

Sector: IA Global.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Please note that the Stewart Investors Worldwide Leaders Fund A Accumulation GBP share class launched on 30/07/1999. For historic performance of this share class, please see the factsheets by visiting firststateinvestments.com

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|---------------------------|-----------|---------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Henkel | 9.02 | Henkel | 9.24 |
| Unilever | 8.94 | Beiersdorf | 7.89 |
| Beiersdorf | 7.93 | Unilever | 7.55 |
| Loews | 6.04 | Berkshire Hathaway 'A' | 6.98 |
| Colgate-Palmolive | 4.87 | Loews | 6.33 |
| Merck | 4.36 | Oversea-Chinese Banking | 5.29 |
| Berkshire Hathaway 'A' | 3.98 | Unicharm | 3.54 |
| Unicharm | 3.87 | Standard Bank | 3.25 |
| Uni-President Enterprises | 3.86 | Merck | 2.79 |
| Oversea-Chinese Banking | 3.60 | Uni-President Enterprises | 2.64 |

Types of shares

Accumulation.

Stewart Investors Worldwide Leaders Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED KINGDOM (14.49%*) | 6,201 | 15.37 |
| 2,264,010 Lloyds Banking | 1,412 | 3.50 |
| 281,907 Tesco | 734 | 1.82 |
| 197,959 Tullow Oil | 448 | 1.11 |
| 82,828 Unilever | 3,607 | 8.94 |
| UNITED STATES (16.35%*) | 7,526 | 18.65 |
| 7 Berkshire Hathaway 'A' | 1,608 | 3.98 |
| 38,472 Colgate-Palmolive | 1,965 | 4.87 |
| 13,796 Expeditors International of Washington | 801 | 1.99 |
| 29,590 L Brands | 714 | 1.77 |
| 62,990 Loews | 2,438 | 6.04 |
| DENMARK (1.69%*) | — | — |
| GERMANY (19.92%*) | 8,600 | 21.31 |
| 35,958 Beiersdorf | 3,199 | 7.93 |
| 44,444 Henkel | 3,641 | 9.02 |
| 22,424 Merck | 1,760 | 4.36 |
| SWITZERLAND (5.44%*) | 2,883 | 7.15 |
| 10,955 Nestlé (Regd.) | 681 | 1.69 |
| 5,009 Roche (Bearer) | 947 | 2.35 |
| 630 SGS (Regd.) | 1,255 | 3.11 |
| JAPAN (8.56%*) | 3,403 | 8.43 |
| 44,200 ASICS | 545 | 1.35 |
| 21,000 Kikkoman | 754 | 1.87 |
| 16,400 Nippon Paint | 542 | 1.34 |
| 67,500 Unicharm | 1,562 | 3.87 |
| AUSTRALIA (1.12%*) | — | — |
| INDIA (2.57%*) | 1,091 | 2.70 |
| 16,992 Dr. Reddy's Laboratories | 402 | 0.99 |
| 31,890 Tata Consultancy Services | 689 | 1.71 |
| SINGAPORE (5.29%*) | 1,452 | 3.60 |
| 224,126 Oversea-Chinese Banking | 1,452 | 3.60 |
| TAIWAN (2.64%*) | 1,559 | 3.86 |
| 775,000 Uni-President Enterprises | 1,559 | 3.86 |
| TURKEY (0.00%*) | 416 | 1.03 |
| 181,998 Akbank Turk AS ADR | 416 | 1.03 |
| SOUTH AFRICA (5.09%*) | 1,776 | 4.40 |
| 87,584 Remgro | 1,105 | 2.74 |
| 30,407 Standard Bank | 361 | 0.89 |
| 15,245 Tiger Brands | 310 | 0.77 |
| BRAZIL (0.00%*) | 297 | 0.74 |
| 36,000 Ultrapar Participacoes | 297 | 0.74 |
| Portfolio of investments | 35,204 | 87.24 |
| Net other assets | 5,149 | 12.76 |
| Total net assets | 40,353 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stewart Investors Worldwide Leaders Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 421.26 | 374.26 | 304.61 |
| Return before operating charges* | 36.42 | 54.21 | 75.44 |
| Operating charges | (7.48) | (7.21) | (5.79) |
| Return after operating charges* | 28.94 | 47.00 | 69.65 |
| Distributions | — | — | — |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share (p) | 450.20 | 421.26 | 374.26 |
| * after direct transaction costs of: | 0.22 | 0.28 | 0.19 |
| Performance | | | |
| Return after charges (%) | 6.87% | 12.56% | 22.87% |
| Other information | | | |
| Closing net asset value (£'000) | 13,631 | 15,815 | 15,355 |
| Closing number of shares | 3,027,805 | 3,754,146 | 4,102,703 |
| Operating charges | 1.75% | 1.80% | 1.85% |
| Direct transaction costs | 0.05% | 0.07% | 0.06% |
| Prices | | | |
| Highest share price | 450.20 | 433.95 | 377.75 |
| Lowest share price | 408.57 | 370.64 | 281.86 |

Stewart Investors Worldwide Leaders Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 477.09 | 420.62 | 339.80 |
| Return before operating charges* | 41.42 | 61.17 | 84.71 |
| Operating charges | (4.72) | (4.70) | (3.89) |
| Return after operating charges* | 36.70 | 56.47 | 80.82 |
| Distributions | (2.95) | (1.69) | (1.88) |
| Retained distributions on accumulation shares | 2.95 | 1.69 | 1.88 |
| Closing net asset value per share (p) | 513.79 | 477.09 | 420.62 |
| * after direct transaction costs of: | 0.26 | 0.31 | 0.21 |
| Performance | | | |
| Return after charges (%) | 7.69% | 13.43% | 23.78% |
| Other information | | | |
| Closing net asset value (£'000) | 26,561 | 26,964 | 23,676 |
| Closing number of shares | 5,169,537 | 5,651,706 | 5,628,758 |
| Operating charges | 0.97% | 1.04% | 1.09% |
| Direct transaction costs | 0.05% | 0.07% | 0.06% |
| Prices | | | |
| Highest share price | 513.79 | 491.04 | 424.39 |
| Lowest share price | 465.23 | 416.60 | 314.80 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 152.04 | 142.67 | 147.42 |
| Return before operating charges* | 13.60 | 11.86 | (2.57) |
| Operating charges | (2.71) | (2.49) | (2.18) |
| Return after operating charges* | 10.89 | 9.37 | (4.75) |
| Distributions | — | (0.17) | - |
| Retained distributions on accumulation shares | — | 0.17 | - |
| Closing net asset value per share (c) | 162.93 | 152.04 | 142.67 |
| * after direct transaction costs of: | 0.08 | 0.10 | 0.08 |
| Performance | | | |
| Return after charges (%) | 7.16% | 6.57% | (3.22)% |
| Other information | | | |
| Closing net asset value (€'000) | 181 | 5 | 1 |
| Closing number of shares | 111,050 | 3,008 | 883 |
| Operating charges | 1.74% | 1.67% | 1.60% |
| Direct transaction costs | 0.05% | 0.07% | 0.06% |
| Prices | | | |
| Highest share price | 164.25 | 158.90 | 150.74 |
| Lowest share price | 147.57 | 139.06 | 115.32 |

Stewart Investors Worldwide Leaders Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|--------------|-----------------------|--------------|
| Income | | | | | |
| Net capital gains | 2 | | 2,747 | | 5,168 |
| Revenue | 3 | 701 | | 661 | |
| Expenses | 4 | (510) | | (569) | |
| Interest payable and similar charges | | (1) | | — | |
| Net revenue before taxation | | 190 | | 92 | |
| Taxation | 5 | (78) | | (62) | |
| Net revenue after taxation | | | 112 | | 30 |
| Total return before distributions | | | 2,859 | | 5,198 |
| Distributions | 6 | | (162) | | (97) |
| Change in net assets attributable to shareholders from investment activities | | | 2,697 | | 5,101 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-----------------------|---------------|-----------------------|---------------|
| Opening net assets attributable to shareholders | | 42,783 | | 39,032 |
| Amounts receivable on issue of shares | 1,769 | | 5,575 | |
| Less: Amounts payable on cancellation of shares | (7,050) | | (7,021) | |
| | | (5,281) | | (1,446) |
| Change in net assets attributable to shareholders from investment activities | | 2,697 | | 5,101 |
| Retained distribution on accumulation shares | | 154 | | 96 |
| Closing net assets attributable to shareholders | | 40,353 | | 42,783 |

Notes to the Financial Statements are on pages 351 to 356.

Stewart Investors Worldwide Leaders Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>35,204</u> | <u>35,578</u> |
| Current assets | | | |
| Debtors | 8 | 149 | 111 |
| Cash and bank balances | | <u>5,150</u> | <u>7,283</u> |
| Total assets | | <u>40,503</u> | <u>42,972</u> |
| Liabilities | | | |
| Creditors | | | |
| Other creditors | 9 | <u>(150)</u> | <u>(189)</u> |
| Total liabilities | | <u>(150)</u> | <u>(189)</u> |
| Net assets attributable to shareholders | | <u>40,353</u> | <u>42,783</u> |

Notes to the Financial Statements are on pages 351 to 356.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|----------------------------|-----------------------|-----------------------|
| Non-derivative securities | 2,845 | 5,225 |
| Currency losses | (95) | (57) |
| Custodial transaction fees | (3) | – |
| Net capital gains | <u>2,747</u> | <u>5,168</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Dividends from UK companies | 207 | 192 |
| Overseas taxable revenue | – | 4 |
| Overseas non-taxable revenue | 482 | 461 |
| Interest from bank deposits | 9 | 2 |
| Interest from government and fixed-interest securities | – | 1 |
| Interest on capital revenue from Brazilian companies | – | 1 |
| VAT refund | 3 | – |
| Total revenue | <u>701</u> | <u>661</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>417</u> | <u>447</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>30</u> | <u>6</u> |
| Other expenses: | | |
| Audit fee | 9 | 9 |
| Registrar fees | 12 | 51 |
| Safe custody charges | 2 | 4 |
| Other expenses | <u>40</u> | <u>52</u> |
| | <u>63</u> | <u>116</u> |
| Total expenses | <u>510</u> | <u>569</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 54 | 62 |
| Indian capital gains tax | 24 | – |
| Total taxation (note 5b) | <u>78</u> | <u>62</u> |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 190 | 92 |
| Corporation tax of 20% (2017: 20%) | <u>38</u> | <u>18</u> |
| Effects of: | | |
| UK dividends* | (42) | (38) |
| Overseas non-taxable revenue* | (96) | (92) |
| Movement in excess management expenses | 100 | 112 |
| Irrecoverable overseas tax | 54 | 62 |
| Indian capital gains tax | 24 | – |
| Total tax charge for year (note 5a) | <u>78</u> | <u>62</u> |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £869,043 (31/07/17: £769,269); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 22 | – |
| Final distribution | <u>132</u> | <u>96</u> |
| | 154 | 96 |
| Add: revenue deducted on cancellation of shares | 10 | 5 |
| Deduct: revenue received on issue of shares | <u>(2)</u> | <u>(4)</u> |
| Net distributions for the year | <u>162</u> | <u>97</u> |

Details of the distribution per share are set out in the Distribution Tables on pages 357 to 358.

Notes to the Financial Statements

(continued)

as at 31 July 2018

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net revenue after taxation | 112 | 30 |
| Revenue deficit | 25 | 66 |
| Movement in net income as a result of conversions | 1 | – |
| Expenses charged to capital | – | 1 |
| Indian capital gains tax | 24 | – |
| Net distribution for the year | 162 | 97 |

8. Debtors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Amounts receivable for issue of shares | 62 | 42 |
| Accrued revenue | 25 | 13 |
| Overseas tax recoverable | 62 | 56 |
| Total debtors | 149 | 111 |

9. Other creditors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Amounts payable for cancellation of shares | 47 | 73 |
| Accrued expenses | 103 | 116 |
| Total other creditors | 150 | 189 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 July 2018 £'000 | 31 July 2017 £'000 | 31 July 2018 £'000 | 31 July 2017 £'000 |
| Equities | 9,191 | 13,747 | 12,430 | 14,736 |
| Bonds | – | – | – | 2,535 |
| Trades in the year before transaction costs | 9,191 | 13,747 | 12,430 | 17,271 |
| Commissions | | | | |
| Equities | 5 | 8 | (7) | (9) |
| Bonds | – | – | – | – |
| Total commissions | 5 | 8 | (7) | (9) |
| Taxes | | | | |
| Equities | 8 | 12 | (1) | (1) |
| Bonds | – | – | – | – |
| Total taxes | 8 | 12 | (1) | (1) |
| Total costs | 13 | 20 | (8) | (10) |
| Total net trades in the year after transaction costs | 9,204 | 13,767 | 12,422 | 17,261 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

10. Portfolio transaction costs (continued)

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.05 | 0.06 | 0.06 | 0.06 |
| Bonds | — | — | — | — |
| Taxes | | | | |
| Equities | 0.09 | 0.09 | 0.01 | 0.01 |
| Bonds | — | — | — | — |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|--------------------|--------------|--------------|
| | % | % |
| Commissions | 0.03 | 0.04 |
| Taxes | 0.02 | 0.03 |
| Total costs | 0.05 | 0.07 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.09% (31/07/17: 0.07%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £3,520,412 (31/07/17: £3,557,764).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 12.76% (31/07/17: 17.02%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Worldwide Leaders Fund would be an increase or decrease of approximately £12,874 (31/07/17: £18,207).

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|--------------------|---|---|
| Currency | Total £'000 | Total £'000 |
| Australian dollar | — | 480 |
| Brazilian real | 297 | — |
| Danish krone | 2 | 726 |
| Euro | 8,675 | 8,541 |
| Indian rupee | 1,071 | 1,105 |
| Japanese yen | 3,414 | 3,665 |
| Singapore dollar | 1,452 | 2,263 |
| South African rand | 1,775 | 2,180 |
| Swiss franc | 2,935 | 2,373 |
| Taiwanese dollar | 1,559 | 1,128 |
| US dollar | 11,412 | 10,809 |
| Total | <u>32,592</u> | <u>33,270</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £1,629,590 (31/07/17: £1,663,475).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £34,135 (31/07/17: £38,077) due at the year end.

Material Shareholders

FIL Nominee (Shareholdings) Limited and Zurich Assurance Limited held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 12.0% and 11.3% of the Fund's shares in issue respectively.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has three share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.50 |
| Share class B Accumulation | 0.75 |
| Share class A Accumulation (EUR share class) | 1.50 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 346 to 348.

The distribution per share class is given in the Distribution Tables on pages 357 to 358.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | Closing shares in issue |
|--|---|-----------|---------------|----------------------------------|----------------------------|
| Share class A Accumulation | 3,754,146 | 158,525 | (740,331) | (144,535) | 3,027,805 |
| Share class B Accumulation | 5,651,706 | 189,920 | (799,370) | 127,281 | 5,169,537 |
| Share class A Accumulation (EUR share class) | 3,008 | 122,000 | (13,958) | – | 111,050 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 35,204 | – | 35,578 | – |
| Level 2 | – | – | – | – |
| Level 3 | – | – | – | – |
| Total fair value | 35,204 | – | 35,578 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Stewart Investors Worldwide Leaders Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |

This share class is in deficit and therefore not making a distribution.

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.3940 | – | 0.3940 | – |
| Final | 2.5584 | – | 2.5584 | 1.6886 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | 0.3940 | 0.3940 | – |
| Final | 1.0845 | 1.4739 | 2.5584 | 1.6886 |

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | – |
| Final | – | – | – | 0.1682 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | – | – | – | – |
| Final | – | – | – | 0.1682 |

This share class is in deficit and therefore not making a distribution.

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund will seek to invest in a diverse portfolio of equity securities that 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 that are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate.

- 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).

Risks and reward profile

| | ← Lower Risk | | | | Higher Risk → | | |
|--|---------------------------|---|---|---|----------------------------|---|---|
| | Potentially Lower Rewards | | | | Potentially Higher Rewards | | |
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Performance

The Fund rose by 7.2% in sterling terms over the twelve months and has provided cumulative returns of 55.4% and 74.7% over the three and five years respectively to 31 July 2018.

DIA declined following weaker-than-expected profits from Iberia, raising questions about the longevity of their franchise. Manila Water was weak as growth slowed to low single digits and profitability came under pressure from regulatory changes. Henkel was weak as revenues of its Home and Personal Care business grew slower than what the market was expecting.

On the positive side, Tata Consultancy rose on good results and rupee weakness, and ANSYS gained on robust growth underpinned by attractive margins. Vitasoy climbed as it continued to deliver earnings growth as demand for its healthy products remained strong.

Portfolio changes

Major purchases during the twelve months included Deutsche Telekom as the business is well-positioned to build out the next wave of innovative internet and mobile phone infrastructure across Europe. The Fund also bought Cerner, one of the best-placed companies for taking costs out of the US healthcare system, and Essilor International, a lens and frames business run with excellent sustainability positioning.

The Fund sold Banco Bradesco, Bio-Techne and Sul America on valuation concerns.

Outlook

Valuations for high-quality companies remain full but acceptable. The Manager prefers to back strong management teams who focus on sustainable development rather than buy lower quality companies on attractive valuations.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 6.0 | 4.4 | 7.2 | 55.4 | 74.7 | n/a | 116.5 |
| Benchmark return % | 7.7 | 5.3 | 11.5 | 53.8 | 78.1 | n/a | 116.5 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 7.2 | 14.9 | 26.0 | 13.4 | (0.9) |
| Benchmark return % | 11.5 | 17.9 | 17.0 | 11.3 | 4.1 |

Benchmark: MSCI All Countries World Index.

Sector: IA Global.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|---------------------------|-----------|---|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Unilever | 7.50 | Unilever | 8.29 |
| Henkel | 6.20 | Henkel | 7.60 |
| Beiersdorf | 5.34 | Waters | 4.55 |
| Merck | 4.16 | ANSYS | 3.97 |
| Novo Nordisk 'B' | 3.67 | Merck | 3.57 |
| Tata Consultancy Services | 3.62 | Novo Nordisk 'B' | 3.28 |
| Cerner | 3.47 | Tata Consultancy Services | 2.99 |
| Waters | 3.18 | Ain | 2.52 |
| ANSYS | 3.16 | Housing Development Finance | 2.42 |
| Ain | 3.08 | Distribuidora Internacional de Alimentacion | 2.34 |

Types of shares

Income and Accumulation.

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| UNITED KINGDOM (10.52%*) | 62,209 | 10.34 |
| 318,239 GlaxoSmithKline | 5,033 | 0.84 |
| 1,936,619 Sage | 12,023 | 2.00 |
| 1,036,800 Unilever | 45,153 | 7.50 |
| UNITED STATES (20.16%*) | 120,705 | 20.06 |
| 147,891 ANSYS | 19,046 | 3.16 |
| 441,093 Cerner | 20,872 | 3.47 |
| 192,285 Colgate-Palmolive | 9,821 | 1.63 |
| 43,492 Edwards Lifesciences | 4,722 | 0.78 |
| 219,270 Expeditors International of Washington | 12,731 | 2.12 |
| 111,354 Jack Henry & Associates | 11,431 | 1.90 |
| 79,791 Navigators | 3,668 | 0.61 |
| 330,096 Varex Imaging | 9,613 | 1.60 |
| 109,838 Varian Medical Systems | 9,666 | 1.61 |
| 127,241 Waters | 19,135 | 3.18 |
| AUSTRIA (0.00%*) | 1,732 | 0.29 |
| 17,847 Lenzing | 1,732 | 0.29 |
| DENMARK (4.82%*) | 36,214 | 6.02 |
| 576,738 Novo Nordisk 'B' | 22,083 | 3.67 |
| 351,362 Novozymes | 14,131 | 2.35 |
| FINLAND (0.37%*) | — | — |
| FRANCE (0.00%*) | 10,626 | 1.77 |
| 94,961 Essilor International | 10,626 | 1.77 |
| GERMANY (14.17%*) | 114,742 | 19.07 |
| 360,950 Beiersdorf | 32,106 | 5.34 |
| 1,247,139 Deutsche Telekom (Regd.) | 15,752 | 2.62 |
| 97,390 Drägerwerk | 4,552 | 0.75 |
| 455,195 Henkel | 37,293 | 6.20 |
| 318,989 Merck | 25,039 | 4.16 |
| ITALY (2.18%*) | 11,642 | 1.94 |
| 142,179 DiaSorin | 11,642 | 1.94 |
| NORWAY (0.48%*) | 1,448 | 0.24 |
| 91,770 Tomra Systems Asa | 1,448 | 0.24 |
| PORTUGAL (0.93%*) | 5,937 | 0.99 |
| 523,925 Jeronimo Martins | 5,937 | 0.99 |
| SPAIN (2.34%*) | 2,515 | 0.42 |
| 1,474,070 Distribuidora | 2,515 | 0.42 |
| SWEDEN (0.36%*) | 9,561 | 1.59 |
| 1,015,687 Svenska Handelsbanken 'A' | 9,561 | 1.59 |
| SWITZERLAND (4.40%*) | 27,462 | 4.56 |
| 209,154 ABB (Regd.) | 3,658 | 0.61 |
| 14,013 Bucher Industries | 3,470 | 0.58 |
| 152,738 Energiedienst | 3,528 | 0.58 |
| 71,216 Kuehne + Nagel | 8,681 | 1.44 |
| 4,080 SGS (Regd.) | 8,125 | 1.35 |

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|-------------------------------------|-----------------------|-----------------------|
| JAPAN (8.40%*) | 61,098 | 10.16 |
| 328,300 Ain | 18,535 | 3.08 |
| 174,100 Hoya | 7,943 | 1.32 |
| 376,700 Kansai Paint | 6,583 | 1.09 |
| 235,700 Kikkoman | 8,459 | 1.41 |
| 27,900 Shimano | 3,048 | 0.51 |
| 714,500 Unicharm | 16,530 | 2.75 |
| AUSTRALIA (3.17%*) | 24,308 | 4.04 |
| 2,469,304 Brambles | 13,826 | 2.30 |
| 94,073 CSL | 10,482 | 1.74 |
| HONG KONG (1.52%*) | 13,281 | 2.21 |
| 4,900,000 Vitasoy International | 13,281 | 2.21 |
| INDIA (8.87%*) | 31,991 | 5.32 |
| 284,920 Housing Development Finance | 6,298 | 1.05 |
| 967,338 Marico | 3,913 | 0.65 |
| 1,008,516 Tata Consultancy Services | 21,780 | 3.62 |
| PHILIPPINES (2.62%*) | 6,812 | 1.13 |
| 18,077,630 Manila Water | 6,812 | 1.13 |
| BRAZIL (4.95%*) | 4,573 | 0.76 |
| 774,370 Natura | 4,573 | 0.76 |
| Portfolio of investments | 546,856 | 90.91 |
| Net other assets | 54,700 | 9.09 |
| Total net assets | 601,556 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stewart Investors Worldwide Sustainability Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 193.83 | 169.72 | 135.62 |
| Return before operating charges* | 16.72 | 27.12 | 36.64 |
| Operating charges | (3.11) | (3.01) | (2.54) |
| Return after operating charges* | 13.61 | 24.11 | 34.10 |
| Distributions | – | – | – |
| Closing net asset value per share (p) | 207.44 | 193.83 | 169.72 |
| * after direct transaction costs of: | 0.16 | 0.17 | 0.07 |
| Performance | | | |
| Return after charges (%) | 7.02% | 14.21% | 25.14% |
| Other information | | | |
| Closing net asset value (£'000) | 5,231 | 4,047 | 2,454 |
| Closing number of shares | 2,521,875 | 2,088,026 | 1,446,252 |
| Operating charges | 1.58% | 1.66% | 1.82% |
| Direct transaction costs | 0.09% | 0.09% | 0.05% |
| Prices | | | |
| Highest share price | 209.30 | 200.29 | 169.85 |
| Lowest share price | 185.93 | 163.31 | 124.82 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class A Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 186.72 | 163.47 | 130.62 |
| Return before operating charges* | 16.10 | 26.12 | 35.30 |
| Operating charges | (2.91) | (2.87) | (2.45) |
| Return after operating charges* | 13.19 | 23.25 | 32.85 |
| Distributions | – | – | – |
| Closing net asset value per share (p) | 199.91 | 186.72 | 163.47 |
| * after direct transaction costs of: | 0.16 | 0.17 | 0.07 |
| Performance | | | |
| Return after charges (%) | 7.06% | 14.22% | 25.15% |
| Other information | | | |
| Closing net asset value (£'000) | 1,627 | 799 | 212 |
| Closing number of shares | 814,090 | 427,686 | 129,706 |
| Operating charges | 1.53% | 1.61% | 1.82% |
| Direct transaction costs | 0.09% | 0.09% | 0.05% |
| Prices | | | |
| Highest share price | 201.67 | 192.94 | 163.59 |
| Lowest share price | 179.10 | 157.31 | 120.22 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 201.83 | 175.55 | 139.27 |
| Return before operating charges* | 17.47 | 28.16 | 37.87 |
| Operating charges | (1.83) | (1.88) | (1.59) |
| Return after operating charges* | 15.64 | 26.28 | 36.28 |
| Distributions | (1.21) | (0.67) | (0.81) |
| Retained distributions on accumulation shares | 1.21 | 0.67 | 0.81 |
| Closing net asset value per share (p) | 217.47 | 201.83 | 175.55 |
| * after direct transaction costs of: | 0.17 | 0.18 | 0.08 |
| Performance | | | |
| Return after charges (%) | 7.75% | 14.97% | 26.05% |
| Other information | | | |
| Closing net asset value (£'000) | 200,109 | 181,904 | 121,434 |
| Closing number of shares | 92,016,118 | 90,127,200 | 69,174,532 |
| Operating charges | 0.89% | 0.99% | 1.10% |
| Direct transaction costs | 0.09% | 0.09% | 0.05% |
| Prices | | | |
| Highest share price | 219.34 | 208.41 | 175.68 |
| Lowest share price | 194.40 | 169.36 | 128.25 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class B Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 179.85 | 156.94 | 125.09 |
| Return before operating charges* | 15.57 | 25.17 | 34.02 |
| Operating charges | (1.63) | (1.69) | (1.45) |
| Return after operating charges* | 13.94 | 23.48 | 32.57 |
| Distributions | (1.10) | (0.57) | (0.72) |
| Closing net asset value per share (p) | 192.69 | 179.85 | 156.94 |
| * after direct transaction costs of: | 0.15 | 0.16 | 0.07 |
| Performance | | | |
| Return after charges (%) | 7.75% | 14.96% | 26.04% |
| Other information | | | |
| Closing net asset value (£'000) | 100,639 | 45,846 | 32,313 |
| Closing number of shares | 52,227,400 | 25,491,051 | 20,589,946 |
| Operating charges | 0.89% | 1.00% | 1.11% |
| Direct transaction costs | 0.09% | 0.09% | 0.05% |
| Prices | | | |
| Highest share price | 195.47 | 186.31 | 157.77 |
| Lowest share price | 173.24 | 151.40 | 115.18 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 159.77 | 148.28 | 141.72 |
| Return before operating charges* | 14.20 | 13.98 | 9.03 |
| Operating charges | (2.51) | (2.49) | (2.47) |
| Return after operating charges* | 11.69 | 11.49 | 6.56 |
| Distributions | (0.20) | (0.00) | – |
| Retained distributions on accumulation shares | 0.20 | 0.00 | – |
| Closing net asset value per share (c) | 171.46 | 159.77 | 148.28 |
| * after direct transaction costs of: | 0.14 | 0.15 | 0.07 |
| Performance | | | |
| Return after charges (%) | 7.32% | 7.75% | 4.63% |
| Other information | | | |
| Closing net asset value (€'000) | 2,380 | 925 | 30 |
| Closing number of shares | 1,388,260 | 578,689 | 20,050 |
| Operating charges | 1.53% | 1.58% | 1.81% |
| Direct transaction costs | 0.09% | 0.09% | 0.05% |
| Prices | | | |
| Highest share price | 173.79 | 168.63 | 149.41 |
| Lowest share price | 156.45 | 143.02 | 122.74 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 181.25 | 167.07 | 158.52 |
| Return before operating charges* | 16.18 | 15.87 | 10.20 |
| Operating charges | (1.66) | (1.69) | (1.65) |
| Return after operating charges* | 14.52 | 14.18 | 8.55 |
| Distributions | (1.12) | (0.68) | (0.83) |
| Retained distributions on accumulation shares | 1.12 | 0.68 | 0.83 |
| Closing net asset value per share (c) | 195.77 | 181.25 | 167.07 |
| * after direct transaction costs of: | 0.16 | 0.17 | 0.08 |
| Performance | | | |
| Return after charges (%) | 8.01% | 8.49% | 5.39% |
| Other information | | | |
| Closing net asset value (€'000) | 290,296 | 174,567 | 90,162 |
| Closing number of shares | 148,288,493 | 96,317,387 | 53,966,633 |
| Operating charges | 0.89% | 0.95% | 1.07% |
| Direct transaction costs | 0.09% | 0.09% | 0.05% |
| Prices | | | |
| Highest share price | 198.40 | 191.10 | 168.32 |
| Lowest share price | 177.58 | 161.54 | 137.82 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (USD share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 124.84 | 109.76 | 100.00 |
| Return before operating charges* | 10.73 | 16.96 | 11.00 |
| Operating charges | (2.07) | (1.88) | (1.24) |
| Return after operating charges* | 8.66 | 15.08 | 9.76 |
| Distributions | — | — | (0.26) |
| Retained distributions on accumulation shares | — | — | 0.26 |
| Closing net asset value per share (c) | 133.50 | 124.84 | 109.76 |
| * after direct transaction costs of: | 0.11 | 0.11 | 0.06 |
| Performance | | | |
| Return after charges (%) | 6.94% | 13.74% | 9.76% |
| Other information | | | |
| Closing net asset value (\$'000) | 9,797 | 7,927 | 1,925 |
| Closing number of shares | 7,338,726 | 6,350,419 | 1,753,715 |
| Operating charges | 1.59% | 1.65% | 1.81% |
| Direct transaction costs | 0.09% | 0.09% | 0.05% |
| Prices | | | |
| Highest share price | 138.79 | 126.25 | 109.84 |
| Lowest share price | 123.27 | 101.43 | 91.00 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (USD share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 124.56 | 108.74 | 101.93 |
| Return before operating charges* | 10.74 | 16.90 | 7.87 |
| Operating charges | (1.17) | (1.08) | (1.06) |
| Return after operating charges* | 9.57 | 15.82 | 6.81 |
| Distributions | (0.71) | (0.45) | (0.53) |
| Retained distributions on accumulation shares | 0.71 | 0.45 | 0.53 |
| Closing net asset value per share (c) | 134.13 | 124.56 | 108.74 |
| * after direct transaction costs of: | 0.11 | 0.11 | 0.05 |
| Performance | | | |
| Return after charges (%) | 7.69% | 14.55% | 6.68% |
| Other information | | | |
| Closing net asset value (\$'000) | 33,341 | 49,885 | 35,080 |
| Closing number of shares | 24,858,767 | 40,048,573 | 32,257,460 |
| Operating charges | 0.90% | 0.96% | 1.07% |
| Direct transaction costs | 0.09% | 0.09% | 0.05% |
| Prices | | | |
| Highest share price | 138.95 | 125.84 | 108.82 |
| Lowest share price | 123.03 | 100.76 | 89.83 |

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|---------------|-----------------------|---------------|
| Income | | | | | |
| Net capital gains | 2 | | 38,954 | | 42,767 |
| Revenue | 3 | 8,719 | | 5,169 | |
| Expenses | 4 | (4,822) | | (3,278) | |
| Interest payable and similar charges | | (13) | | (8) | |
| Net revenue before taxation | | 3,884 | | 1,883 | |
| Taxation | 5 | (2,087) | | (558) | |
| Net revenue after taxation | | | 1,797 | | 1,325 |
| Total return before distributions | | | 40,751 | | 44,092 |
| Distributions | 6 | | (3,150) | | (1,344) |
| Change in net assets attributable to shareholders from investment activities | | | 37,601 | | 42,748 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|----------------|-----------------------|----------------|
| Opening net assets attributable to shareholders | | 433,531 | | 260,546 |
| Amounts receivable on issue of shares | 191,269 | | 199,275 | |
| Less: Amounts payable on cancellation of shares | (63,821) | | (70,604) | |
| | | 127,448 | | 128,671 |
| Dilution adjustment | | 247 | | 239 |
| Change in net assets attributable to shareholders from investment activities | | 37,601 | | 42,748 |
| Retained distribution on accumulation shares | | 2,729 | | 1,327 |
| Closing net assets attributable to shareholders | | 601,556 | | 433,531 |

Notes to the Financial Statements are on pages 373 to 378.

Stewart Investors Worldwide Sustainability Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 546,856 | 391,300 |
| Current assets | | | |
| Debtors | 8 | 9,575 | 3,707 |
| Cash and bank balances | | 60,443 | 39,112 |
| Total assets | | 616,874 | 434,119 |
| Liabilities | | | |
| Creditors | | | |
| Distribution payable | | (576) | (147) |
| Other creditors | 9 | (14,742) | (441) |
| Total liabilities | | (15,318) | (588) |
| Net assets attributable to shareholders | | 601,556 | 433,531 |

Notes to the Financial Statements are on pages 373 to 378.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 37,760 | 42,883 |
| Forward foreign exchange currency contracts | – | 71 |
| Currency gains/(losses) | 1,203 | (187) |
| Custodial transaction fees | (9) | – |
| Net capital gains | 38,954 | 42,767 |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Dividends from UK companies | 1,610 | 866 |
| Overseas taxable revenue | 265 | 125 |
| Overseas non-taxable revenue | 6,605 | 3,779 |
| Overseas scrip dividends | – | 62 |
| Interest from bank deposits | 54 | 7 |
| Interest on capital revenue from Brazilian companies | 185 | 330 |
| Total revenue | 8,719 | 5,169 |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 4,607 | 3,038 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 48 | 50 |
| Other expenses: | | |
| Audit fee | 9 | 10 |
| Registrar fees | 69 | 72 |
| Safe custody charges | 30 | 58 |
| Other expenses | 59 | 50 |
| | 167 | 190 |
| Total expenses | 4,822 | 3,278 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 742 | 558 |
| Indian capital gains tax | 1,345 | – |
| Total taxation (note 5b) | <u>2,087</u> | <u>558</u> |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 3,884 | 1,883 |
| Corporation tax of 20% (2017: 20%) | <u>777</u> | <u>377</u> |
| Effects of: | | |
| UK dividends* | (322) | (173) |
| Non-taxable scrip dividends* | – | (13) |
| Overseas non-taxable revenue* | (1,321) | (756) |
| Movement in excess management expenses | 873 | 578 |
| Irrecoverable overseas tax | 742 | 558 |
| Overseas tax expensed | (7) | (13) |
| Indian capital gains tax | 1,345 | – |
| Total tax charge for year (note 5a) | <u>2,087</u> | <u>558</u> |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,480,627 (31/07/17: £1,607,540); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprises:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Final distribution | 3,305 | 1,474 |
| Add: revenue deducted on cancellation of shares | 115 | 97 |
| Deduct: revenue received on issue of shares | (270) | (227) |
| Net distributions for the year | <u>3,150</u> | <u>1,344</u> |

Details of the distribution per share are set out in the Distribution Tables on pages 379 to 381.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--------------------------------|-----------------------|-----------------------|
| Net revenue after taxation | 1,797 | 1,325 |
| Revenue deficit | 8 | 19 |
| Indian capital gains tax | 1,345 | – |
| Net distributions for the year | <u>3,150</u> | <u>1,344</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Sales awaiting settlement | 3,899 | – |
| Amounts receivable for issue of shares | 308 | 2,997 |
| Accrued revenue | 157 | 294 |
| Foreign currency contracts awaiting settlement | 4,412 | – |
| Overseas withholding tax | 799 | 416 |
| Total debtors | 9,575 | 3,707 |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|---------------|--------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | 8,325 | – |
| Amounts payable for cancellation of shares | 249 | 18 |
| Accrued expenses | 1,737 | 423 |
| Foreign currency contracts awaiting settlement | 4,431 | – |
| Total other creditors | 14,742 | 441 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|----------------|----------------|----------------|---------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 255,570 | 193,056 | 138,225 | 89,587 |
| Trades in the year before transaction costs | 255,570 | 193,056 | 138,225 | 89,587 |
| Commissions | | | | |
| Equities | 99 | 77 | (97) | (47) |
| Taxes | | | | |
| Equities | 150 | 165 | (96) | (21) |
| Total costs | 249 | 242 | (193) | (68) |
| Total net trades in the year after transaction costs | 255,819 | 193,298 | 138,032 | 89,519 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.04 | 0.04 | 0.07 | 0.05 |
| Taxes | | | | |
| Equities | 0.06 | 0.09 | 0.07 | 0.02 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|--------------------|--------------|--------------|
| | % | % |
| Commissions | 0.04 | 0.04 |
| Taxes | 0.05 | 0.05 |
| Total costs | 0.09 | 0.09 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.12% (31/07/17 : 0.10%).

Notes to the Financial Statements

(continued)

as at 31 July 2018

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £54,685,589 (31/07/17: £39,129,984).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 10.05% (31/07/17: 9.02%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Worldwide Sustainability Fund would be an increase or decrease of approximately £151,107 (31/07/17: £97,779).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| Currency | Net foreign currency assets | Net foreign currency assets |
|-------------------|-----------------------------|-----------------------------|
| | 31 July 2018 | 31 July 2017 |
| | Total | Total |
| | £'000 | £'000 |
| Australian dollar | 24,308 | 13,742 |
| Brazilian real | 4,573 | 21,483 |
| Danish krone | 36,332 | 20,950 |
| Euro | 148,472 | 89,314 |
| Hong Kong dollar | 13,281 | 6,589 |
| Indian rupee | 30,820 | 36,967 |
| Japanese yen | 61,169 | 36,489 |
| Norwegian krone | 1,465 | 2,087 |
| Philippine peso | 6,812 | 11,357 |
| Swedish krona | 9,562 | 1,556 |
| Swiss franc | 27,815 | 19,260 |
| US dollar | 165,414 | 96,696 |
| Total | <u>530,023</u> | <u>356,490</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £26,501,114 (31/07/17: £17,824,487).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £438,975 (31/07/17: £320,635) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.36% (31/07/17: 0.48%) of the net asset value of the Fund.

Material Shareholders

FundSettle EOC Nominees Limited held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 17.1% of the Fund's shares in issue.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has eight share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.50 |
| Share class A Income | 1.50 |
| Share class B Accumulation | 0.85 |
| Share class B Income | 0.85 |
| Share class A Accumulation (EUR share class) | 1.50 |
| Share class B Accumulation (EUR share class) | 0.85 |
| Share class A Accumulation (USD share class) | 1.50 |
| Share class B Accumulation (USD share class) | 0.85 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 363 to 370.

The distribution per share class is given in the Distribution Tables on pages 379 to 381.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | Closing shares in issue |
|--|---|------------|---------------|----------------------------------|----------------------------|
| Share class A Accumulation | 2,088,026 | 767,198 | (326,633) | (6,716) | 2,521,875 |
| Share class A Income | 427,686 | 686,624 | (300,061) | (159) | 814,090 |
| Share class B Accumulation | 90,127,200 | 12,194,722 | (10,313,076) | 7,272 | 92,016,118 |
| Share class B Income | 25,491,051 | 28,420,094 | (1,682,978) | (767) | 52,227,400 |
| Share class A Accumulation (EUR share class) | 578,689 | 1,082,858 | (273,287) | — | 1,388,260 |
| Share class B Accumulation (EUR share class) | 96,317,387 | 58,030,070 | (6,058,964) | — | 148,288,493 |
| Share class A Accumulation (USD share class) | 6,350,419 | 2,889,552 | (1,901,245) | — | 7,338,726 |
| Share class B Accumulation (USD share class) | 40,048,573 | 10,985,988 | (26,175,794) | — | 24,858,767 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 546,856 | — | 391,300 | — |
| Level 2 | — | — | — | — |
| Level 3 | — | — | — | — |
| Total fair value | 546,856 | — | 391,300 | — |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Stewart Investors Worldwide Sustainability Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |

This share class is in deficit and therefore not making a distribution.

Share class A Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | – | – | – | – |

This share class is in deficit and therefore not making a distribution.

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 1.2121 | – | 1.2121 | 0.6700 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 0.5017 | 0.7104 | 1.2121 | 0.6700 |

Share class B Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 1.1036 | – | 1.1036 | 0.5739 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | – | – | – | – |
| Final | 0.7516 | 0.3520 | 1.1036 | 0.5739 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.1994 | — | 0.1994 | 0.0036 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.1444 | 0.0550 | 0.1994 | 0.0036 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 1.1160 | — | 1.1160 | 0.6823 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.3235 | 0.7925 | 1.1160 | 0.6823 |

Share class A Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | — | — | — | — |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | — | — | — | — |

This share class is in deficit and therefore not making a distribution.

Share class B Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.7144 | — | 0.7144 | 0.4450 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | — | — | — | — |
| Final | 0.3028 | 0.4116 | 0.7144 | 0.4450 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Performance

The Fund decreased by 0.2% in sterling terms over the twelve months and has provided cumulative returns of 48.3% and 76.1% over three and five years respectively to 31 July 2018.

The largest positive contributor to Fund performance was NextEra Energy, which was buoyed by investor enthusiasm for its robust Balance Sheet and market-leading renewables business. Norfolk Southern delivered pleasing returns over the course of the year, helped by firm volume growth and the implementation of US tax cuts. American Tower continued to benefit from structural growth in demand for mobile data.

The largest detractor from performance was CCR, which was affected by media reports that the firm had been cited in a plea bargain from an anti-corruption probe. PG&E fell in the fourth quarter of 2017, owing to concerns about potential liabilities associated with the outbreak of wildfires in its Northern California service territory. National Grid lagged on investor concerns about plans by the UK opposition Labour Party to re-nationalise a range of UK assets, including utilities.

Portfolio changes

A position was initiated in Southern, a substantial company with a seasoned management team, operating in business-friendly states in the southeastern US. The Fund also bought shares in TransCanada after share price falls moved the company to a higher rank within our investment process. Xcel Energy was sold after the market appeared to price in overly optimistic assumptions for earnings growth. The Fund also sold its holding in Enterprise Products Partners after outperformance compared to peers reduced mispricing.

Outlook

The Manager's outlook for Global Listed Infrastructure is positive. Across the asset class, management teams are employing a number of positive initiatives – reducing leverage, selling non-core assets and focusing on improved governance and customer satisfaction. The Manager believes that these improved fundamentals will be recognised over the coming year. Listed Infrastructure remains well-positioned to protect and grow capital through economic cycles, owing to its defensive earnings profile and inflation pass-through characteristics.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|-------|-------|-------|--------|--------------|
| Fund return % | 6.3 | 5.7 | (0.2) | 48.3 | 76.1 | 182.0 | 172.3 |
| Benchmark return % | 8.2 | 8.5 | 2.7 | 46.4 | 70.6 | 141.5 | 120.6 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | (0.2) | 12.9 | 31.6 | 9.8 | 8.1 |
| Benchmark return % | 2.7 | 11.5 | 27.8 | 8.7 | 7.2 |

Benchmark: FTSE Global Core Infrastructure 50/50 Index.

Sector: IA Global.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|----------------------------|-----------|-------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Dominion Resources | 6.98 | National Grid | 7.72 |
| Transurban | 5.89 | Enbridge | 5.70 |
| Atlantia | 5.30 | American Tower | 5.17 |
| Southern | 5.20 | Atlantia | 4.85 |
| NextEra Energy | 4.95 | Kinder Morgan | 4.65 |
| Kinder Morgan | 4.77 | Transurban | 4.58 |
| TransCanada | 4.73 | East Japan Railway | 4.54 |
| American Tower | 4.65 | Dominion Energy | 4.22 |
| Crown Castle International | 4.61 | NextEra Energy | 4.16 |
| East Japan Railway | 4.60 | American Electric Power | 4.12 |

Types of shares

Income and Accumulation.

First State Global Listed Infrastructure Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED KINGDOM (8.43%*) | 139,018 | 6.66 |
| 9,612,435 National Grid | 78,159 | 3.74 |
| 1,927,616 Severn Trent | 37,280 | 1.79 |
| 1,886,349 SSE | 23,579 | 1.13 |
| UNITED STATES (45.48%*) | 1,082,839 | 51.87 |
| 1,302,932 Alliant Energy | 42,671 | 2.04 |
| 249,538 American Electric Power | 13,531 | 0.65 |
| 859,787 American Tower** | 97,144 | 4.65 |
| 1,139,309 Crown Castle International** | 96,278 | 4.61 |
| 211,676 CSX | 11,404 | 0.55 |
| 2,668,664 Dominion Resources | 145,686 | 6.98 |
| 2,189,739 Evergy | 93,633 | 4.48 |
| 7,350,309 Kinder Morgan | 99,629 | 4.77 |
| 809,662 NextEra Energy | 103,400 | 4.95 |
| 1,164,563 Nisource | 23,242 | 1.11 |
| 350,996 Norfolk Southern | 45,231 | 2.17 |
| 2,055,178 PG&E | 67,511 | 3.23 |
| 1,465,798 Plains All American Pipeline LP | 27,690 | 1.33 |
| 583,015 Portland General Electric | 20,160 | 0.97 |
| 2,928,747 Southern | 108,487 | 5.20 |
| 1,192,722 UGI | 48,318 | 2.32 |
| 1,711,848 Williams | 38,824 | 1.86 |
| CANADA (6.79%*) | 224,264 | 10.74 |
| 242,618 Canadian Pacific Railway | 36,598 | 1.75 |
| 1,443,327 Enbridge | 38,942 | 1.86 |
| 1,471,364 Gibson Energy | 15,593 | 0.75 |
| 3,103,100 Hydro One | 34,412 | 1.65 |
| 2,885,052 TransCanada | 98,719 | 4.73 |
| FRANCE (4.15%*) | 33,925 | 1.63 |
| 593,577 Eurotunnel | 5,978 | 0.29 |
| 366,358 Vinci | 27,947 | 1.34 |
| ITALY (5.22%*) | 110,660 | 5.30 |
| 4,890,067 Atlantia | 110,660 | 5.30 |
| SPAIN (2.98%*) | 35,385 | 1.69 |
| 103,342 Aena | 14,325 | 0.68 |
| 1,335,451 Ferrovial | 21,060 | 1.01 |
| JAPAN (9.16%*) | 157,952 | 7.57 |
| 1,349,800 East Japan Railway | 95,924 | 4.60 |
| 2,569,500 Osaka Gas | 37,518 | 1.80 |
| 462,600 West Japan Railway | 24,510 | 1.17 |
| AUSTRALIA (4.58%*) | 123,041 | 5.89 |
| 18,556,100 Transurban | 123,041 | 5.89 |
| CHINA (4.68%*) | 105,772 | 5.07 |
| 15,348,000 China Merchants Port | 24,185 | 1.16 |
| 45,362,000 COSCO Pacific | 32,302 | 1.55 |
| 53,514,000 Jiangsu Expressway | 49,285 | 2.36 |
| HONG KONG (2.13%*) | — | — |

First State Global Listed Infrastructure Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| BRAZIL (2.71%*) | 61,866 | 2.96 |
| 28,979,392 CCR | 61,866 | 2.96 |
| MEXICO (0.68%*) | 12,381 | 0.59 |
| 1,574,100 Promotora y Operadora de Infraestructura | 12,381 | 0.59 |
| DERIVATIVES (0.02%*) | (670) | (0.03) |
| Forward Currency Contracts | | |
| Australian Dollar | | |
| Bought AUD147,687 for GBP83,142 Settlement 15/08/2018 | 1 | — |
| Bought AUD245,963 for GBP138,762 Settlement 15/08/2018 | 1 | — |
| Bought AUD62,371 for GBP35,192 Settlement 15/08/2018 | — | — |
| Sold AUD3,108,604 for GBP1,741,954 Settlement 15/08/2018 | (19) | — |
| Sold AUD5,647,655 for GBP3,164,750 Settlement 15/08/2018 | (34) | — |
| Canadian Dollar | | |
| Bought CAD385,709 for GBP223,504 Settlement 15/08/2018 | 2 | — |
| Bought CAD222,289 for GBP128,808 Settlement 15/08/2018 | 1 | — |
| Bought CAD631,268 for GBP368,195 Settlement 15/08/2018 | 1 | — |
| Bought CAD1,233 for EUR800 Settlement 15/08/2018 | — | — |
| Bought CAD1,349 for EUR876 Settlement 15/08/2018 | — | — |
| Sold CAD5,609,062 for GBP3,225,882 Settlement 15/08/2018 | (57) | — |
| Sold CAD10,190,442 for GBP5,860,724 Settlement 15/08/2018 | (104) | (0.01) |
| Euro | | |
| Bought EUR241,441 for GBP214,500 Settlement 15/08/2018 | 1 | — |
| Bought EUR33 for MXN709 Settlement 15/08/2018 | — | — |
| Bought EUR253 for MXN5,631 Settlement 15/08/2018 | — | — |
| Bought EUR269 for HKD2,461 Settlement 15/08/2018 | — | — |
| Bought EUR420 for GBP375 Settlement 15/08/2018 | — | — |
| Bought EUR641 for JPY84,588 Settlement 15/08/2018 | — | — |
| Bought EUR810 for CAD1,247 Settlement 15/08/2018 | — | — |
| Bought EUR1,287 for MXN28,553 Settlement 15/08/2018 | — | — |
| Bought EUR1,599 for GBP1,427 Settlement 15/08/2018 | — | — |
| Bought EUR2,346 for HKD21,397 Settlement 15/08/2018 | — | — |
| Bought EUR2,500 for AUD3,964 Settlement 15/08/2018 | — | — |
| Bought EUR2,973 for JPY389,969 Settlement 15/08/2018 | — | — |
| Bought EUR3,334 for GBP2,982 Settlement 15/08/2018 | — | — |
| Bought EUR4,220 for CAD6,508 Settlement 15/08/2018 | — | — |
| Bought EUR11,133 for HKD102,145 Settlement 15/08/2018 | — | — |
| Bought EUR13,815 for AUD21,794 Settlement 15/08/2018 | — | — |
| Bought EUR16,829 for GBP14,891 Settlement 15/08/2018 | — | — |
| Bought EUR17,303 for JPY2,268,662 Settlement 15/08/2018 | — | — |
| Bought EUR24,245 for USD28,180 Settlement 15/08/2018 | — | — |
| Bought EUR25,566 for CAD39,324 Settlement 15/08/2018 | — | — |
| Bought EUR116,149 for USD135,816 Settlement 15/08/2018 | — | — |
| Bought EUR165,150 for GBP147,714 Settlement 15/08/2018 | — | — |
| Bought EUR290,145 for GBP259,513 Settlement 15/08/2018 | (1) | — |
| Sold EUR380 for GBP339 Settlement 15/08/2018 | — | — |
| Sold EUR825 for GBP732 Settlement 15/08/2018 | — | — |
| Sold EUR1,146 for GBP1,025 Settlement 15/08/2018 | — | — |
| Sold EUR160,400 for GBP142,788 Settlement 15/08/2018 | — | — |

First State Global Listed Infrastructure Fund

Portfolio Statement

(continued)

as at 31 July 2018

| | Market Value £'000 | Total Net Assets % |
|--|--------------------------|--------------------------|
| Sold EUR290,172 for GBP258,311 Settlement 15/08/2018 | (1) | — |
| Sold EUR2,843,629 for GBP2,516,148 Settlement 15/08/2018 | (22) | — |
| Sold EUR5,166,254 for GBP4,571,291 Settlement 15/08/2018 | (39) | — |
| Hong Kong Dollar | | |
| Bought HKD546,916 for GBP53,168 Settlement 15/08/2018 | — | — |
| Bought HKD1,181,558 for GBP114,680 Settlement 15/08/2018 | — | — |
| Sold HKD735,190 for GBP72,074 Settlement 15/08/2018 | 1 | — |
| Sold HKD374,274 for GBP36,692 Settlement 15/08/2018 | — | — |
| Sold HKD431,553 for GBP41,886 Settlement 15/08/2018 | — | — |
| Sold HKD964,044 for GBP93,364 Settlement 15/08/2018 | — | — |
| Sold HKD14,569,802 for GBP1,404,650 Settlement 15/08/2018 | (10) | — |
| Sold HKD26,470,151 for GBP2,551,943 Settlement 15/08/2018 | (19) | — |
| Japanese Yen | | |
| Bought JPY10,208,984 for GBP69,642 Settlement 15/08/2018 | — | — |
| Bought JPY17,771,230 for GBP121,229 Settlement 15/08/2018 | — | — |
| Bought JPY25,632,114 for GBP176,078 Settlement 15/08/2018 | (1) | — |
| Sold JPY11,957,957 for GBP80,551 Settlement 15/08/2018 | (1) | — |
| Sold JPY22,150,865 for GBP149,213 Settlement 15/08/2018 | (2) | — |
| Sold JPY323,598,404 for GBP2,183,216 Settlement 15/08/2018 | (21) | — |
| Sold JPY587,907,696 for GBP3,966,427 Settlement 15/08/2018 | (39) | — |
| Mexican Peso | | |
| Bought MXN239,772 for GBP9,816 Settlement 15/08/2018 | — | — |
| Sold MXN90,583 for GBP3,708 Settlement 15/08/2018 | — | — |
| Sold MXN116,719 for GBP4,754 Settlement 15/08/2018 | — | — |
| Sold MXN184,026 for GBP7,496 Settlement 15/08/2018 | — | — |
| Sold MXN4,072,818 for GBP162,397 Settlement 15/08/2018 | (4) | — |
| Sold MXN7,399,421 for GBP295,040 Settlement 15/08/2018 | (6) | — |
| New Zealand Dollar | | |
| Bought NZD1 for GBP Settlement 15/08/2018 | — | — |
| Sold NZD1 for GBP Settlement 15/08/2018 | — | — |
| US Dollar | | |
| Bought USD898,531 for GBP684,232 Settlement 15/08/2018 | — | — |
| Sold USD571,559 for GBP435,242 Settlement 15/08/2018 | — | — |
| Sold USD19,372,518 for GBP14,654,224 Settlement 15/08/2018 | (106) | (0.01) |
| Sold USD35,195,639 for GBP26,623,528 Settlement 15/08/2018 | (192) | (0.01) |
| Portfolio of investments[^] | 2,086,433 | 99.94 |
| Net other assets | 1,357 | 0.06 |
| Total net assets | 2,087,790 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

** Real estate investment trust (REIT).

[^] Including derivative liabilities.

First State Global Listed Infrastructure Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 255.44 | 227.93 | 174.51 |
| Return before operating charges* | 3.48 | 31.31 | 56.35 |
| Operating charges | (3.80) | (3.80) | (2.93) |
| Return after operating charges* | (0.32) | 27.51 | 53.42 |
| Distributions | (8.59) | (6.75) | (5.23) |
| Retained distributions on accumulation shares | 8.59 | 6.75 | 5.23 |
| Closing net asset value per share (p) | 255.12 | 255.44 | 227.93 |
| * after direct transaction costs of: | 0.29 | 0.77 | 0.54 |
| Performance | | | |
| Return after charges (%) | (0.12%) | 12.07% | 30.61% |
| Other information | | | |
| Closing net asset value (£'000) | 140,448 | 173,153 | 141,578 |
| Closing number of shares | 55,051,426 | 67,785,263 | 62,115,286 |
| Operating charges | 1.54% | 1.58% | 1.59% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 264.92 | 263.83 | 230.06 |
| Lowest share price | 221.20 | 218.28 | 161.93 |

First State Global Listed Infrastructure Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class A Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 188.25 | 172.69 | 135.72 |
| Return before operating charges* | 2.36 | 23.50 | 43.26 |
| Operating charges | (2.76) | (2.86) | (2.25) |
| Return after operating charges* | (0.40) | 20.64 | 41.01 |
| Distributions | (6.27) | (5.08) | (4.04) |
| Closing net asset value per share (p) | 181.58 | 188.25 | 172.69 |
| * after direct transaction costs of: | 0.22 | 0.58 | 0.42 |
| Performance | | | |
| Return after charges (%) | (0.21%) | 11.95% | 30.22% |
| Other information | | | |
| Closing net asset value (£'000) | 33,998 | 39,301 | 40,198 |
| Closing number of shares | 18,722,993 | 20,877,067 | 23,277,110 |
| Operating charges | 1.53% | 1.58% | 1.59% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 195.19 | 197.44 | 176.56 |
| Lowest share price | 160.46 | 165.38 | 125.92 |

First State Global Listed Infrastructure Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 272.71 | 241.45 | 183.46 |
| Return before operating charges* | 3.81 | 33.32 | 59.60 |
| Operating charges | (2.06) | (2.06) | (1.61) |
| Return after operating charges* | 1.75 | 31.26 | 57.99 |
| Distributions | (9.21) | (7.18) | (5.52) |
| Retained distributions on accumulation shares | 9.21 | 7.18 | 5.52 |
| Closing net asset value per share (p) | 274.46 | 272.71 | 241.45 |
| * after direct transaction costs of: | 0.32 | 0.82 | 0.58 |
| Performance | | | |
| Return after charges (%) | 0.64% | 12.95% | 31.61% |
| Other information | | | |
| Closing net asset value (£'000) | 786,572 | 942,760 | 591,439 |
| Closing number of shares | 286,588,228 | 345,700,487 | 244,952,021 |
| Operating charges | 0.78% | 0.80% | 0.82% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 283.02 | 281.42 | 243.70 |
| Lowest share price | 237.34 | 231.87 | 170.33 |

First State Global Listed Infrastructure Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class B Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 202.23 | 184.08 | 143.57 |
| Return before operating charges* | 2.60 | 25.16 | 46.05 |
| Operating charges | (1.52) | (1.58) | (1.25) |
| Return after operating charges* | 1.08 | 23.58 | 44.80 |
| Distributions | (6.76) | (5.43) | (4.29) |
| Closing net asset value per share (p) | 196.55 | 202.23 | 184.08 |
| * after direct transaction costs of: | 0.23 | 0.62 | 0.45 |
| Performance | | | |
| Return after charges (%) | 0.53% | 12.81% | 31.20% |
| Other information | | | |
| Closing net asset value (£'000) | 480,817 | 524,577 | 403,656 |
| Closing number of shares | 244,634,101 | 259,394,583 | 219,282,133 |
| Operating charges | 0.78% | 0.81% | 0.82% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 209.82 | 211.92 | 188.18 |
| Lowest share price | 173.23 | 176.77 | 133.28 |

First State Global Listed Infrastructure Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Hedged Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 131.62 | 118.61 | 100.00 |
| Return before operating charges* | 1.72 | 14.06 | 19.50 |
| Operating charges | (1.15) | (1.05) | (0.89) |
| Return after operating charges* | 0.57 | 13.01 | 18.61 |
| Distributions | (4.57) | (3.44) | (2.46) |
| Retained distributions on accumulation shares | 4.57 | 3.44 | 2.46 |
| Closing net asset value per share (p) | 132.19 | 131.62 | 118.61 |
| * after direct transaction costs of: | 0.16 | 0.39 | 0.32 |
| Performance | | | |
| Return after charges (%) | 0.43% | 10.97% | 18.61% |
| Other information | | | |
| Closing net asset value (£'000) | 50,594 | 19,949 | 9,963 |
| Closing number of shares | 38,272,169 | 15,156,501 | 8,400,050 |
| Operating charges | 0.88% | 0.86% | 0.84% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 135.74 | 133.71 | 119.71 |
| Lowest share price | 121.48 | 110.82 | 93.31 |

First State Global Listed Infrastructure Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class B Hedged Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 157.28 | 145.48 | 132.87 |
| Return before operating charges* | 1.90 | 17.41 | 17.27 |
| Operating charges | (1.39) | (1.41) | (1.10) |
| Return after operating charges* | 0.51 | 16.00 | 16.17 |
| Distributions | (5.38) | (4.20) | (3.56) |
| Closing net asset value per share (p) | 152.41 | 157.28 | 145.48 |
| * after direct transaction costs of: | 0.18 | 0.48 | 0.39 |
| Performance | | | |
| Return after charges (%) | 0.32% | 11.00% | 12.17% |
| Other information | | | |
| Closing net asset value (£'000) | 28,906 | 16,297 | 3,839 |
| Closing number of shares | 18,966,297 | 10,361,444 | 2,638,629 |
| Operating charges | 0.90% | 0.93% | 0.83% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 161.94 | 162.40 | 148.76 |
| Lowest share price | 142.65 | 136.38 | 118.01 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 213.88 | 202.26 | 185.16 |
| Return before operating charges* | 3.39 | 14.85 | 19.98 |
| Operating charges | (3.21) | (3.23) | (2.88) |
| Return after operating charges* | 0.18 | 11.62 | 17.10 |
| Distributions | (7.26) | (5.73) | (4.86) |
| Retained distributions on accumulation shares | 7.26 | 5.73 | 4.86 |
| Closing net asset value per share (c) | 214.06 | 213.88 | 202.26 |
| * after direct transaction costs of: | 0.25 | 0.67 | 0.55 |
| Performance | | | |
| Return after charges (%) | 0.08% | 5.75% | 9.24% |
| Other information | | | |
| Closing net asset value (€'000) | 155,664 | 166,769 | 113,042 |
| Closing number of shares | 72,720,376 | 77,972,841 | 55,890,085 |
| Operating charges | 1.54% | 1.54% | 1.55% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 221.12 | 224.35 | 205.69 |
| Lowest share price | 189.86 | 191.62 | 161.66 |

First State Global Listed Infrastructure Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Income (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 159.79 | 155.42 | 146.15 |
| Return before operating charges* | 2.43 | 11.30 | 15.41 |
| Operating charges | (2.44) | (2.56) | (2.32) |
| Return after operating charges* | (0.01) | 8.74 | 13.09 |
| Distributions | (5.37) | (4.37) | (3.82) |
| Closing net asset value per share (c) | 154.41 | 159.79 | 155.42 |
| * after direct transaction costs of: | 0.18 | 0.51 | 0.43 |
| Performance | | | |
| Return after charges (%) | (0.01%) | 5.62% | 8.96% |
| Other information | | | |
| Closing net asset value (€'000) | 26,872 | 26,712 | 6,227 |
| Closing number of shares | 17,403,006 | 16,716,928 | 4,007,115 |
| Operating charges | 1.58% | 1.59% | 1.59% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 165.20 | 170.20 | 160.09 |
| Lowest share price | 139.59 | 147.24 | 127.50 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 223.61 | 209.84 | 190.63 |
| Return before operating charges* | 3.65 | 15.45 | 20.68 |
| Operating charges | (1.71) | (1.68) | (1.47) |
| Return after operating charges* | 1.94 | 13.77 | 19.21 |
| Distributions | (7.75) | (5.98) | (5.02) |
| Retained distributions on accumulation shares | 7.75 | 5.98 | 5.02 |
| Closing net asset value per share (c) | 225.55 | 223.61 | 209.84 |
| * after direct transaction costs of: | 0.26 | 0.69 | 0.56 |
| Performance | | | |
| Return after charges (%) | 0.87% | 6.56% | 10.08% |
| Other information | | | |
| Closing net asset value (€'000) | 187,694 | 448,066 | 365,949 |
| Closing number of shares | 83,216,246 | 200,378,497 | 174,391,752 |
| Operating charges | 0.78% | 0.78% | 0.78% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 231.67 | 234.36 | 213.40 |
| Lowest share price | 199.52 | 199.25 | 167.05 |

First State Global Listed Infrastructure Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Income (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 174.41 | 168.24 | 156.88 |
| Return before operating charges* | 2.74 | 12.29 | 16.65 |
| Operating charges | (1.31) | (1.37) | (1.19) |
| Return after operating charges* | 1.43 | 10.92 | 15.46 |
| Distributions | (5.90) | (4.75) | (4.10) |
| Closing net asset value per share (c) | 169.94 | 174.41 | 168.24 |
| * after direct transaction costs of: | 0.20 | 0.56 | 0.45 |
| Performance | | | |
| Return after charges (%) | 0.82% | 6.49% | 9.85% |
| Other information | | | |
| Closing net asset value (€'000) | 194,943 | 208,181 | 1,832 |
| Closing number of shares | 114,713,282 | 119,360,748 | 1,089,324 |
| Operating charges | 0.77% | 0.78% | 0.78% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 180.73 | 185.61 | 173.28 |
| Lowest share price | 153.22 | 159.75 | 137.48 |

First State Global Listed Infrastructure Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) |
|--|---------------------------|---------------------------|
| Share class B Hedged Accumulation (EUR share class) | | |
| Change in net assets per share | | |
| Opening net asset value per share | 100.93 | 100.00 |
| Return before operating charges* | (0.93) | 0.98 |
| Operating charges | (0.84) | (0.05) |
| Return after operating charges* | (1.77) | 0.93 |
| Distributions | (3.49) | (0.09) |
| Retained distributions on accumulation shares | 3.49 | 0.09 |
| Closing net asset value per share (c) | 99.16 | 100.93 |
| * after direct transaction costs of: | 0.12 | 0.39 |
| Performance | | |
| Return after charges (%) | (1.76%) | 0.93% |
| Other information | | |
| Closing net asset value (€'000) | 276 | 858 |
| Closing number of shares | 278,516 | 850,000 |
| Operating charges | 0.85% | 0.83% |
| Direct transaction costs | 0.12% | 0.32% |
| Prices | | |
| Highest share price | 103.67 | 101.49 |
| Lowest share price | 91.38 | 100.00 |

Share class B Hedged Accumulation (EUR share class) was launched on 14 July 2017.

First State Global Listed Infrastructure Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (USD share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 169.58 | 150.72 | 135.29 |
| Return before operating charges* | 2.31 | 20.06 | 16.54 |
| Operating charges | (1.32) | (1.20) | (1.11) |
| Return after operating charges* | 0.99 | 18.86 | 15.43 |
| Distributions | (5.95) | (4.37) | (3.58) |
| Retained distributions on accumulation shares | 5.95 | 4.37 | 3.58 |
| Closing net asset value per share (c) | 170.57 | 169.58 | 150.72 |
| * after direct transaction costs of: | 0.20 | 0.49 | 0.42 |
| Performance | | | |
| Return after charges (%) | 0.58% | 12.51% | 11.41% |
| Other information | | | |
| Closing net asset value (\$'000) | 81,443 | 93,995 | 61,902 |
| Closing number of shares | 47,747,005 | 55,431,185 | 41,072,320 |
| Operating charges | 0.78% | 0.78% | 0.78% |
| Direct transaction costs | 0.12% | 0.32% | 0.30% |
| Prices | | | |
| Highest share price | 175.72 | 170.05 | 151.56 |
| Lowest share price | 159.96 | 138.91 | 117.77 |

First State Global Listed Infrastructure Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 | | 31 July 2017 | |
|---|-------|---------------|------------------|---------------|----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (89,496) | | 228,418 |
| Revenue | 3 | 87,964 | | 69,201 | |
| Expenses | 4 | (21,087) | | (19,839) | |
| Interest payable and similar charges | | (97) | | (78) | |
| Net revenue before taxation | | 66,780 | | 49,284 | |
| Taxation | 5 | (6,250) | | (7,037) | |
| Net revenue after taxation | | | 60,530 | | 42,247 |
| Total return before distributions | | | (28,966) | | 270,665 |
| Distributions | 6 | | (80,382) | | (60,945) |
| Change in net assets attributable to shareholders from investment activities | | | (109,348) | | 209,720 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 | | 31 July 2017 | |
|--|--------------|------------------|--------------|------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 2,548,059 | | 1,648,342 |
| Amounts receivable on issue of shares | 434,763 | | 1,007,533 | |
| Less: Amounts payable on cancellation of shares | (837,259) | | (364,694) | |
| | | (402,496) | | 642,839 |
| Dilution adjustment | | 392 | | 806 |
| Change in net assets attributable to shareholders from investment activities | | (109,348) | | 209,720 |
| Retained distribution on accumulation shares | | 51,183 | | 46,352 |
| Closing net assets attributable to shareholders | | 2,087,790 | | 2,548,059 |

Notes to the Financial Statements are on pages 402 to 407.

First State Global Listed Infrastructure Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-------------------------|-------------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>2,087,111</u> | <u>2,472,080</u> |
| Current assets | | | |
| Debtors | 8 | 11,362 | 25,626 |
| Cash and bank balances | | <u>11,510</u> | <u>86,925</u> |
| Total assets | | <u>2,109,983</u> | <u>2,584,631</u> |
| Liabilities | | | |
| Investment liabilities | | (678) | (96) |
| Creditors | | | |
| Bank overdrafts | | (614) | – |
| Distribution payable | | (14,264) | (12,191) |
| Other creditors | 9 | <u>(6,637)</u> | <u>(24,285)</u> |
| Total liabilities | | <u>(22,193)</u> | <u>(36,572)</u> |
| Net assets attributable to shareholders | | <u>2,087,790</u> | <u>2,548,059</u> |

Notes to the Financial Statements are on pages 402 to 407.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | (86,261) | 229,883 |
| Forward foreign exchange currency contracts | 742 | (1,842) |
| Currency (losses)/gains | (3,953) | 377 |
| Custodial transaction fees | (24) | – |
| Net capital (losses)/gains | <u>(89,496)</u> | <u>228,418</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--------------------------------------|-----------------------|-----------------------|
| Dividends from UK companies | 9,793 | 7,232 |
| Overseas taxable revenue | 9,821 | 8,943 |
| Overseas non-taxable revenue | 64,770 | 49,488 |
| Property revenue from overseas REITs | 3,543 | 3,528 |
| Interest from bank deposits | 12 | 6 |
| Currency hedge gains | 25 | 4 |
| Total revenue | <u>87,964</u> | <u>69,201</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>20,319</u> | <u>18,743</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>212</u> | <u>301</u> |
| Other expenses: | | |
| Audit fee | 13 | 14 |
| Registrar fees | 339 | 538 |
| Safe custody charges | 95 | 147 |
| Other expenses | <u>109</u> | <u>96</u> |
| | <u>556</u> | <u>795</u> |
| Total expenses | <u>21,087</u> | <u>19,839</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 6,250 | 7,037 |
| Total taxation (note 5b) | 6,250 | 7,037 |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 66,780 | 49,284 |
| Corporation tax of 20% (2017: 20%) | 13,356 | 9,857 |
| Effects of: | | |
| UK dividends* | (1,959) | (1,447) |
| Overseas non-taxable revenue* | (12,954) | (9,898) |
| Movement in excess management expenses | 1,836 | 1,680 |
| Irrecoverable overseas tax | 6,250 | 7,037 |
| Expenses not deductible for tax purposes | – | 1 |
| Overseas tax expensed | (279) | (193) |
| Total tax charge for year (note 5a) | 6,250 | 7,037 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £11,059,288 (31/07/17: £8,487,341); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 38,537 | 27,230 |
| Final distribution | 39,803 | 38,929 |
| | 78,340 | 66,159 |
| Add: revenue deducted on cancellation of shares | 5,329 | 1,814 |
| Deduct: revenue received on issue of shares | (3,287) | (7,028) |
| Net distributions for the year | 80,382 | 60,945 |

Details of the distributions per share are set out in the Distribution Tables on pages 408 to 410.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net revenue after taxation | 60,530 | 42,247 |
| Expenses charged to capital | 21,087 | 19,839 |
| Tax relief on expenses charged to capital | (1,235) | (1,141) |
| Net distributions for the year | 80,382 | 60,945 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Sales awaiting settlement | – | 11,209 |
| Amounts receivable for issue of shares | 1,104 | 4,511 |
| Accrued revenue | 9,243 | 8,593 |
| Overseas tax recoverable | 1,015 | 1,313 |
| Total debtors | 11,362 | 25,626 |

9. Other creditors

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Purchases awaiting settlement | – | 21,149 |
| Amounts payable for cancellation of shares | 4,898 | 759 |
| Accrued expenses | 1,739 | 2,377 |
| Total other creditors | 6,637 | 24,285 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 July 2018 £'000 | 31 July 2017 £'000 | 31 July 2018 £'000 | 31 July 2017 £'000 |
| Equities | 1,513,540 | 2,230,687 | 1,815,739 | 1,594,612 |
| Trades in the year before transaction costs | 1,513,540 | 2,230,687 | 1,815,739 | 1,594,612 |
| Commissions | | | | |
| Equities | 952 | 2,961 | (1,033) | (2,073) |
| Taxes | | | | |
| Equities | 659 | 1,703 | (164) | (148) |
| Total costs | 1,611 | 4,664 | (1,197) | (2,221) |
| Total net trades in the year after transaction costs | 1,515,151 | 2,235,351 | 1,814,542 | 1,592,391 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 31 July 2018 % | 31 July 2017 % | 31 July 2018 % | 31 July 2017 % |
| Commissions | | | | |
| Equities | 0.06 | 0.13 | 0.06 | 0.13 |
| Taxes | | | | |
| Equities | 0.04 | 0.08 | 0.01 | 0.01 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 % | 31 July 2017 % |
|--------------------|-------------------|-------------------|
| Commissions | 0.08 | 0.23 |
| Taxes | 0.04 | 0.09 |
| Total costs | 0.12 | 0.32 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.12% (31/07/17: 0.08%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £208,710,325 (31/07/17: £247,169,891).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 0.52% (31/07/17: 3.41%) of the Fund's assets were interest-bearing.

As exposure to interest-rate risk is not significant, no additional numerical or sensitivity analysis is presented.

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| Currency | Net foreign currency assets | Net foreign currency assets |
|-------------------|-----------------------------|-----------------------------|
| | 31 July 2018 | 31 July 2017 |
| | Total | Total |
| | £'000 | £'000 |
| Australian dollar | 121,303 | 118,034 |
| Brazilian real | 61,866 | 66,322 |
| Canadian dollar | 216,867 | 172,755 |
| Euro | 173,619 | 342,377 |
| Hong Kong dollar | 101,792 | 177,257 |
| Japanese yen | 151,896 | 232,518 |
| Mexican peso | 11,933 | 17,305 |
| US dollar | 1,043,096 | 1,158,698 |
| Total | <u>1,882,372</u> | <u>2,285,266</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £94,118,615 (31/07/17: £114,263,287).

Effective Portfolio Management

Financial derivative instruments exposure as at 31 July 2018

| | Value (£) |
|---|------------------|
| Forward foreign currency contracts (hedging) | (669,961) |
| Total financial derivative instruments exposure | <u>(669,961)</u> |

Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2018

| | Value (£) |
|-------------------------|------------------|
| Bank of New York Mellon | <u>(669,961)</u> |

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £1,547,638 (31/07/17: £1,857,960) due at the year end.

As at 31 July 2018, HTSG A/C First State, a related party of the ACD, owned 0.34% (31/07/17: 0.00%) of the net asset value of the Fund.

Material Shareholders

Clearstream Banking S.A, FundSettle EOC Nominees Limited and Hargreaves Lansdown Nominees Limited held material shareholding in the Fund during the year to 31 July 2018, and at the year end held 13.9%, 10.7% and 10.0% of the Fund's shares in issue respectively.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has twelve share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|---|------|
| Share class A Accumulation | 1.50 |
| Share class A Income | 1.50 |
| Share class B Accumulation | 0.75 |
| Share class B Income | 0.75 |
| Share class B Hedged Accumulation | 0.75 |
| Share class B Hedged Income | 0.75 |
| Share class A Accumulation (EUR share class) | 1.50 |
| Share class A Income (EUR share class) | 1.50 |
| Share class B Accumulation (EUR share class) | 0.75 |
| Share class B Income (EUR share class) | 0.75 |
| Share class B Hedged Accumulation (EUR share class) | 0.75 |
| Share class B Accumulation (USD share class) | 0.75 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 388 to 399.

The distributions per share class are given in the Distribution Tables on pages 408 to 410.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | Shares converted | 31 July 2018 Closing shares in issue |
|---|---|------------|---------------|---------------------|--|
| Share class A Accumulation | 67,785,263 | 10,578,208 | (20,420,375) | (2,891,670) | 55,051,426 |
| Share class A Income | 20,877,067 | 1,753,552 | (3,232,770) | (674,856) | 18,722,993 |
| Share class B Accumulation | 345,700,487 | 11,466,751 | (73,430,880) | 2,851,870 | 286,588,228 |
| Share class B Income | 259,394,583 | 21,175,381 | (36,327,009) | 391,146 | 244,634,101 |
| Share class B Hedged Accumulation | 15,156,501 | 32,950,965 | (9,870,011) | 34,714 | 38,272,169 |
| Share class B Hedged Income | 10,361,444 | 10,619,940 | (2,028,111) | 13,024 | 18,966,297 |
| Share class A Accumulation (EUR share class) | 77,972,841 | 35,532,088 | (40,784,553) | – | 72,720,376 |
| Share class A Income (EUR share class) | 16,716,928 | 3,338,011 | (2,651,933) | – | 17,403,006 |
| Share class B Accumulation (EUR share class) | 200,378,497 | 12,595,829 | (129,758,080) | – | 83,216,246 |
| Share class B Income (EUR share class) | 119,360,748 | 83,540,895 | (88,188,361) | – | 114,713,282 |
| Share class B Hedged Accumulation (EUR share class) | 850,000 | 278,516 | (850,000) | – | 278,516 |
| Share class B Accumulation (USD share class) | 55,431,185 | 48,964,593 | (56,648,773) | – | 47,747,005 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 2,087,103 | – | 2,471,699 | – |
| Level 2 | 8 | (678) | 381 | (96) |
| Level 3 | – | – | – | – |
| Total fair value | 2,087,111 | (678) | 2,472,080 | (96) |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Global Listed Infrastructure Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 3.7647 | – | 3.7647 | 2.8548 |
| Final | 4.8287 | – | 4.8287 | 3.8918 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.5928 | 2.1719 | 3.7647 | 2.8548 |
| Final | 2.8688 | 1.9599 | 4.8287 | 3.8918 |

Share class A Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.7745 | – | 2.7745 | 2.1631 |
| Final | 3.4946 | – | 3.4946 | 2.9146 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.6721 | 1.1024 | 2.7745 | 2.1631 |
| Final | 1.8514 | 1.6432 | 3.4946 | 2.9146 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 4.0218 | – | 4.0218 | 3.0329 |
| Final | 5.1887 | – | 5.1887 | 4.1442 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 2.0695 | 1.9523 | 4.0218 | 3.0329 |
| Final | 3.4071 | 1.7816 | 5.1887 | 4.1442 |

Share class B Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.9800 | – | 2.9800 | 2.3099 |
| Final | 3.7755 | – | 3.7755 | 3.1240 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.4514 | 1.5286 | 2.9800 | 2.3099 |
| Final | 2.2864 | 1.4891 | 3.7755 | 3.1240 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class B Hedged Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.0515 | — | 2.0515 | 1.4306 |
| Final | 2.5161 | — | 2.5161 | 2.0122 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.0162 | 1.0353 | 2.0515 | 1.4306 |
| Final | 1.8738 | 0.6423 | 2.5161 | 2.0122 |

Share class B Hedged Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.4437 | — | 2.4437 | 1.7636 |
| Final | 2.9338 | — | 2.9338 | 2.4336 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.6263 | 0.8174 | 2.4437 | 1.7636 |
| Final | 2.0141 | 0.9197 | 2.9338 | 2.4336 |

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 3.2168 | — | 3.2168 | 2.4789 |
| Final | 4.0396 | — | 4.0396 | 3.2544 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.6782 | 1.5386 | 3.2168 | 2.4789 |
| Final | 3.4511 | 0.5885 | 4.0396 | 3.2544 |

Share class A Income (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 2.3981 | — | 2.3981 | 1.9108 |
| Final | 2.9733 | — | 2.9733 | 2.4616 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.3423 | 1.0558 | 2.3981 | 1.9108 |
| Final | 2.1494 | 0.8239 | 2.9733 | 2.4616 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 3.3657 | — | 3.3657 | 2.5724 |
| Final | 4.3811 | — | 4.3811 | 3.4110 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.4039 | 1.9618 | 3.3657 | 2.5724 |
| Final | 3.2608 | 1.1203 | 4.3811 | 3.4110 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class B Income (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 2.6215 | — | 2.6215 | 2.0725 |
| Final | 3.2790 | — | 3.2790 | 2.6789 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.3979 | 2.2236 | 2.6215 | 2.0725 |
| Final | 2.0630 | 1.2160 | 3.2790 | 2.6789 |

Share class B Hedged Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 1.5502 | — | 1.5502 | — |
| Final | 1.9375 | — | 1.9375 | 0.0945 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.0502 | 1.5000 | 1.5502 | — |
| Final | 0.3131 | 1.6244 | 1.9375 | 0.0945 |

Share class B Hedged Accumulation (EUR share class) was launched on 14 July 2017.

Share class B Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 2.7358 | — | 2.7358 | 1.7904 |
| Final | 3.2158 | — | 3.2158 | 2.5774 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.9960 | 0.7398 | 2.7358 | 1.7904 |
| Final | 2.0142 | 1.2016 | 3.2158 | 2.5774 |

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Stewart Investors Latin America Fund

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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.

Risks and reward profile

| | ← Lower Risk | | | | | Higher Risk → | |
|--|---------------------------|---|---|---|---|----------------------------|---|
| | Potentially Lower Rewards | | | | | Potentially Higher Rewards | |
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 6 due to its past performance and the nature of its investments. Shares with a rating of 6 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose by 2.2% in sterling terms over the twelve months and has provided cumulative returns of 67.5% and 30.2% over three and five years respectively to 31 July 2018.

Mahle-Metal Leve rose as it delivered strong sales growth and profitability improvements results. Porto Seguro climbed on the back of good underwriting results, and Qualitas Controladora also gained due to profitable underwriting.

On the negative side, Ultrapar declined due to concerns about operational weaknesses, which have been exacerbated by challenging economic conditions. M. Dias Branco fell on short-term results that indicated subdued sales and margin pressure. Sonda was weak as a recovery in earnings and sales growth has been slower than expected.

Portfolio changes

The only new purchase over the twelve months was PriceSmart, a Costco-style membership retailer in Colombia, Central America and the Caribbean that has been investing heavily in building a Colombian business in recent years.

The Fund sold America Movil on worries about its foreign-denominated debt and Alicorp because it is using US dollar debt to buy a Bolivian business from a related party. The Fund also sold Empresa Nacional de Electricidad on worries that constant restructuring was not in the best interests of minority shareholders.¹

Outlook

Many of the countries in Latin America should see elections in 2018. As always, the Manager seeks to invest in companies that operate as far away as possible from the influence of governments, regardless of who is in power. There is often a trade-off between attractive company valuation and unattractive political or economic risk. Rather than worrying about this, or trying to pick the bottom of the market, the Manager simply considers the quality of management, franchise and financials.

¹ Please note this company is now called Enel Generación Chile.

Stewart Investors Latin America Fund

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | (1.9) | (3.6) | 2.2 | 67.5 | 30.2 | n/a | 182.6 |
| Benchmark return % | (4.5) | (7.0) | 1.2 | 50.5 | 13.0 | n/a | 58.5 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 2.2 | 15.4 | 41.9 | (11.8) | (11.9) |
| Benchmark return % | 1.2 | 18.9 | 25.1 | (24.8) | (0.1) |

Benchmark: MSCI EM Latin America Index.

Sector: IA Specialist.

The performance ranking of Funds within the IA Specialist sector is not viewed as a fair comparison given the diverse nature of the funds within the sector. Performance statistics are therefore noted versus the benchmark rather than the IA sector. The Specialist sector constituents are defined by the IA as funds that have an investment universe that is not accommodated by the other IA mainstream sectors.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|----------------------------------|-----------|---------------------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Inversiones Aguas Metropolitanas | 6.91 | Inversiones Aguas Metropolitanas | 6.40 |
| Kimberly-Clark de Mexico | 6.56 | Cia Cervecerias Unidas ADR | 5.72 |
| Fomento Economico Mexicano ADR | 5.82 | Quinenco | 5.72 |
| Cia Cervecerias Unidas ADR | 5.42 | US Treasury Bill 0% 21/09/2017 | 4.91 |
| Quinenco | 5.30 | Banco Bradesco | 3.95 |
| US Treasury 0% 13/9/2018 | 4.71 | Natura Cosmeticos | 3.80 |
| Banco Bradesco | 4.39 | Grupo Herdez | 3.71 |
| Herdez | 4.17 | SONDA | 3.69 |
| Engie Brasil Energia | 3.97 | Mahle-Metal Leve | 3.59 |
| Ultrapar Participacoes | 3.83 | Grupo Financiero Santander Mexico ADR | 3.54 |

Types of shares

Accumulation.

Stewart Investors Latin America Fund

Portfolio Statement

as at 31 July 2018

| Holdings or Nominal Values | Market Value £'000 | Total Net Assets % |
|---|--------------------------|--------------------------|
| UNITED STATES (4.91%*) | 13,299 | 6.35 |
| 55,188 PriceSmart | 3,437 | 1.64 |
| Cash and Short Term | | |
| USD12,966,200 US Treasury 0% 13/9/2018 | 9,862 | 4.71 |
| BRAZIL (38.96%*) | 76,776 | 36.66 |
| 1,635,390 Banco Bradesco | 9,199 | 4.39 |
| 1,871,629 Duratex | 3,866 | 1.84 |
| 1,095,829 Engie Brasil Energia | 8,315 | 3.97 |
| 255,054 EZTEC Empreendimentos e Participacoes | 896 | 0.43 |
| 1,404,000 Klabin | 5,755 | 2.75 |
| 426,810 LPS Brasil Consultoria de Imoveis | 267 | 0.13 |
| 655,687 M Dias Branco | 5,105 | 2.44 |
| 1,097,189 Mahle-Metal Leve | 6,107 | 2.91 |
| 988,935 Natura | 5,840 | 2.79 |
| 704,744 Porto Seguro | 7,094 | 3.39 |
| 246,500 Raia Drogasil | 3,711 | 1.77 |
| 816,851 Totvs | 4,882 | 2.33 |
| 971,700 Ultrapar Participacoes | 8,016 | 3.83 |
| 583,600 Valid | 2,150 | 1.03 |
| 620,816 Weg | 2,319 | 1.11 |
| 363,049 Wilson Sons BDR | 3,254 | 1.55 |
| CHILE (29.89%*) | 56,477 | 26.97 |
| 202,463 Antofagasta | 2,031 | 0.97 |
| 547,227 Cia Cervecerias Unidas ADR | 11,360 | 5.42 |
| 25,525,184 Cia Sud Americana de Vapores | 568 | 0.27 |
| 941,753 Embotelladora Andina | 2,558 | 1.22 |
| 12,072,284 Inversiones Aguas Metropolitanas | 14,465 | 6.91 |
| 4,872,580 Quinenco | 11,090 | 5.30 |
| 99,292,529 Sociedad Matriz SAAM | 7,099 | 3.39 |
| 6,321,111 Sonda | 7,306 | 3.49 |
| COLOMBIA (0.82%*) | 1,031 | 0.49 |
| 75,129 Grupo Bolivar | 1,031 | 0.49 |
| MEXICO (16.82%*) | 48,529 | 23.17 |
| 1,029,338 Banco Santander Mexicano ADR | 6,560 | 3.13 |
| 12,022,400 Consorcio | 3,399 | 1.62 |
| 219,465 Corporativo Fragua | 2,376 | 1.14 |
| 163,000 Fomento Economico Mexicano ADR | 12,193 | 5.82 |
| 5,325,349 Herdez | 8,729 | 4.17 |
| 9,828,615 Kimberly-Clark de Mexico | 13,746 | 6.56 |
| 752,900 Qualitas Controladora | 1,526 | 0.73 |

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---------------------------------|-----------------------|-----------------------|
| PERU (3.27%*) | 4,356 | 2.08 |
| 1,151,639 Cementos Pacasmayo | 2,024 | 0.97 |
| 1,336,626 Hochschild Mining | 2,332 | 1.11 |
| Portfolio of investments | 200,468 | 95.72 |
| Net other assets | 8,971 | 4.28 |
| Total net assets | 209,439 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

Stocks shown as ADRs and BDRs represent American Depositary Receipts and Brazilian Depositary Receipts, respectively.

Stewart Investors Latin America Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 257.57 | 224.83 | 159.69 |
| Return before operating charges* | 6.71 | 37.63 | 68.58 |
| Operating charges | (4.92) | (4.89) | (3.44) |
| Return after operating charges* | 1.79 | 32.74 | 65.14 |
| Distributions | (2.59) | (1.01) | (0.37) |
| Retained distributions on accumulation shares | 2.59 | 1.01 | 0.37 |
| Closing net asset value per share (p) | 259.36 | 257.57 | 224.83 |
| * after direct transaction costs of: | 0.17 | 0.14 | 0.12 |
| Performance | | | |
| Return after charges (%) | 0.70% | 14.56% | 40.79% |
| Other information | | | |
| Closing net asset value (£'000) | 12,627 | 14,607 | 14,631 |
| Closing number of shares | 4,868,463 | 5,671,016 | 6,507,755 |
| Operating charges | 1.86% | 2.00% | 2.06% |
| Direct transaction costs | 0.06% | 0.06% | 0.07% |
| Prices | | | |
| Highest share price | 281.53 | 265.61 | 228.52 |
| Lowest share price | 239.13 | 216.31 | 142.92 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 275.77 | 238.68 | 168.08 |
| Return before operating charges* | 7.16 | 40.11 | 72.73 |
| Operating charges | (3.13) | (3.02) | (2.13) |
| Return after operating charges* | 4.03 | 37.09 | 70.60 |
| Distributions | (4.97) | (3.30) | (2.08) |
| Retained distributions on accumulation shares | 4.97 | 3.30 | 2.08 |
| Closing net asset value per share (p) | 279.80 | 275.77 | 238.68 |
| * after direct transaction costs of: | 0.18 | 0.15 | 0.13 |
| Performance | | | |
| Return after charges (%) | 1.46% | 15.54% | 42.00% |
| Other information | | | |
| Closing net asset value (£'000) | 133,172 | 113,436 | 97,204 |
| Closing number of shares | 47,594,692 | 41,134,729 | 40,725,142 |
| Operating charges | 1.10% | 1.16% | 1.19% |
| Direct transaction costs | 0.06% | 0.06% | 0.07% |
| Prices | | | |
| Highest share price | 301.88 | 283.88 | 242.58 |
| Lowest share price | 257.88 | 230.33 | 150.52 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 272.25 | 250.56 | 211.49 |
| Return before operating charges* | 7.74 | 26.71 | 43.05 |
| Operating charges | (5.19) | (5.02) | (3.98) |
| Return after operating charges* | 2.55 | 21.69 | 39.07 |
| Distributions | (2.81) | (2.46) | (1.89) |
| Retained distributions on accumulation shares | 2.81 | 2.46 | 1.89 |
| Closing net asset value per share (c) | 274.80 | 272.25 | 250.56 |
| * after direct transaction costs of: | 0.18 | 0.15 | 0.15 |
| Performance | | | |
| Return after charges (%) | 0.94% | 8.66% | 18.47% |
| Other information | | | |
| Closing net asset value (€'000) | 2,627 | 2,989 | 4,195 |
| Closing number of shares | 956,095 | 1,098,013 | 1,673,929 |
| Operating charges | 1.84% | 1.89% | 1.91% |
| Direct transaction costs | 0.06% | 0.06% | 0.07% |
| Prices | | | |
| Highest share price | 297.54 | 293.28 | 256.61 |
| Lowest share price | 255.91 | 242.36 | 174.52 |

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 137.26 | 125.96 | 105.89 |
| Return before operating charges* | 3.85 | 12.83 | 21.28 |
| Operating charges | (1.57) | (1.53) | (1.21) |
| Return after operating charges* | 2.28 | 11.30 | 20.07 |
| Distributions | (2.47) | (1.67) | (1.34) |
| Retained distributions on accumulation shares | 2.47 | 1.67 | 1.34 |
| Closing net asset value per share (c) | 139.54 | 137.26 | 125.96 |
| * after direct transaction costs of: | 0.09 | 0.08 | 0.08 |
| Performance | | | |
| Return after charges (%) | 1.66% | 8.97% | 18.95% |
| Other information | | | |
| Closing net asset value (€'000) | 68,720 | 65,195 | 59,811 |
| Closing number of shares | 49,245,283 | 47,494,318 | 47,484,981 |
| Operating charges | 1.10% | 1.14% | 1.16% |
| Direct transaction costs | 0.06% | 0.06% | 0.07% |
| Prices | | | |
| Highest share price | 150.52 | 147.55 | 128.98 |
| Lowest share price | 129.88 | 121.81 | 87.66 |

Stewart Investors Latin America Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|----------------|-----------------------|---------------|
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (1,031) | | 22,943 |
| Revenue | 3 | 6,435 | | 4,906 | |
| Expenses | 4 | (2,344) | | (2,251) | |
| Interest payable and similar charges | | (3) | | (3) | |
| Net revenue before taxation | | 4,088 | | 2,652 | |
| Taxation | 5 | (691) | | (529) | |
| Net revenue after taxation | | | 3,397 | | 2,123 |
| Total return before distributions | | | 2,366 | | 25,066 |
| Distributions | 6 | | (3,399) | | (2,124) |
| Change in net assets attributable to shareholders from investment activities | | | (1,033) | | 22,942 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|----------------|-----------------------|----------------|
| Opening net assets attributable to shareholders | | 188,998 | | 165,807 |
| Amounts receivable on issue of shares | 35,635 | | 13,337 | |
| Amounts payable on cancellation of shares | (17,785) | | (15,275) | |
| | | 17,850 | | (1,938) |
| Dilution adjustment | | 128 | | 47 |
| Change in net assets attributable to shareholders from investment activities | | (1,033) | | 22,942 |
| Retained distribution on accumulation shares | | 3,496 | | 2,140 |
| Closing net assets attributable to shareholders | | 209,439 | | 188,998 |

Notes to the Financial Statements are on pages 421 to 426.

Stewart Investors Latin America Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | <u>200,468</u> | <u>178,925</u> |
| Current assets | | | |
| Debtors | 8 | 422 | 254 |
| Cash and bank balances | | <u>8,870</u> | <u>11,325</u> |
| Total assets | | <u>209,760</u> | <u>190,504</u> |
| Liabilities | | | |
| Creditors | | | |
| Other creditors | 9 | <u>(321)</u> | <u>(1,506)</u> |
| Total liabilities | | <u>(321)</u> | <u>(1,506)</u> |
| Net assets attributable to shareholders | | <u>209,439</u> | <u>188,998</u> |

Notes to the Financial Statements are on pages 421 to 426.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | (812) | 23,070 |
| Forward foreign exchange currency contracts | – | (13) |
| Currency losses | (205) | (114) |
| Custodial transaction fees | (14) | – |
| Net capital (losses)/gains | <u>(1,031)</u> | <u>22,943</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Dividends from UK companies | 20 | 63 |
| Overseas taxable revenue | – | (15) |
| Overseas non-taxable revenue | 5,129 | 3,553 |
| Overseas scrip dividends | – | 32 |
| Interest from bank deposits | 10 | 2 |
| Interest from government and fixed-interest securities | 134 | 29 |
| Interest on capital revenue from Brazilian companies | 1,098 | 1,198 |
| Initial charge revenue | 44 | 44 |
| Total revenue | <u>6,435</u> | <u>4,906</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>2,160</u> | <u>1,927</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>30</u> | <u>27</u> |
| Other expenses: | | |
| Audit fee | 11 | 12 |
| Registrar fees | 20 | 38 |
| Safe custody charges | 80 | 143 |
| Other expenses | 43 | 104 |
| | <u>154</u> | <u>297</u> |
| Total expenses | <u>2,344</u> | <u>2,251</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 691 | 529 |
| Total taxation (note 5b) | 691 | 529 |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 4,088 | 2,652 |
| Corporation tax of 20% (2017: 20%) | 818 | 530 |
| Effects of: | | |
| UK dividends* | (4) | (13) |
| Non-taxable scrip dividends* | – | (6) |
| Overseas non-taxable revenue* | (1,026) | (710) |
| Movement in excess management expenses | 207 | 234 |
| Irrecoverable overseas tax | 691 | 529 |
| Overseas tax expensed | – | (35) |
| Relief on overseas tax expensed | 5 | – |
| Total tax charge for year (note 5a) | 691 | 529 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,902,217 (31/07/17: £1,695,163); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 1,378 | 1,069 |
| Final distribution | 2,118 | 1,071 |
| | 3,496 | 2,140 |
| Add: revenue deducted on cancellation of shares | 60 | 26 |
| Deduct: revenue received on issue of shares | (157) | (42) |
| Net distributions for the year | 3,399 | 2,124 |

Details of the distributions per share are set out in the Distribution Tables on pages 427 to 428.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net revenue after taxation | 3,397 | 2,123 |
| Movement in net income as a result of conversions | 2 | 1 |
| Net distributions for the year | 3,399 | 2,124 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Sales awaiting settlement | 211 | – |
| Amounts receivable for issue of shares | 46 | 7 |
| Accrued revenue | 165 | 247 |
| Total debtors | 422 | 254 |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amounts payable for cancellation of shares | 92 | 1,248 |
| Accrued expenses | 229 | 258 |
| Total other creditors | 321 | 1,506 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|---------------|---------------|---------------|---------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 67,353 | 42,255 | 45,618 | 48,800 |
| Bonds | 29,417 | 22,383 | 29,065 | 17,445 |
| Trades in the year before transaction costs | 96,770 | 64,638 | 74,683 | 66,245 |
| Commissions | | | | |
| Equities | 53 | 35 | (45) | (47) |
| Bonds | – | – | – | – |
| Total commissions | 53 | 35 | (45) | (47) |
| Taxes | | | | |
| Equities | 19 | 14 | (11) | (8) |
| Bonds | – | – | – | – |
| Total taxes | 19 | 14 | (11) | (8) |
| Total costs | 72 | 49 | (56) | (55) |
| Total net trades in the year after transaction costs | 96,842 | 64,687 | 74,627 | 66,190 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.08 | 0.08 | 0.10 | 0.10 |
| Bonds | – | – | – | – |
| Taxes | | | | |
| Equities | 0.03 | 0.03 | 0.02 | 0.02 |
| Bonds | – | – | – | – |

Notes to the Financial Statements

(continued)

as at 31 July 2018

10. Portfolio transaction costs (continued)

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|-------------|--------------|--------------|
| | % | % |
| Commissions | 0.05 | 0.05 |
| Taxes | 0.01 | 0.01 |
| Total costs | 0.06 | 0.06 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.71% (31/07/17: 0.48%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £20,046,756 (31/07/17: £17,892,455).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 8.94% (31/07/17: 10.91%) of the Fund's assets were interest-bearing.

As at 31 July 2018, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Latin America Fund would be an increase or decrease of approximately £46,832 (31/07/17: £51,528).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|--------------------|---|---|
| Currency | Total £'000 | Total £'000 |
| Brazilian real | 77,150 | 73,880 |
| Chilean peso | 43,086 | 42,350 |
| Colombian peso | 1,031 | 1,539 |
| Euro | 86 | (1,069) |
| Mexican peso | 29,776 | 17,896 |
| Peruvian nuevo sol | 2,024 | 4,563 |
| US dollar | 43,809 | 42,593 |
| Total | <u>196,962</u> | <u>181,752</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £9,848,105 (31/07/17: £9,087,587).

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £180,867 (31/07/16: £170,246) due at the year end.

As at 31 July 2018, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.15% (31/07/17: 0.04%) of the net asset value of the Fund.

Material Shareholders

Skandia Mutual Life Insurance Company, FundSettle EOC Nominees Limited and DZ PrivatBank S.A held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 32.9%, 31.6% and 10.1% of the Fund's shares in issue respectively.

14. Share classes

The Fund has four share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.75 |
| Share class B Accumulation | 1.00 |
| Share class A Accumulation (EUR share class) | 1.75 |
| Share class B Accumulation (EUR share class) | 1.00 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 415 to 418.

The distributions per share class are given in the Distribution Tables on pages 427 to 428.

All share classes have the same rights on winding up.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes (continued)

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | Closing shares in issue |
|--|---|-----------|---------------|----------------------------------|----------------------------|
| Share class A Accumulation | 5,671,016 | 91,881 | (655,916) | (238,518) | 4,868,463 |
| Share class B Accumulation | 41,134,729 | 9,211,668 | (2,973,762) | 222,057 | 47,594,692 |
| Share class A Accumulation (EUR share class) | 1,098,013 | 148,868 | (290,786) | – | 956,095 |
| Share class B Accumulation (EUR share class) | 47,494,318 | 7,392,247 | (5,641,282) | – | 49,245,283 |

15. Fair value

| | 31 July 2018 | | 31 July 2017 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| Valuation technique | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 190,606 | – | 178,925 | – |
| Level 2 | 9,862 | – | – | – |
| Level 3 | – | – | – | – |
| Total fair value | 200,468 | – | 178,925 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

Stewart Investors Latin America Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.8806 | – | 0.8806 | 0.5329 |
| Final | 1.7104 | – | 1.7104 | 0.4721 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.5053 | 0.3753 | 0.8806 | 0.5329 |
| Final | 1.1296 | 0.5808 | 1.7104 | 0.4721 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.0501 | – | 2.0501 | 1.6342 |
| Final | 2.9179 | – | 2.9179 | 1.6660 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.4095 | 0.6406 | 2.0501 | 1.6342 |
| Final | 1.9817 | 0.9362 | 2.9179 | 1.6660 |

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.9773 | – | 0.9773 | 1.6909 |
| Final | 1.8343 | – | 1.8343 | 0.7711 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.5612 | 0.4161 | 0.9773 | 1.6909 |
| Final | 0.7851 | 1.0492 | 1.8343 | 0.7711 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 1.0370 | – | 1.0370 | 0.8463 |
| Final | 1.4338 | – | 1.4338 | 0.8266 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.4705 | 0.5665 | 1.0370 | 0.8463 |
| Final | 0.1489 | 1.2849 | 1.4338 | 0.8266 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

First State Diversified Growth Fund

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to protect against UK inflation and provide growth by achieving a positive return (gross of fees and charges) of 4% in excess of the UK Retail Price Index over a rolling five-year period.

By investing in the Fund, capital is at risk. There is no guarantee that the Fund will deliver positive returns over this, or any other, period.

The Fund will adopt a total return approach and invest in a broad range of traditional and alternative asset classes globally, which may include but is not limited to inflation-linked bonds, developed and emerging market equities, developed and emerging market debt, and exchange-traded funds. In order to gain exposure to these asset classes, the Fund may invest in transferable securities, money market instruments, collective investment schemes, derivatives and deposits.

Up to 100% of the net assets of the Fund may be invested in other collective investment schemes, including in collective investment schemes managed by the ACD or its associates ("Associated Schemes"), and/or other Funds of the Company ("Second Funds").

Investment may be in cash or near cash.

Derivatives may include, but shall not be limited to, foreign exchange forwards, futures, options and swaps.

The Fund may use derivatives for the purposes of meeting its investment objective and for efficient portfolio management purposes.

- Clarification point 1: for the avoidance of doubt, if the UK Retail Prices Index is discontinued or is no longer accepted as a relevant market standard indicator of UK Inflation, the ACD may substitute a replacement benchmark. It is the intention of the ACD that the replacement benchmark (if any) will be as close as possible to the UK Retail Prices Index and shall not affect the Fund's investment policy, intended return or risk profile. Shareholders will be notified in advance of any such change of benchmark.
- Clarification point 2: the Diversified Growth Fund follows the Absolute VaR approach to calculating global exposure with a maximum limit of 20%. We expect the maximum leverage for this Fund, calculated using the Sum of Notionals Approach, to be 700%. Leverage may, however, in certain circumstances, exceed such maximum figure.

Risks and reward profile

| | ← Lower Risk | | | | Higher Risk → | | |
|---|---------------------------|---|---|---|----------------------------|---|---|
| | Potentially Lower Rewards | | | | Potentially Higher Rewards | | |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Hedged Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Hedged Accumulation (USD share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class E Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class Z Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

The Fund might also experience the following risks:

Credit risk: the issuers of bonds or similar investments that the Fund buys may not pay income or repay capital to the Fund when due.

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

Interest-rate risk: interest rates affect the Fund's investments. If rates go up, the value of investments falls and vice versa.

Derivative risk: the Fund has the ability to make use of derivatives, which may result in the Fund being leveraged and can result in large fluctuations in the value of the Fund. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested resulting in the Fund being exposed to a greater loss than the initial investment.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund decreased by 3.3% in sterling terms over the twelve months and has provided a cumulative return of 13.3% over three years to 31 July 2018.

Portfolio Changes

Volatility in foreign exchange markets presented a number of opportunities to take active currency positions in the portfolio. The Fund increased exposure to the US dollar, for example, as well as a number of Asian currencies. Exposure to inflation-linked bonds in the UK, US and Australia was also increased, reflecting the probability of further inflationary pressures globally.

On the sell side, we lowered the Fund's allocation to global equities, and exposure was well below historic averages by the end of the year. Valuations have become less appealing following gains in recent years. The Fund's equity exposure is mainly allocated to the UK and Eurozone.

We also sold the Fund's entire investment in high-yield corporate bonds. It became increasingly difficult to see spreads narrowing further and, as such, we felt high-yield credit was no longer offering sufficient rewards for the risk.

Outlook

The global economy remains generally healthy, but the Manager is cautious and sees a balance of risks and opportunities across markets. As interest rates rise, high debt levels in the US are likely to impact consumer spending and corporate profitability. Protectionist policies – most notably a potential 'trade war' between the US and China – are also overshadowing markets. Overall, the Manager believes global financial tightening will increase specific country and credit risks and result in higher volatility across asset classes. The ability to amend portfolio positioning dynamically as market conditions fluctuate will therefore remain critical in achieving the Fund's long-term performance objectives.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|-------|-------|-------|--------|--------------|
| Fund return % | (3.8) | (3.5) | (3.3) | 13.3 | – | – | 11.8 |
| Benchmark return % | 0.9 | 1.2 | 3.2 | 7.9 | – | – | 8.2 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | (3.3) | 10.6 | 5.9 | – | – |
| Benchmark return % | 3.2 | 3.3 | 1.3 | – | – |

Benchmark: UK RPI.

Sector: IA Specialist.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

The performance ranking of funds within the IA Specialist sector is not viewed as a fair comparison given the diverse nature of the funds within the sector. The specialist sector constituents are defined by the IA as funds that have an investment universe that is not accommodated by other IA mainstream sectors.

First State Diversified Growth Fund

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|---|-----------|---|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Australia 3% 20/9/2025 | 7.44 | US Treasury 0.125% 15/7/2026 | 8.57 |
| US Treasury 0.125% 15/7/2026 | 6.34 | UK Treasury 0% 29/8/2017 | 7.40 |
| US Treasury 0.5% 15/1/2028 | 5.47 | Australia 3% 20/9/2025 | 5.45 |
| UK Treasury 0% 03/9/2018 | 5.45 | UK Treasury 0% 11/9/2017 | 4.94 |
| iShares JPMorgan \$ Emerging Markets Bond UCITS ETF USD | 5.16 | UK Treasury 1.5% 22/7/2026 | 4.85 |
| UK Treasury 1.75% 22/7/2019 | 4.40 | iShares JPMorgan \$ Emerging Markets Bond UCITS ETF USD | 4.69 |
| UK Treasury 0% 28/8/2018 | 3.64 | iShares USD High Yield Corporate Bond UCITS ETF | 4.59 |
| UK Treasury 0% 22/10/2018 | 3.63 | UK Treasury 0.125% 22/3/2024 | 4.18 |
| UK Treasury 0% 13/8/2018 | 2.91 | db x-trackers II-IBOxx Euro High Yield Bond UCITS ETF | 2.34 |
| UK Treasury 0% 24/9/2018 | 2.72 | iShares Euro High Yield Corporate Bond UCITS ETF | 1.93 |

Types of shares

Accumulation.

First State Diversified Growth Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED KINGDOM (37.56%*) | 9,726 | 35.37 |
| 985 3i | 9 | 0.03 |
| 121 Admiral | 2 | 0.01 |
| 1,432 Anglo American | 25 | 0.09 |
| 26 Aon 'A' | 3 | 0.01 |
| 487 Ashtead | 11 | 0.04 |
| 349 Associated British Foods | 9 | 0.03 |
| 1,233 AstraZeneca | 72 | 0.26 |
| 523 Auto Trader | 2 | 0.01 |
| 4,483 Aviva | 22 | 0.08 |
| 137 Babcock International | 1 | — |
| 16,756 Barclays | 33 | 0.12 |
| 574 Barratt Developments | 3 | 0.01 |
| 70 Berkeley | 3 | 0.01 |
| 2,059 BHP Billiton | 36 | 0.13 |
| 19,903 BP | 114 | 0.42 |
| 519 British Land** | 3 | 0.01 |
| 8,710 BT | 20 | 0.07 |
| 183 Bunzl | 4 | 0.02 |
| 438 Burberry | 9 | 0.03 |
| 371 Capita | 1 | — |
| 186 Carnival | 8 | 0.03 |
| 6,020 Centrica | 9 | 0.03 |
| 28 Charter Communications | 7 | 0.03 |
| 1,641 Compass | 27 | 0.10 |
| 70 Croda International | 4 | 0.02 |
| 3,436 Diageo | 96 | 0.35 |
| 857 Direct Line | 3 | 0.01 |
| 519 Dixons Carphone | 1 | — |
| 84 easyJet | 1 | — |
| 954 Experian | 18 | 0.07 |
| 138 Ferguson | 8 | 0.03 |
| 117 Fresnillo | 1 | — |
| 861 G4S | 2 | 0.01 |
| 5,230 GlaxoSmithKline | 83 | 0.30 |
| 11,927 Glencore | 40 | 0.15 |
| 464 Hammerson** | 2 | 0.01 |
| 138 Hargreaves Lansdown | 3 | 0.01 |
| 76 Hikma Pharmaceuticals | 1 | — |
| 20,537 HSBC (UK Regd.) | 150 | 0.55 |
| 144 IMI | 2 | 0.01 |
| 258 Inmarsat | 1 | — |
| 182 InterContinental Hotels | 9 | 0.03 |
| 158 Intertek | 9 | 0.03 |
| 503 Intu Properties** | 1 | — |
| 348 Investec | 2 | 0.01 |
| 17,300 iShares JPMorgan \$ Emerging Markets Bond UCITS ETF USD# | 1,420 | 5.16 |
| 2,105 ITV | 3 | 0.01 |
| 923 J Sainsbury | 3 | 0.01 |
| 104 Johnson Matthey | 4 | 0.02 |
| 1,254 Kingfisher | 4 | 0.02 |
| 406 Land Securities | 4 | 0.02 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings or Normal Values | Market Value £'000 | Total Net Assets % |
|--|--------------------------|--------------------------|
| 6,379 Legal & General | 17 | 0.06 |
| 70,965 Lloyds Banking | 44 | 0.16 |
| 307 London Stock Exchange | 13 | 0.05 |
| 944 Marks & Spencer | 3 | 0.01 |
| 195 Mediclinic International | 1 | — |
| 1,659 Melrose Industries | 4 | 0.02 |
| 385 Merlin Entertainments | 2 | 0.01 |
| 209 Mondi | 4 | 0.02 |
| 1,241 Morrison (Wm.) Supermarkets | 3 | 0.01 |
| 3,575 National Grid | 29 | 0.11 |
| 74 Next | 4 | 0.02 |
| 4,805 Old Mutual | 8 | 0.03 |
| 987 Pearson | 9 | 0.03 |
| 164 Persimmon | 4 | 0.01 |
| 138 Petrofac | 1 | — |
| 80 Provident Financial | 1 | — |
| 2,693 Prudential | 49 | 0.18 |
| 1,601 Quilter | 2 | 0.01 |
| 50 Randgold Resources | 3 | 0.01 |
| 895 Reckitt Benckiser | 61 | 0.22 |
| 1,096 RELX | 18 | 0.07 |
| 1,274 Rio Tinto (UK Regd.) | 53 | 0.19 |
| 1,792 Rolls-Royce | 18 | 0.07 |
| 3,458 Royal Bank of Scotland | 9 | 0.03 |
| 4,768 Royal Dutch Shell 'A' (UK Regd.) | 125 | 0.45 |
| 3,752 Royal Dutch Shell 'B' (UK Regd.) | 100 | 0.36 |
| 502 Royal Mail | 2 | 0.01 |
| 540 RSA Insurance | 3 | 0.01 |
| 573 Sage | 4 | 0.01 |
| 76 Schroders | 2 | 0.01 |
| 543 Segro** | 4 | 0.01 |
| 132 Severn Trent | 3 | 0.01 |
| 881 Shire | 38 | 0.14 |
| 1,024 Sky | 16 | 0.06 |
| 914 Smith & Nephew | 12 | 0.04 |
| 210 Smiths | 3 | 0.01 |
| 1,055 SSE | 13 | 0.05 |
| 301 St. James's Place Capital | 4 | 0.01 |
| 3,232 Standard Chartered | 22 | 0.08 |
| 2,938 Standard Life | 9 | 0.03 |
| 257 Tate & Lyle | 2 | 0.01 |
| 2,059 Taylor Wimpey | 4 | 0.01 |
| 8,067 Tesco | 21 | 0.08 |
| 150 Travis Perkins | 2 | 0.01 |
| GBP800,000 UK Treasury 0% 13/8/2018 | 800 | 2.91 |
| GBP1,000,000 UK Treasury 0% 28/8/2018 | 1,000 | 3.64 |
| GBP1,500,000 UK Treasury 0% 03/9/2018 | 1,499 | 5.45 |
| GBP750,000 UK Treasury 0% 24/9/2018 | 749 | 2.72 |
| GBP1,000,000 UK Treasury 0% 22/10/2018 | 998 | 3.63 |
| GBP1,200,000 UK Treasury 1.75% 22/7/2019 | 1,211 | 4.40 |
| GBP250,000 UK Treasury 3.75% 07/9/2019 | 258 | 0.94 |
| 1,770 Unilever | 77 | 0.28 |
| 377 United Utilities | 3 | 0.01 |
| 28,139 Vodafone | 52 | 0.19 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|----------------------------------|-----------------------|-----------------------|
| 117 Weir | 2 | 0.01 |
| 99 Whitbread | 4 | 0.01 |
| 489 William Hill | 1 | — |
| 1,246 WPP | 15 | 0.06 |
| UNITED STATES (15.86%*) | 6,178 | 22.46 |
| 152 21st Century Fox America 'A' | 5 | 0.02 |
| 119 3M | 19 | 0.07 |
| 334 Abbott Laboratories | 17 | 0.06 |
| 311 AbbVie | 22 | 0.08 |
| 121 Accenture | 15 | 0.06 |
| 74 Activision Blizzard | 4 | 0.02 |
| 13 Adient | — | — |
| 97 Adobe Systems | 18 | 0.07 |
| 4 AdvanSix | — | — |
| 32 Aetna | 5 | 0.02 |
| 112 Aflac | 4 | 0.02 |
| 48 Agilent Technologies | 2 | 0.01 |
| 116 AIG | 5 | 0.02 |
| 28 Air Products & Chemicals | 4 | 0.02 |
| 30 Alexion Pharmaceuticals | 3 | 0.01 |
| 948 Alibaba ADS | 135 | 0.49 |
| 37 Allergan | 5 | 0.02 |
| 51 Allstate | 4 | 0.02 |
| 57 Alphabet 'A' | 53 | 0.19 |
| 61 Alphabet 'C' | 57 | 0.21 |
| 89 Amazon | 121 | 0.44 |
| 47 American Electric Power | 3 | 0.01 |
| 79 American Express | 6 | 0.02 |
| 40 American Tower** | 5 | 0.02 |
| 25 Ameriprise Financial | 3 | 0.01 |
| 40 AMETEK | 2 | 0.01 |
| 145 Amgen | 22 | 0.08 |
| 45 Amphenol 'A' | 3 | 0.01 |
| 54 Anadarko Petroleum | 3 | 0.01 |
| 46 Analog Devices | 3 | 0.01 |
| 24 Anthem | 5 | 0.02 |
| 54 Apache | 2 | 0.01 |
| 1,064 Apple | 155 | 0.56 |
| 113 Applied Materials | 4 | 0.02 |
| 78 Archer Daniels Midland | 3 | 0.01 |
| 1,393 AT&T | 34 | 0.12 |
| 43 Automatic Data Processing | 4 | 0.02 |
| 4 AutoZone | 2 | 0.01 |
| 18 AvalonBay Communities** | 2 | 0.01 |
| 370 Baidu ADR | 70 | 0.26 |
| 58 Baker Hughes GE | 2 | 0.01 |
| 100 Ball | 3 | 0.01 |
| 2,268 Bank of America | 53 | 0.19 |
| 103 Bank of New York Mellon | 4 | 0.02 |
| 70 Baxter International | 4 | 0.02 |
| 87 BB&T | 3 | 0.01 |
| 25 Becton Dickinson | 5 | 0.02 |
| 228 Berkshire Hathaway 'B' | 34 | 0.12 |
| 21 Biogen Idec | 5 | 0.02 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---------------------------------|-----------------------|-----------------------|
| 12 BlackRock | 5 | 0.02 |
| 133 Boeing | 36 | 0.13 |
| 4 Booking | 6 | 0.02 |
| 20 Boston Properties** | 2 | 0.01 |
| 127 Boston Scientific | 3 | 0.01 |
| 8 Brighthouse Financial | — | — |
| 319 Bristol-Myers Squibb | 14 | 0.05 |
| 74 Broadcom | 13 | 0.05 |
| 50 Capital One | 4 | 0.02 |
| 43 Cardinal Health | 2 | 0.01 |
| 59 Carnival | 3 | 0.01 |
| 113 Caterpillar | 12 | 0.04 |
| 57 CBS 'B' | 2 | 0.01 |
| 73 Celgene | 5 | 0.02 |
| 141 CenturyLink | 2 | 0.01 |
| 45 Cerner | 2 | 0.01 |
| 111 Charles Schwab | 4 | 0.01 |
| 29 Cheniere Energy | 1 | — |
| 361 Chevron | 35 | 0.13 |
| 43 Chubb | 5 | 0.02 |
| 24 Cigna | 3 | 0.01 |
| 973 Cisco Systems | 31 | 0.11 |
| 569 Citigroup | 31 | 0.11 |
| 19 Clorox | 2 | 0.01 |
| 35 CME | 4 | 0.01 |
| 1,081 Coca-Cola | 38 | 0.14 |
| 56 Cognizant Technology | 3 | 0.01 |
| 80 Colgate-Palmolive | 4 | 0.01 |
| 956 Comcast 'A' | 26 | 0.09 |
| 62 ConAgra Foods | 2 | 0.01 |
| 19 Concho Resources | 2 | 0.01 |
| 116 ConocoPhillips | 6 | 0.02 |
| 43 Consolidated Edison | 3 | 0.01 |
| 23 Constellation Brands 'A' | 4 | 0.01 |
| 156 Corning | 4 | 0.01 |
| 84 Costco Wholesale | 14 | 0.05 |
| 31 Crown Castle International** | 3 | 0.01 |
| 91 CSX | 5 | 0.02 |
| 23 Cummins | 3 | 0.01 |
| 105 CVS Health | 5 | 0.02 |
| 58 Danaher | 5 | 0.02 |
| 30 Deere | 3 | 0.01 |
| 31 Dell Technologies – VMware | 2 | 0.01 |
| 41 Delphi Automotive | 3 | 0.01 |
| 13 Delphi Technologies | — | — |
| 35 Dentsply Sirona | 1 | — |
| 70 Devon Energy | 2 | 0.01 |
| 56 Discover Financial Services | 3 | 0.01 |
| 303 Disney (Walt) | 26 | 0.09 |
| 45 Dollar General | 3 | 0.01 |
| 33 Dollar Tree | 2 | 0.01 |
| 56 Dominion Resources | 3 | 0.01 |
| 431 DowDuPont | 23 | 0.08 |
| 26 DTE Energy | 2 | 0.01 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| 63 Duke Energy | 4 | 0.01 |
| 20 DXC Technology | 1 | — |
| 50 Eaton | 3 | 0.01 |
| 101 eBay | 3 | 0.01 |
| 24 Ecolab | 3 | 0.01 |
| 46 Edison International | 2 | 0.01 |
| 32 Edwards Lifesciences | 3 | 0.01 |
| 32 Electronic Arts | 3 | 0.01 |
| 94 Eli Lilly | 7 | 0.03 |
| 62 Emerson Electric | 3 | 0.01 |
| 51 EOG Resources | 5 | 0.02 |
| 20 Equifax | 2 | 0.01 |
| 8 Equinix** | 3 | 0.01 |
| 52 Equity Residential** | 3 | 0.01 |
| 9 Essex Property Trust** | 2 | 0.01 |
| 33 Estee Lauder 'A' | 3 | 0.01 |
| 46 Eversource Energy | 2 | 0.01 |
| 87 Exelon | 3 | 0.01 |
| 63 Express Scripts | 4 | 0.01 |
| 797 Exxon Mobil | 50 | 0.18 |
| 437 Facebook | 57 | 0.21 |
| 25 FedEx | 5 | 0.02 |
| 41 Fidelity National Information Services | 3 | 0.01 |
| 60 Fiserv | 4 | 0.01 |
| 346 Ford Motor | 3 | 0.01 |
| 45 Fortive | 3 | 0.01 |
| 60 Franklin Resources | 2 | 0.01 |
| 1,781 General Electric | 18 | 0.07 |
| 56 General Mills | 2 | 0.01 |
| 134 General Motors | 4 | 0.01 |
| 82 GGP** | 1 | — |
| 279 Gilead Sciences | 17 | 0.06 |
| 74 Goldman Sachs | 13 | 0.05 |
| 81 Halliburton | 3 | 0.01 |
| 58 Hartford Financial Services | 2 | 0.01 |
| 43 HCA | 4 | 0.01 |
| 66 HCP ** | 1 | — |
| 41 Hess | 2 | 0.01 |
| 168 Hewlett Packard Enterprise | 2 | 0.01 |
| 244 Home Depot | 37 | 0.13 |
| 139 Honeywell International | 17 | 0.06 |
| 236 HP | 4 | 0.01 |
| 20 Humana | 5 | 0.02 |
| 178 IBM | 20 | 0.07 |
| 30 Illinois Tool Works | 3 | 0.01 |
| 19 Illumina | 5 | 0.02 |
| 38 Ingersoll-Rand | 3 | 0.01 |
| 1 Ingevity | — | — |
| 906 Intel | 33 | 0.12 |
| 56 Intercontinental Exchange | 3 | 0.01 |
| 56 International Paper | 2 | 0.01 |
| 33 Intuit | 5 | 0.02 |
| 12 Intuitive Surgical | 5 | 0.02 |
| 18 J.M. Smucker | 2 | 0.01 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|-----------------------------------|-----------------------|-----------------------|
| 12 JBG SMITH Properties** | — | — |
| 776 JD.com | 21 | 0.08 |
| 532 Johnson & Johnson | 54 | 0.20 |
| 89 Johnson Controls International | 3 | 0.01 |
| 707 JPMorgan Chase | 62 | 0.23 |
| 38 Kellogg | 2 | 0.01 |
| 28 Keurig Dr Pepper | 1 | — |
| 54 KeyCorp | 1 | — |
| 34 Kimberly-Clark | 3 | 0.01 |
| 178 Kinder Morgan | 2 | 0.01 |
| 56 Kraft Heinz Foods | 3 | 0.01 |
| 123 Kroger | 3 | 0.01 |
| 36 L Brands | 1 | — |
| 20 Lamb Weston | 1 | — |
| 61 Las Vegas Sands | 3 | 0.01 |
| 82 Liberty Global 'B' | 2 | 0.01 |
| 12 Liberty Latin America | — | — |
| 176 Lowe's | 13 | 0.05 |
| 19 M&T Bank | 3 | 0.01 |
| 52 Macy's | 2 | 0.01 |
| 70 Marathon Petroleum | 4 | 0.01 |
| 1 Markel | 1 | — |
| 49 Marsh & McLennan | 3 | 0.01 |
| 190 MasterCard 'A' | 29 | 0.11 |
| 202 McDonald's | 24 | 0.09 |
| 21 McKesson | 2 | 0.01 |
| 275 Medtronic | 19 | 0.07 |
| 538 Merck & Co | 27 | 0.10 |
| 90 MetLife | 3 | 0.01 |
| 23 Micro Focus International ADR | — | — |
| 1,655 Microsoft | 134 | 0.49 |
| 27 Molson Coors Brewing 'B' | 1 | — |
| 150 Mondelez International | 5 | 0.02 |
| 63 Monster Beverage | 3 | 0.01 |
| 26 Moody's | 3 | 0.01 |
| 137 Morgan Stanley | 5 | 0.02 |
| 60 Mylan | 2 | 0.01 |
| 89 NetEase ADR | 18 | 0.07 |
| 78 Netflix | 20 | 0.07 |
| 63 Newell Rubbermaid | 1 | — |
| 76 Newmont Mining | 2 | 0.01 |
| 43 NextEra Energy | 5 | 0.02 |
| 50 Nielsen | 1 | — |
| 262 Nike 'B' | 15 | 0.05 |
| 61 Noble Energy | 2 | 0.01 |
| 28 Norfolk Southern | 4 | 0.01 |
| 32 Northern Trust | 3 | 0.01 |
| 46 Nucor | 2 | 0.01 |
| 103 Nvidia | 19 | 0.07 |
| 72 Occidental Petroleum | 5 | 0.02 |
| 32 Omnicom | 2 | 0.01 |
| 614 Oracle | 22 | 0.08 |
| 13 O'Reilly Automotive | 3 | 0.01 |
| 46 Paccar | 2 | 0.01 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings or Normal Values | Market Value £'000 | Total Net Assets % |
|---|--------------------------|--------------------------|
| 9 Palo Alto Networks | 1 | — |
| 18 Parker-Hannifin | 2 | 0.01 |
| 46 Paychex | 2 | 0.01 |
| 213 PayPal | 13 | 0.05 |
| 385 PepsiCo | 34 | 0.12 |
| 10 Perspecta | — | — |
| 1,177 Pfizer | 36 | 0.13 |
| 47 PG&E | 2 | 0.01 |
| 50 Phillips 66 | 5 | 0.02 |
| 21 Pioneer Natural Resources | 3 | 0.01 |
| 48 PNC Financial Services | 5 | 0.02 |
| 36 PPG Industries | 3 | 0.01 |
| 89 PPL | 2 | 0.01 |
| 27 Praxair | 3 | 0.01 |
| 713 Procter & Gamble | 44 | 0.16 |
| 77 Progressive | 4 | 0.01 |
| 78 Prologis** | 4 | 0.01 |
| 42 Prudential Financial | 3 | 0.01 |
| 67 Public Service Enterprise | 3 | 0.01 |
| 20 Public Storage** | 3 | 0.01 |
| 293 Qualcomm | 14 | 0.05 |
| 36 Realty Income** | 2 | 0.01 |
| 10 Regeneron Pharmaceuticals | 3 | 0.01 |
| 18 Rockwell Automation | 3 | 0.01 |
| 14 Roper Industries | 3 | 0.01 |
| 54 Ross Stores | 4 | 0.01 |
| 25 S&P Global | 4 | 0.01 |
| 59 Salesforce.com | 6 | 0.02 |
| 271 Schlumberger | 14 | 0.05 |
| 31 Sempra Energy | 3 | 0.01 |
| 11 Sherwin-Williams | 4 | 0.01 |
| 30 Simon Property** | 4 | 0.01 |
| 86 Southern | 3 | 0.01 |
| 22 Stanley Black & Decker | 3 | 0.01 |
| 141 Starbucks | 6 | 0.02 |
| 38 State Street | 3 | 0.01 |
| 31 Stryker | 4 | 0.01 |
| 67 SunTrust Banks | 4 | 0.01 |
| 90 Symantec | 1 | — |
| 111 Synchrony Financial | 2 | 0.01 |
| 74 Sysco | 4 | 0.01 |
| 36 T Rowe Price | 3 | 0.01 |
| 77 Target | 5 | 0.02 |
| 51 TE Connectivity | 4 | 0.01 |
| 13 Tesla Motors | 3 | 0.01 |
| 196 Texas Instruments | 17 | 0.06 |
| 38 Thermo Fisher Scientific | 7 | 0.03 |
| 63 TJX | 5 | 0.02 |
| 29 Travelers | 3 | 0.01 |
| 43 Tyson Foods | 2 | 0.01 |
| 166 Union Pacific | 19 | 0.07 |
| 64 United Parcel Service 'B' | 6 | 0.02 |
| 184 UnitedHealth | 36 | 0.13 |
| 336 US Bancorp | 14 | 0.05 |
| USD2,300,000 US Treasury 0.125% 15/7/2026 | 1,745 | 6.34 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings or Normal Values | Market Value £'000 | Total Net Assets % |
|---|--------------------------|--------------------------|
| USD2,000,000 US Treasury 0.5% 15/1/2028 | 1,503 | 5.47 |
| 64 Valero Energy | 6 | 0.02 |
| 48 Ventas** | 2 | 0.01 |
| 780 Verizon Communications | 31 | 0.11 |
| 14 Versum Materials | — | — |
| 26 Vertex Pharmaceuticals | 3 | 0.01 |
| 57 VF | 4 | 0.01 |
| 374 Visa | 39 | 0.14 |
| 25 Vornado Realty Trust** | 1 | — |
| 20 Vulcan Materials | 2 | 0.01 |
| 82 Walgreens Boots Alliance | 4 | 0.01 |
| 307 Wal-Mart Stores | 21 | 0.08 |
| 59 Waste Management | 4 | 0.01 |
| 46 WEC Energy | 2 | 0.01 |
| 927 Wells Fargo | 40 | 0.15 |
| 46 Welltower** | 2 | 0.01 |
| 103 Weyerhaeuser** | 3 | 0.01 |
| 12 Whirlpool | 1 | — |
| 94 Williams | 2 | 0.01 |
| 64 Worldpay | 4 | 0.01 |
| 67 Xcel Energy | 2 | 0.01 |
| 609 Yum China | 17 | 0.06 |
| 57 Yum! Brands | 3 | 0.01 |
| 28 Zimmer | 3 | 0.01 |
| 71 Zoetis | 5 | 0.02 |
| CANADA (0.37%*) | 122 | 0.44 |
| 60 Alimentation Cuche-Tard 'B' | 2 | 0.01 |
| 62 Bank of Montreal | 4 | 0.02 |
| 250 Bank of Nova Scotia | 11 | 0.04 |
| 153 Barrick Gold | 1 | — |
| 48 Bausch Health Cos | 1 | — |
| 83 Brookfield Asset Management 'A' | 3 | 0.01 |
| 2 Brookfield Business Partners | — | — |
| 38 Canadian Imperial Bank of Commerce | 3 | 0.01 |
| 152 Canadian National Railway | 10 | 0.04 |
| 103 Canadian Natural Resources | 3 | 0.01 |
| 19 Canadian Pacific Railway | 3 | 0.01 |
| 183 Cenovus Energy | 1 | — |
| 181 Enbridge | 5 | 0.02 |
| 108 Goldcorp | 1 | — |
| 40 Imperial Oil | 1 | — |
| 15 Loblaw | 1 | — |
| 58 Magna International 'A' | 3 | 0.01 |
| 196 Manulife Financial | 3 | 0.01 |
| 22 National Bank of Canada | 1 | — |
| 283 Nutrien | 12 | 0.05 |
| 3 PrairieSky Royalty | — | — |
| 30 Rogers Communications 'B' | 1 | — |
| 307 Royal Bank of Canada | 18 | 0.07 |
| 82 Sun Life Financial | 3 | 0.01 |
| 319 Suncor Energy | 10 | 0.04 |
| 56 Thomson Reuters | 2 | 0.01 |
| 378 Toronto-Dominion Bank | 17 | 0.06 |
| 67 TransCanada | 2 | 0.01 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--------------------------------|-----------------------|-----------------------|
| BELGIUM (0.82%*) | 160 | 0.58 |
| 1,044 Anheuser-Busch InBev | 80 | 0.29 |
| 1,045 Anheuser-Busch InBev | 80 | 0.29 |
| DENMARK (0.06%*) | 22 | 0.08 |
| 93 Danske Bank | 2 | 0.01 |
| 433 Novo Nordisk 'B' | 17 | 0.06 |
| 16 Pandora | 1 | — |
| 33 Vestas Wind Systems | 2 | 0.01 |
| FINLAND (0.16%*) | 29 | 0.11 |
| 48 KONE 'B' | 2 | 0.01 |
| 5,793 Nokia | 24 | 0.09 |
| 64 Sampo 'A' | 3 | 0.01 |
| FRANCE (3.60%*) | 760 | 2.76 |
| 422 Air Liquide | 41 | 0.15 |
| 2,041 AXA | 39 | 0.14 |
| 1,083 BNP Paribas | 54 | 0.20 |
| 24 Capgemini | 2 | 0.01 |
| 2 Carrefour | — | — |
| 882 Danone | 53 | 0.19 |
| 1,705 ENGIE | 21 | 0.08 |
| 218 Essilor International | 24 | 0.09 |
| 39 Legrand | 2 | 0.01 |
| 332 L'Oréal | 61 | 0.22 |
| 47 L'Oréal Loyalty | 9 | 0.03 |
| 273 LVMH Moët Hennessy | 72 | 0.26 |
| 28 Michelin (Regd.) | 3 | 0.01 |
| 1,991 Orange | 26 | 0.09 |
| 31 Pernod Ricard | 4 | 0.01 |
| 28 Renault | 2 | 0.01 |
| 520 Saint-Gobain | 18 | 0.07 |
| 1,174 Sanofi | 77 | 0.28 |
| 579 Schneider Electric | 36 | 0.13 |
| 773 Société Générale | 26 | 0.09 |
| 2,597 Total | 129 | 0.47 |
| 544 Vinci | 41 | 0.15 |
| 1,037 Vivendi | 20 | 0.07 |
| GERMANY (3.42%*) | 696 | 2.53 |
| 196 Adidas (Regd.) | 33 | 0.12 |
| 463 Allianz (Regd.) | 78 | 0.28 |
| 913 BASF | 67 | 0.24 |
| 887 Bayer (Regd.) | 75 | 0.27 |
| 315 BMW | 23 | 0.08 |
| 18 Continental | 3 | 0.01 |
| 981 Daimler (Regd.) | 52 | 0.19 |
| 2,026 Deutsche Bank | 20 | 0.07 |
| 28 Deutsche Boerse | 3 | 0.01 |
| 974 Deutsche Post (Regd.) | 26 | 0.10 |
| 3,309 Deutsche Telekom (Regd.) | 42 | 0.15 |
| 2,052 E.ON | 18 | 0.07 |
| 405 Fresenius | 24 | 0.09 |
| 32 Fresenius Medical Care | 2 | 0.01 |
| 26 Henkel pref. | 2 | 0.01 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| 162 Infineon Technologies | 3 | 0.01 |
| 25 Linde | 4 | 0.02 |
| 165 Muenchener Rueckversicherung (Regd.) | 28 | 0.10 |
| 1,009 SAP | 90 | 0.33 |
| 836 Siemens (Regd.) | 90 | 0.33 |
| 265 TUI | 4 | 0.01 |
| 29 Uniper | 1 | — |
| 37 Volkswagen pref. (non-voting) | 5 | 0.02 |
| 69 Vonovia | 3 | 0.01 |
| IRELAND (0.12%*) | 41 | 0.15 |
| 1,377 CRH | 36 | 0.13 |
| 47 DCC | 3 | 0.01 |
| 19 Willis Towers Watson | 2 | 0.01 |
| ITALY (0.52%*) | 107 | 0.39 |
| 168 Assicurazioni Generali | 2 | 0.01 |
| 7,654 Enel | 33 | 0.12 |
| 2,505 Eni | 37 | 0.13 |
| 13,646 Intesa Sanpaolo | 32 | 0.12 |
| 237 UniCredit Rights 09/03/2018 | 3 | 0.01 |
| LUXEMBOURG (2.34%*) | — | — |
| NETHERLANDS (1.30%*) | 353 | 1.28 |
| 4 Aegon | — | — |
| 571 Airbus | 54 | 0.19 |
| 37 Akzo Nobel | 3 | 0.01 |
| 373 ASML | 61 | 0.22 |
| 33 Heineken | 3 | 0.01 |
| 3,752 ING | 44 | 0.16 |
| 1,647 Koninklijke Ahold Delhaize | 32 | 0.12 |
| 36 Lyondellbasell Industries 'A' | 3 | 0.01 |
| 962 Philips | 32 | 0.12 |
| 148 RELX | 2 | 0.01 |
| 101 Unibail-Rodamco-Westfield** | 17 | 0.06 |
| 2,329 Unilever | 102 | 0.37 |
| NORWAY (0.01%*) | 3 | 0.01 |
| 170 Statoil | 3 | 0.01 |
| SPAIN (1.18%*) | 204 | 0.74 |
| 67 Amadeus IT | 4 | 0.02 |
| 16,111 Banco Santander (Regd.) | 69 | 0.25 |
| 6,427 BBVA | 36 | 0.13 |
| 6,206 Iberdrola | 37 | 0.13 |
| 1,100 Inditex | 28 | 0.10 |
| 4,436 Telefonica | 30 | 0.11 |
| SWEDEN (0.12%*) | 24 | 0.09 |
| 144 Assa Abloy 'B' | 2 | 0.01 |
| 101 Atlas Copco | 2 | 0.01 |
| 101 Epiroc AB | 1 | — |
| 436 Ericsson 'B' | 3 | 0.01 |
| 87 Essity AB | 2 | 0.01 |
| 126 Hennes & Mauritz 'B' | 1 | — |
| 66 Investor 'B' | 2 | 0.01 |
| 325 Nordea Bank | 3 | 0.01 |
| 87 Svenska Cellulosa 'B' | 1 | — |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|-----------------------------------|-----------------------|-----------------------|
| 199 Svenska Handelsbanken 'A' | 2 | 0.01 |
| 120 Swedbank 'A' | 2 | 0.01 |
| 223 Volvo 'B' | 3 | 0.01 |
| SWITZERLAND (0.38%*) | 131 | 0.48 |
| 484 ABB (Regd.) | 9 | 0.03 |
| 96 Coca-Cola HBC | 3 | 0.01 |
| 49 Compagnie Financiere Richemont | 3 | 0.01 |
| 309 Credit Suisse | 4 | 0.02 |
| 1 Givaudan | 2 | 0.01 |
| 14 Idorsia | — | — |
| 70 LafargeHolcim | 3 | 0.01 |
| 609 Nestlé (Regd.) | 38 | 0.14 |
| 437 Novartis (Regd.) | 28 | 0.10 |
| 133 Roche Holding | 25 | 0.09 |
| 32 Swiss Re | 2 | 0.01 |
| 2 Swisscom | 1 | — |
| 701 UBS | 9 | 0.03 |
| 15 Zurich Insurance | 4 | 0.02 |
| JAPAN (0.93%*) | 279 | 1.01 |
| 82 Ajinomoto | 1 | — |
| 55 Asahi Breweries | 2 | 0.01 |
| 201 Astellas Pharma | 2 | 0.01 |
| 106 Bridgestone | 3 | 0.01 |
| 109 Canon | 3 | 0.01 |
| 25 Central Japan Railway | 4 | 0.02 |
| 43 Dai-ichi Life | 1 | — |
| 88 Daiichi Sankyo | 3 | 0.01 |
| 40 Daikin | 4 | 0.01 |
| 82 Daiwa House | 2 | 0.01 |
| 226 Daiwa Securities | 1 | — |
| 79 Denso | 3 | 0.01 |
| 158 East Japan Railway | 11 | 0.04 |
| 35 Eisai | 2 | 0.01 |
| 36 Fanuc | 5 | 0.02 |
| 8 Fast Retailing | 3 | 0.01 |
| 94 Fuji Heavy Industries | 2 | 0.01 |
| 47 Fujifilm | 1 | — |
| 1,487 Hitachi | 8 | 0.03 |
| 364 Honda Motor | 8 | 0.03 |
| 360 Hoya | 16 | 0.06 |
| 168 ITOCHU | 2 | 0.01 |
| 38 JFE | 1 | — |
| 173 Kao | 10 | 0.04 |
| 100 KDDI | 2 | 0.01 |
| 8 Keyence | 3 | 0.01 |
| 16 Kirin | — | — |
| 365 Komatsu | 8 | 0.03 |
| 95 Kubota | 1 | — |
| 32 Kyocera | 1 | — |
| 139 Mitsubishi | 3 | 0.01 |
| 130 Mitsubishi Electric | 1 | — |
| 172 Mitsubishi Estate | 2 | 0.01 |
| 52 Mitsubishi Heavy Industries | 1 | — |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings or Normal Values | Market Value £'000 | Total Net Assets % |
|-------------------------------------|--------------------------|--------------------------|
| 2,565 Mitsubishi UFJ Financial | 12 | 0.04 |
| 199 Mitsui | 3 | 0.01 |
| 127 Mitsui Fudosan | 2 | 0.01 |
| 2,139 Mizuho Financial | 3 | 0.01 |
| 68 MS&AD Insurance | 2 | 0.01 |
| 21 Murata Manufacturing | 3 | 0.01 |
| 38 Nidec | 4 | 0.01 |
| 10 Nintendo | 3 | 0.01 |
| 100 Nippon Steel & Sumitomo Metal | 2 | 0.01 |
| 100 Nippon Telegraph & Telephone | 4 | 0.01 |
| 396 Nissan Motor | 3 | 0.01 |
| 47 Nitto Denko | 3 | 0.01 |
| 496 Nomura | 2 | 0.01 |
| 100 NTT DOCOMO | 2 | 0.01 |
| 32 Oriental Land | 3 | 0.01 |
| 180 Orix | 2 | 0.01 |
| 56 Otsuka | 2 | 0.01 |
| 754 Panasonic | 7 | 0.03 |
| 34 Rakuten | — | — |
| 2 Resona | — | — |
| 37 Secom | 2 | 0.01 |
| 111 Seven & I | 3 | 0.01 |
| 18 Shin-Etsu Chemical | 1 | — |
| 9 SMC | 2 | 0.01 |
| 200 Softbank | 13 | 0.05 |
| 45 Sompo Japan Nipponkoa | 1 | — |
| 91 Sony | 4 | 0.01 |
| 93 Sumitomo | 1 | — |
| 22 Sumitomo Electric | — | — |
| 376 Sumitomo Mitsui Financial | 11 | 0.04 |
| 46 Sumitomo Mitsui Trust | 1 | — |
| 48 Sumitomo Realty & Development | 1 | — |
| 158 Suzuki Motor | 7 | 0.03 |
| 111 Takeda Pharmaceutical | 4 | 0.01 |
| 96 Tokio Marine | 3 | 0.01 |
| 365 Tokyo Gas | 7 | 0.03 |
| 412 Toray | 2 | 0.01 |
| 689 Toshiba | 2 | 0.01 |
| 637 Toyota Motor | 32 | 0.12 |
| AUSTRALIA (5.76%*) | 2,148 | 7.81 |
| 174 Amcor | 1 | — |
| 505 AMP | 1 | — |
| 637 Australia & New Zealand Banking | 11 | 0.04 |
| AUD2,550,000 Australia 3% 20/9/2025 | 2,045 | 7.44 |
| 614 BHP Billiton | 12 | 0.04 |
| 361 Brambles | 2 | 0.01 |
| 364 Commonwealth Bank of Australia | 15 | 0.06 |
| 89 CSL | 10 | 0.04 |
| 45 Macquarie | 3 | 0.01 |
| 597 National Australia Bank | 10 | 0.04 |
| 14 OneMarket | — | — |
| 194 Rio Tinto | 9 | 0.03 |
| 764 Scentre** | 2 | 0.01 |
| 223 Suncorp | 2 | 0.01 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings or Normal Values | Market Value £'000 | Total Net Assets % |
|--|--------------------------|--------------------------|
| 673 Telstra | 1 | — |
| 343 Transurban | 2 | 0.01 |
| 100 Unibail-Rodamco-Westfield** | 1 | — |
| 114 Wesfarmers | 3 | 0.01 |
| 742 Westpac Banking | 12 | 0.04 |
| 168 Woodside Petroleum | 3 | 0.01 |
| 203 Woolworths | 3 | 0.01 |
| CHINA (0.00%*) | 350 | 1.27 |
| 103,000 Bank of China 'H' | 37 | 0.13 |
| 107,000 China Construction Bank 'H' | 74 | 0.27 |
| 8,000 China Life Insurance | 15 | 0.05 |
| 8,000 China Mobile | 55 | 0.20 |
| 40,000 China Petroleum & Chemical | 29 | 0.11 |
| 20,000 CNOOC | 26 | 0.09 |
| 579 Ctrip.com International ADS | 18 | 0.07 |
| 95,000 Industrial and Commercial Bank of China 'H' | 54 | 0.20 |
| 6,000 Ping An Insurance | 42 | 0.15 |
| HONG KONG (0.28%*) | 289 | 1.05 |
| 2,657 AIA | 18 | 0.06 |
| 496 BOC Hong Kong | 2 | 0.01 |
| 1,869 CK Asset Holdings | 11 | 0.04 |
| 982 CK Hutchison | 8 | 0.03 |
| 692 CLP | 6 | 0.02 |
| 6,000 Geely Automobiles | 10 | 0.04 |
| 104 Hang Seng Bank | 2 | 0.01 |
| 2,259 Hong Kong & China Gas | 4 | 0.01 |
| 361 Hong Kong Exchanges & Clearing | 8 | 0.03 |
| 1,820 Link REIT** | 14 | 0.05 |
| 507 Power Assets | 3 | 0.01 |
| 2,234 Sun Hung Kai Properties | 27 | 0.10 |
| 5,100 Tencent | 176 | 0.64 |
| INDONESIA (1.05%*) | 275 | 1.00 |
| 12,300 Bank Central Asia | 15 | 0.06 |
| IDR4,000,000,000 Indonesia 11% 15/9/2025 | 248 | 0.90 |
| 65,800 Telekomunikasi Indonesia 'B' | 12 | 0.04 |
| MALAYSIA (0.98%*) | 275 | 1.00 |
| MYR1,450,000 Malaysia 4.048% 30/9/2021 | 275 | 1.00 |
| SINGAPORE (0.03%*) | 6 | 0.02 |
| 159 DBS | 2 | — |
| 1,100 Singapore Telecommunications | 2 | 0.01 |
| 110 United Overseas Bank | 2 | 0.01 |
| SOUTH KOREA (0.00%*) | 287 | 1.04 |
| 178 Hyundai Motor | 16 | 0.06 |
| 486 KB Financial | 18 | 0.06 |
| 31 NAVER | 15 | 0.05 |
| 97 POSCO | 22 | 0.08 |
| 5,000 Samsung Electronics | 157 | 0.57 |
| 534 Shinhan Financial | 16 | 0.06 |
| 725 SK Hynix | 43 | 0.16 |
| TAIWAN (0.00%*) | 208 | 0.76 |
| 20,000 Hon Hai Precision | 42 | 0.15 |
| 2,000 MediaTek | 13 | 0.05 |
| 25,000 Taiwan Semiconductor Manufacturing | 153 | 0.56 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings or Normal Values | Market Value £'000 | Total Net Assets % |
|---|--------------------------|--------------------------|
| THAILAND (0.79%*) | 216 | 0.79 |
| THB9,500,000 Thailand 1.875% 17/6/2022 | 216 | 0.79 |
| HUNGARY (0.77%*) | 189 | 0.69 |
| HUF66,000,000 Hungary 2.5% 27/10/2021 | 189 | 0.69 |
| POLAND (1.14%*) | 334 | 1.21 |
| PLN1,670,000 Poland 2.5% 25/7/2026 | 334 | 1.21 |
| RUSSIA (0.64%*) | 167 | 0.61 |
| RUB13,550,000 Russia 7.6% 14/4/2021 | 167 | 0.61 |
| SOUTH AFRICA (1.03%*) | 428 | 1.56 |
| 2,310 MTN | 15 | 0.06 |
| 532 Naspers 'N' | 100 | 0.36 |
| 656 Sasol | 20 | 0.07 |
| ZAR4,200,000 South Africa 10.5% 21/12/2026 | 272 | 0.99 |
| 1,751 Standard Bank | 21 | 0.08 |
| TURKEY (0.99%*) | 130 | 0.47 |
| TRY1,000,000 Turkey 7.4% 05/2/2020 | 130 | 0.47 |
| BRAZIL (1.08%*) | 549 | 2.00 |
| 6,548 AmBev | 26 | 0.09 |
| 2,781 B3 SA – Brasil Bolsa Balcao | 13 | 0.05 |
| 4,778 Banco Bradesco pref. | 30 | 0.11 |
| BRL2,000,000 Brazil 0% 01/1/2019 | 395 | 1.44 |
| 10,292 Petroleo Brasileiro | 46 | 0.17 |
| 3,547 Vale | 39 | 0.14 |
| CHILE (0.01%*) | 2 | 0.01 |
| 209 Antofagasta | 2 | 0.01 |
| MEXICO (1.10%*) | 333 | 1.21 |
| 42,510 America Movil | 28 | 0.10 |
| 2,600 Fomento Economico Mexicano | 19 | 0.07 |
| 3,302 Grupo Financiero Banorte | 18 | 0.07 |
| MXN5,900,000 Mexico 10% 05/12/2024 | 268 | 0.97 |
| DERIVATIVES (0.67%*) | (402) | (1.46) |
| Interest Rate Swap | | |
| 300,000,000 Citibank Interest Rate Swap Pay INR MIBOR Rec INR 7.180% 05/07/2023 | 10 | 0.04 |
| 70,000,000 Citibank Interest Rate Swap Pay MXN MXIBTIE Pay MXN 8.410% 06/06/2028 | 57 | 0.21 |
| (35,000,000) Citibank Interest Rate Swap Pay NOK NIBOR Rec NOK 1.8125% 06/12/2027 | (80) | (0.29) |
| 65,000,000 Citibank Interest Rate Swap Rec CZK PRIBOR Pay CZK 2.150% 01/08/2028 | 10 | 0.04 |
| (2,500,000,000) HSBC Interest Rate Swap Pay KRW KORIBOR Rec KRW 1.995% 09/08/2027 | (29) | (0.11) |
| 40,000,000 HSBC Interest Rate Swap Pay ZAR JIBAR Rec ZAR 8.295% 02/07/2028 | 38 | 0.14 |
| (200,000,000) JP Morgan Interest Rate Swap Pay INR MIBOR Rec INR 6.5675% 13/12/2022 | (43) | (0.16) |
| 3,000,000,000 JP Morgan Interest Rate Swap Pay KRW KORIBOR Rec KRW 2.2925% 19/06/2028 | 13 | 0.05 |
| (12,500,000) JP Morgan Interest Rate Swap Pay NZD BBR FRA Rec NZD 3.0075% 25/07/2028 | (13) | (0.05) |
| 42,000,000 JP Morgan Interest Rate Swap Pay ZAR JIBAR Rec ZAR 8.545% 11/12/2027 | 86 | 0.31 |
| Future Contracts | | |
| 9 Amsterdam Index Futures August 2018 | 22 | 0.08 |
| (114) Australian 10-Year Bond Futures September 2018 | (5) | (0.02) |
| (329) BIST 30 Futures August 2018 | (39) | (0.14) |
| (14) CAC40 10 Euro Futures August 2018 | (10) | (0.04) |
| 54 Euro-BTP Futures September 2018 | (33) | (0.12) |
| (85) EURO-BUND Futures September 2018 | (16) | (0.06) |
| 38 FTSE 100 Index Futures September 2018 | 31 | 0.11 |
| 127 FTSE China A50 Futures August 2018 | 9 | 0.03 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|--|-----------------------|-----------------------|
| (45) FTSE KLCI Futures August 2018 | (5) | (0.02) |
| 24 FTSE MIB Index Futures September 2018 | 59 | 0.21 |
| (12) Hang Seng Index Futures August 2018 | (14) | (0.05) |
| 13 IBEX 35 Index Futures August 2018 | 16 | 0.06 |
| 6 JPN 10-Year Bond(OSE) Futures September 2018 | 2 | 0.01 |
| (33) MSCI Singapore Index ETS Futures August 2018 | (11) | (0.04) |
| (14) MSCI Taiwan Index Futures August 2018 | (5) | (0.02) |
| (113) OBX Index August Future 2018 | (24) | (0.09) |
| (94) OMXS30 Index Futures August 2018 | (57) | (0.21) |
| (16) S&P 500 E-mini Futures September 2018 | (31) | (0.11) |
| 6 S&P/TSX 60 Index Futures September 2018 | 2 | 0.01 |
| (74) SGX Nifty 50 Futures August 2018 | (30) | (0.11) |
| 27 Swiss Federation Bond Futures September 2018 | (17) | (0.06) |
| (44) Swiss Market Index Futures September 2018 | (215) | (0.78) |
| (11) TOPIX Index Futures September 2018 | (41) | (0.15) |
| 13 UK Long Gilt Bond Futures September 2018 | (6) | (0.02) |
| (106) US Treasury Note 10 Year Futures September 2018 | 65 | 0.24 |
| Forward Currency Contracts | | |
| Australian Dollar | | |
| Sold AUD420,000 for GBP236,607 Settlement 29/08/2018 | (1) | — |
| Sold AUD3,615,000 for GBP2,036,511 Settlement 29/08/2018 | (10) | (0.04) |
| Canadian Dollar | | |
| Sold CAD1,890,000 for GBP1,094,164 Settlement 29/08/2018 | (12) | (0.04) |
| Czech Koruna | | |
| Bought CZK11,000,000 for GBP378,844 Settlement 29/08/2018 | 5 | 0.02 |
| Danish Krone | | |
| Sold DKK4,600,000 for GBP551,384 Settlement 29/08/2018 | — | — |
| Sold DKK11,500,000 for GBP1,377,159 Settlement 29/08/2018 | (1) | — |
| Euro | | |
| Bought EUR7,563,555 for GBP6,692,511 Settlement 15/08/2018 | 57 | 0.20 |
| Sold EUR1,310,000 for GBP1,168,861 Settlement 29/08/2018 | (1) | — |
| Sold EUR1,605,000 for GBP1,432,077 Settlement 29/08/2018 | (1) | — |
| Hungarian Forint | | |
| Bought HUF184,000,000 for GBP508,082 Settlement 29/08/2018 | 4 | 0.01 |
| Sold HUF184,000,000 for GBP502,708 Settlement 29/08/2018 | (9) | (0.03) |
| Indian Rupee | | |
| Bought INR264,500,000 for USD3,853,214 Settlement 29/08/2018 | (7) | (0.03) |
| Mexican Peso | | |
| Bought MXN50,400,000 for GBP1,994,250 Settlement 29/08/2018 | 52 | 0.19 |
| New Zealand Dollar | | |
| Sold NZD1,600,000 for GBP828,370 Settlement 29/08/2018 | (1) | — |
| Norwegian Krone | | |
| Sold NOK12,960,000 for GBP1,209,826 Settlement 29/08/2018 | (3) | (0.01) |
| Polish Zloty | | |
| Sold PLN10,750,000 for GBP2,213,477 Settlement 29/08/2018 | (26) | (0.09) |
| Russian Ruble | | |
| Bought RUB53,300,000 for USD846,294 Settlement 29/08/2018 | 4 | 0.01 |
| Singapore Dollar | | |
| Bought SGD1,930,000 for GBP1,076,284 Settlement 29/08/2018 | 4 | 0.01 |

First State Diversified Growth Fund

Portfolio Statement

(continued)

as at 31 July 2018

| | Market Value £'000 | Total Net Assets % |
|--|--------------------------|--------------------------|
| South African Rand | | |
| Sold ZAR8,500,000 for GBP476,016 Settlement 29/08/2018 | (16) | (0.06) |
| Swedish Krona | | |
| Sold SEK18,200,000 for GBP1,569,854 Settlement 29/08/2018 | (11) | (0.04) |
| Swiss Franc | | |
| Sold CHF945,000 for GBP726,478 Settlement 29/08/2018 | (2) | (0.01) |
| Taiwanese Dollar | | |
| Bought TWD77,300,000 for USD2,541,509 Settlement 29/08/2018 | (9) | (0.03) |
| Thai Baht | | |
| Bought THB19,000,000 for GBP432,062 Settlement 29/08/2018 | 3 | 0.01 |
| Turkish Lira | | |
| Bought TRY26,750,000 for GBP4,206,003 Settlement 29/08/2018 | (111) | (0.40) |
| US Dollar | | |
| Bought USD368,304 for CLP240,000,000 Settlement 29/08/2018 | (5) | (0.02) |
| Bought USD610,536 for IDR8,830,000,000 Settlement 29/08/2018 | — | — |
| Bought USD720,000 for GBP547,704 Settlement 29/08/2018 | 1 | — |
| Bought USD850,192 for RUB53,300,000 Settlement 29/08/2018 | (1) | — |
| Bought USD3,721,229 for KRW4,185,000,000 Settlement 29/08/2018 | (23) | (0.08) |
| Bought USD4,153,334 for GBP3,141,765 Settlement 15/08/2018 | 23 | 0.08 |
| Bought USD6,340,000 for GBP4,822,285 Settlement 29/08/2018 | 5 | 0.02 |
| Sold USD7,820,000 for GBP5,947,992 Settlement 29/08/2018 | (6) | (0.02) |
| Portfolio of investments[^] | 24,619 | 89.52 |
| Net other assets | 2,883 | 10.48 |
| Total net assets | 27,502 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

** Real estate investment trust (REIT).

[^] Including derivative liabilities.

Exchange-traded fund.

Portfolio Asset Classification

| | Market Value £'000 | Total Net Assets % |
|---------------------------------|--------------------------|--------------------------|
| Equities | 10,719 | 38.97 |
| Bonds | 14,302 | 52.01 |
| Derivatives | (402) | (1.46) |
| Portfolio of investments | 24,619 | 89.52 |

First State Diversified Growth Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 115.62 | 104.51 | 98.70 |
| Return before operating charges* | (2.56) | 12.40 | 7.02 |
| Operating charges | (1.14) | (1.29) | (1.21) |
| Return after operating charges* | (3.70) | 11.11 | 5.81 |
| Distributions | (1.43) | (2.12) | (1.25) |
| Retained distributions on accumulation shares | 1.43 | 2.12 | 1.25 |
| Closing net asset value per share (p) | 111.92 | 115.62 | 104.51 |
| * after direct transaction costs of: | 0.39 | 0.30 | 0.17 |
| Performance | | | |
| Return after charges (%) | (3.20%) | 10.63% | 5.89% |
| Other information | | | |
| Closing net asset value (£'000) | 5,725 | 6,202 | 5,191 |
| Closing number of shares | 5,114,801 | 5,364,357 | 4,966,750 |
| Operating charges | 0.99% | 1.16% | 1.25% |
| Direct transaction costs | 0.34% | 0.27% | 0.17% |
| Prices | | | |
| Highest share price | 116.85 | 116.74 | 104.96 |
| Lowest share price | 109.64 | 103.67 | 90.90 |

First State Diversified Growth Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|--|---------------------------|---------------------------|---------------------------|
| Share class B Hedged Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 112.73 | 103.19 | 98.65 |
| Return before operating charges* | (3.52) | 10.87 | 5.81 |
| Operating charges | (1.19) | (1.33) | (1.27) |
| Return after operating charges* | (4.71) | 9.54 | 4.54 |
| Distributions | (1.31) | (2.02) | (1.16) |
| Retained distributions on accumulation shares | 1.31 | 2.02 | 1.16 |
| Closing net asset value per share (c) | 108.02 | 112.73 | 103.19 |
| * after direct transaction costs of: | 0.38 | 0.30 | 0.16 |
| Performance | | | |
| Return after charges (%) | (4.18%) | 9.25% | 4.60% |
| Other information | | | |
| Closing net asset value (€'000) | 7,514 | 7,816 | 7,155 |
| Closing number of shares | 6,956,350 | 6,933,350 | 6,933,350 |
| Operating charges | 1.07% | 1.23% | 1.32% |
| Direct transaction costs | 0.34% | 0.27% | 0.17% |
| Prices | | | |
| Highest share price | 113.78 | 113.97 | 103.72 |
| Lowest share price | 105.97 | 102.36 | 90.47 |

First State Diversified Growth Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|--|---------------------------|---------------------------|---------------------------|
| Share class B Hedged Accumulation (USD share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 115.57 | 103.92 | 98.66 |
| Return before operating charges* | (0.78) | 13.01 | 6.53 |
| Operating charges | (1.24) | (1.36) | (1.27) |
| Return after operating charges* | (2.02) | 11.65 | 5.26 |
| Distributions | (1.38) | (2.06) | (1.17) |
| Retained distributions on accumulation shares | 1.38 | 2.06 | 1.17 |
| Closing net asset value per share (c) | 113.55 | 115.57 | 103.92 |
| * after direct transaction costs of: | 0.39 | 0.30 | 0.18 |
| Performance | | | |
| Return after charges (%) | (1.75%) | 11.21% | 5.33% |
| Other information | | | |
| Closing net asset value (\$'000) | 4,130 | 9,123 | 8,203 |
| Closing number of shares | 3,637,866 | 7,893,650 | 7,893,650 |
| Operating charges | 1.07% | 1.23% | 1.32% |
| Direct transaction costs | 0.34% | 0.27% | 0.17% |
| Prices | | | |
| Highest share price | 117.88 | 116.42 | 104.39 |
| Lowest share price | 111.01 | 103.11 | 90.60 |

First State Diversified Growth Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

Final 31 July 2018
(p)

Share class E Accumulation

Change in net assets per share

| | |
|---|--------|
| Opening net asset value per share | 100.00 |
| Return before operating charges* | (3.21) |
| Operating charges | (0.49) |
| Return after operating charges* | (3.70) |
| Distributions | (1.43) |
| Retained distributions on accumulation shares | 1.43 |
| Closing net asset value per share (p) | 96.30 |

* after direct transaction costs of: 0.31

Performance

Return after charges (%) (3.70%)

Other information

| | |
|---------------------------------|-----------|
| Closing net asset value (£'000) | 2,340 |
| Closing number of shares | 2,430,042 |
| Operating charges | 0.55% |
| Direct transaction costs | 0.38% |

Prices

| | |
|---------------------|--------|
| Highest share price | 100.35 |
| Lowest share price | 94.29 |

Share class E Accumulation was launched on 4 September 2017 and, as such, there are no comparatives.

First State Diversified Growth Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class Z Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 116.91 | 105.12 | 98.76 |
| Return before operating charges* | (2.75) | 12.36 | 6.94 |
| Operating charges | (0.40) | (0.57) | (0.58) |
| Return after operating charges* | (3.15) | 11.79 | 6.36 |
| Distributions | (2.05) | (2.72) | (1.76) |
| Retained distributions on accumulation shares | 2.05 | 2.72 | 1.76 |
| Closing net asset value per share (p) | 113.76 | 116.91 | 105.12 |
| * after direct transaction costs of: | 0.40 | 0.30 | 0.17 |
| Performance | | | |
| Return after charges (%) | (2.69%) | 11.22% | 6.44% |
| Other information | | | |
| Closing net asset value (£'000) | 9,586 | 117 | 105 |
| Closing number of shares | 8,426,228 | 100,050 | 100,050 |
| Operating charges | 0.34% | 0.51% | 0.60% |
| Direct transaction costs | 0.34% | 0.27% | 0.17% |
| Prices | | | |
| Highest share price | 118.42 | 117.96 | 105.54 |
| Lowest share price | 111.36 | 104.28 | 91.25 |

First State Diversified Growth Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|--------------|-----------------------|--------------|
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (901) | | 1,893 |
| Revenue | 3 | 825 | | 618 | |
| Expenses | 4 | (185) | | (191) | |
| Interest payable and similar charges | 6 | (314) | | (17) | |
| Net revenue before taxation | | 326 | | 410 | |
| Taxation | 5 | (44) | | (50) | |
| Net revenue after taxation | | | 282 | | 360 |
| Total return before distributions | | | (619) | | 2,253 |
| Distributions | 7 | | (278) | | (360) |
| Change in net assets attributable to shareholders from investment activities | | | (897) | | 1,893 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|---------------|-----------------------|---------------|
| Opening net assets attributable to shareholders | | 20,257 | | 17,553 |
| Amounts receivable on issue of shares | 12,170 | | 454 | |
| Amounts payable on cancellation of shares | (4,376) | | (5) | |
| | | 7,794 | | 449 |
| Dilution adjustment | | 11 | | — |
| Change in net assets attributable to shareholders from investment activities | | (897) | | 1,893 |
| Retained distribution on accumulation shares | | 337 | | 362 |
| Closing net assets attributable to shareholders | | 27,502 | | 20,257 |

Notes to the Financial Statements are on pages 455 to 465.

First State Diversified Growth Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 25,599 | 17,675 |
| Current assets | | | |
| Debtors | 9 | 87 | 33 |
| Cash and bank balances | 10 | 3,751 | 3,352 |
| Total assets | | 29,437 | 21,060 |
| Liabilities | | | |
| Investment liabilities | | (980) | (442) |
| Creditors | | | |
| Amounts due to futures clearing houses and brokers | | (879) | – |
| Bank overdrafts | | – | (281) |
| Other creditors | 11 | (76) | (80) |
| Total liabilities | | (1,935) | (803) |
| Net assets attributable to shareholders | | 27,502 | 20,257 |

Notes to the Financial Statements are on pages 455 to 465.

First State Diversified Growth Fund

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | (129) | 867 |
| Derivative contracts | (147) | 640 |
| Forward foreign exchange currency contracts | (972) | 660 |
| Currency gains/(losses) | 371 | (274) |
| Custodial transaction fees | (24) | – |
| Net capital (losses)/gains | (901) | 1,893 |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Dividends from UK companies | 26 | 16 |
| Overseas taxable revenue | 78 | 1 |
| Overseas non-taxable revenue | 147 | 99 |
| Property revenue from overseas REITs | 2 | 2 |
| Overseas scrip dividends | 2 | 21 |
| UK scrip dividends | 13 | 69 |
| Distributions from regulated collective investment schemes: | | |
| Offshore distribution taxable | – | 134 |
| Offshore distribution non-taxable | – | 9 |
| Interest on amounts held at futures clearing houses and brokers | – | 6 |
| Interest from bank deposits | 3 | 5 |
| Interest from government and fixed-interest securities | 272 | 235 |
| Returns from bond futures | 284 | – |
| Currency hedge (losses)/gains | (2) | 9 |
| Initial charge revenue | – | 12 |
| Total revenue | 825 | 618 |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 128 | 125 |
| ACD's periodic charge rebate | (52) | (2) |
| | 76 | 123 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 30 | 3 |
| Other expenses: | | |
| Audit fee | 7 | 8 |
| Registrar fees | 9 | – |
| Safe custody charges | 13 | 1 |
| Other expenses | 50 | 56 |
| | 79 | 65 |
| Total expenses | 185 | 191 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---------------------------------------|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Corporation tax | 23 | 26 |
| Corporation tax prior year adjustment | 1 | – |
| Irrecoverable overseas tax | 22 | 24 |
| Less: Double taxation relief | (2) | – |
| Total taxation (note 5b) | 44 | 50 |

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below:

| | | |
|---------------------------------------|------|------|
| Net revenue before taxation | 326 | 410 |
| Corporation tax of 20% (2017: 20%) | 65 | 82 |
| Effects of: | | |
| UK dividends* | (5) | (3) |
| Overseas non-taxable revenue* | (30) | (22) |
| Non-taxable scrip dividends* | (3) | (18) |
| Corporation tax prior year adjustment | 1 | – |
| Irrecoverable overseas tax | 22 | 24 |
| Double taxation relief | (2) | (5) |
| RPI allowance on indexed securities | (4) | (8) |
| Total tax charge for year (note 5a) | 44 | 50 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

6. Interest payable and similar charges

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Interest | 13 | 17 |
| Interest on bond futures | 301 | – |
| Total Interest payable and similar charges | 314 | 17 |

7. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 103 | 165 |
| Final distribution | 234 | 197 |
| | 337 | 362 |
| Add: revenue deducted on cancellation of shares | 11 | – |
| Deduct: revenue received on issue of shares | (70) | (2) |
| Net distributions for the year | 278 | 360 |

Details of the distributions per share are set out in the Distribution Tables on pages 466 to 467.

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Movement between net revenue and net distributions

| | 31 July 2018 | 31 July 2017 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Net revenue after taxation | 282 | 360 |
| Tax relief on expenses charged to capital | (4) | – |
| Net distributions for the year | <u>278</u> | <u>360</u> |

9. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amounts receivable for issue of shares | 19 | – |
| Accrued revenue | 63 | 30 |
| Overseas withholding tax | 5 | 3 |
| Total debtors | <u>87</u> | <u>33</u> |

10. Cash and bank balances

| | 31 July 2018 | 31 July 2017 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Cash and bank balances | 675 | 1,848 |
| Amounts held at futures clearing houses and brokers | 3,076 | 1,504 |
| Total cash and bank balances | <u>3,751</u> | <u>3,352</u> |

11. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amounts payable for cancellation of shares | 5 | – |
| Accrued expenses | 47 | 54 |
| Corporation tax payable | 24 | 26 |
| Total other creditors | <u>76</u> | <u>80</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|---------------|---------------|---------------|---------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 3,910 | 1,959 | 151 | 4,796 |
| Bonds | 20,988 | 13,846 | 15,614 | 10,206 |
| Collective investment schemes | 1,130 | 967 | 2,337 | 1,685 |
| Trades in the year before transaction costs | 26,028 | 16,772 | 18,102 | 16,687 |
| Commissions | | | | |
| Equities | 1 | 1 | — | (2) |
| Bonds | — | — | — | — |
| Collective investment schemes | — | — | (1) | — |
| Total commissions | 1 | 1 | (1) | (2) |
| Taxes | | | | |
| Equities | 5 | 3 | — | — |
| Bonds | — | — | — | (1) |
| Collective investment schemes | — | — | — | — |
| Total taxes | 5 | 3 | — | (1) |
| Total costs | 6 | 4 | (1) | (3) |
| Total net trades in the year after transaction costs | 26,034 | 16,776 | 18,101 | 16,684 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|-------------------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.03 | 0.05 | 0.03 | 0.04 |
| Bonds | — | — | — | — |
| Collective investment schemes | 0.03 | — | 0.03 | — |
| Taxes | | | | |
| Equities | 0.13 | 0.15 | — | — |
| Bonds | — | — | — | 0.01 |
| Collective investment schemes | — | — | — | — |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|-------------|--------------|--------------|
| | % | % |
| Commissions | 0.32 | 0.16 |
| Taxes | 0.02 | 0.11 |
| Total costs | 0.34 | 0.27 |

Derivative transaction costs for the year ended 31 July 2018 were £67,479 (31/07/17: £45,000). These are not included in the total costs detailed above.

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.11% (31/07/17: 0.08%).

Notes to the Financial Statements

(continued)

as at 31 July 2018

13. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

14. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds fixed-interest securities.

The Fund invests significantly in fixed-interest securities. Certain fixed-interest securities are liable to default risk whereby the nominal capital is not or is unlikely to be returned to investors. The value of fixed-interest stocks is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual fixed-interest stock or be caused by a general market factor (such as government policy or the health of the underlying economy), which can affect the entire portfolio.

Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of securities held. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund enters into transactions in financial instruments that expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its obligations. The Fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £2,502,107 (31/07/17: £1,709,542).

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Derivatives and other financial instruments (continued)

(b) Interest-rate risk

The Fund does not significantly invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is predominantly restricted to interest receivable.

As at 31 July 2018, 62.45% (31/07/17: 61.33%) of the Fund's assets were interest-bearing.

The interest-rate risk profile of the Company's financial assets and liabilities at 31 July 2018 was:

| Currency | Floating-rate financial assets/(liabilities) £'000 | Fixed-rate financial assets £'000 | Financial assets/ (liabilities) not carrying interest £'000 | Total £'000 |
|-----------------------|---|--|--|----------------|
| 31 July 2018 | | | | |
| Sterling | 2,344 | 6,515 | (635) | 8,224 |
| Australian dollar | 30 | 2,045 | (2,179) | (104) |
| Brazilian real | — | 395 | 154 | 549 |
| Canadian dollar | 155 | — | (986) | (831) |
| Chilean peso | — | — | (286) | (286) |
| Chinese yuan | — | — | 7 | 7 |
| Czech Republic koruna | 9 | — | 394 | 403 |
| Danish krone | 5 | — | (1,908) | (1,903) |
| Euro | 468 | — | 6,515 | 6,983 |
| Hong Kong dollar | 119 | — | 606 | 725 |
| Hungarian forint | 2 | 189 | 3 | 194 |
| Indian rupee | — | — | 2,894 | 2,894 |
| Indonesian rupiah | — | 248 | (431) | (183) |
| Japanese yen | (86) | — | 242 | 156 |
| Malaysian ringgit | 74 | 275 | (1) | 348 |
| Mexican peso | 23 | 268 | 2,172 | 2,463 |
| New Zealand dollar | 14 | — | (842) | (828) |
| Norwegian krone | (196) | — | (1,313) | (1,509) |
| Polish zloty | 10 | 334 | (2,239) | (1,895) |
| Russian ruble | — | 167 | 4 | 171 |
| Singapore dollar | 3 | — | 1,075 | 1,078 |
| South African rand | 51 | 272 | (209) | 114 |
| South Korean won | 161 | — | (2,585) | (2,424) |
| Swedish krona | (25) | — | (1,614) | (1,639) |
| Swiss franc | 77 | — | (833) | (756) |
| Taiwanese dollar | — | — | 2,134 | 2,134 |
| Thai baht | 117 | 216 | 436 | 769 |
| Turkish lira | (204) | 130 | 4,062 | 3,988 |
| US dollar | (279) | 3,248 | 5,691 | 8,660 |
| Total | 2,872 | 14,302 | 10,328 | 27,502 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Derivatives and other financial instruments (continued)

(b) Interest rate risk (continued)

| Currency | Floating-rate financial assets/ (liabilities) £'000 | Fixed-rate financial assets £'000 | Financial assets/ (liabilities) not carrying interest £'000 | Total £'000 |
|-----------------------|---|--|--|----------------|
| 31 July 2017 | | | | |
| Sterling | 2,253 | 4,328 | (4,374) | 2,207 |
| Australian dollar | (52) | 1,104 | (2,091) | (1,039) |
| Brazilian real | — | 218 | 844 | 1,062 |
| Canadian dollar | (13) | — | 2,048 | 2,035 |
| Chilean peso | — | — | (796) | (796) |
| Czech Republic koruna | — | — | 1,201 | 1,201 |
| Danish krone | — | — | (480) | (480) |
| Euro | 443 | — | 8,576 | 9,019 |
| Hong Kong dollar | 158 | — | 69 | 227 |
| Hungarian forint | — | 156 | (965) | (809) |
| Indian rupee | — | — | (1,335) | (1,335) |
| Indonesian rupiah | — | 212 | (862) | (650) |
| Japanese yen | (50) | — | 334 | 284 |
| Malaysian ringgit | 55 | 198 | 2 | 255 |
| Mexican peso | 34 | 223 | 538 | 795 |
| New Zealand dollar | — | — | 590 | 590 |
| Norwegian krone | (72) | — | (1,018) | (1,090) |
| Polish zloty | — | 231 | 706 | 937 |
| Russian ruble | — | 129 | 358 | 487 |
| Singapore dollar | (37) | — | 791 | 754 |
| South African rand | (56) | 208 | (354) | (202) |
| South Korean won | 43 | — | (2) | 41 |
| Swedish krona | 66 | — | 245 | 311 |
| Swiss franc | 21 | — | (285) | (264) |
| Taiwanese dollar | — | — | 309 | 309 |
| Thai baht | 140 | 160 | 222 | 522 |
| Turkish lira | 69 | 200 | (432) | (163) |
| US dollar | 69 | 1,737 | 4,243 | 6,049 |
| Total | 3,071 | 9,104 | 8,082 | 20,257 |

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Derivatives and other financial instruments (continued)

(c) Analysis of the Fund's currency exposure (continued)

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets | Net foreign currency assets |
|-----------------------|-----------------------------|-----------------------------|
| | 31 July 2018 | 31 July 2017 |
| Currency | Total | Total |
| | £'000 | £'000 |
| Australian dollar | (104) | (1,039) |
| Brazilian real | 549 | 1,062 |
| Canadian dollar | (831) | 2,035 |
| Chilean peso | (286) | (796) |
| Chinese yuan | 7 | – |
| Czech Republic koruna | 403 | 1,201 |
| Danish krone | (1,903) | (480) |
| Euro | 6,983 | 9,019 |
| Hong Kong dollar | 725 | 227 |
| Hungarian forint | 194 | (809) |
| Indian rupee | 2,894 | (1,335) |
| Indonesian rupiah | (183) | (650) |
| Japanese yen | 156 | 284 |
| Malaysian ringgit | 348 | 255 |
| Mexican peso | 2,463 | 795 |
| New Zealand dollar | (828) | 590 |
| Norwegian krone | (1,509) | (1,090) |
| Polish zloty | (1,895) | 937 |
| Russian ruble | 171 | 487 |
| Singapore dollar | 1,078 | 754 |
| South African rand | 114 | (202) |
| South Korean won | (2,424) | 41 |
| Swedish krona | (1,639) | 311 |
| Swiss franc | (756) | (264) |
| Taiwanese dollar | 2,134 | 309 |
| Thai baht | 769 | 522 |
| Turkish lira | 3,988 | (163) |
| US dollar | 8,660 | 6,049 |
| Total | <u>19,278</u> | <u>18,050</u> |

(d) Credit risk

Credit risk occurs where there is a risk associated with the uncertainty of a counterparty's ability to meet its obligations. This risk is managed by reviewing the counterparty's credit rating, at the time of purchase and on an ongoing basis, and ensuring that the portfolio is sufficiently diversified. The impact of movements in credit rating and spread, and their effect on market prices, is considered to be part of market-price risk, which is discussed above.

The Fund's investments and cash are held on its behalf by State Street Bank and Trust Company (acting as agent), the custodian to the Trust, and its appointed sub-custodians. Bankruptcy or insolvency of the custodian or its sub-custodians may cause the Fund's rights with respect to securities to be delayed. This risk is managed through ongoing monitoring of the custodian and periodic reviews of its procedures for selecting and monitoring sub-custodians, together with ad hoc reviews of custodian and sub-custodian credit ratings.

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities.

The Investment Adviser selects acceptable counterparties through which investments are bought and sold. The Manager has responsibility for monitoring the process by which these counterparties are selected to minimise risk.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Derivatives and other financial instruments (continued)

(d) Credit risk (continued)

Where the Investment Managers make an investment in a bond with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question. The risk is managed by reviewing the credit ratings of those bonds at the time of purchase and on an ongoing basis.

Summary of Investment Assets by Credit Ratings

Rating Block

| | 31 July 2018 | 31 July 2017 |
|----------------------------|---------------|---------------|
| | £'000 | £'000 |
| Investment-grade bonds | 4,206 | 6,386 |
| Non-investment grade bonds | 667 | 218 |
| Unrated bonds | 9,429 | 2,500 |
| Total bonds | 14,302 | 9,104 |
| Other | 13,200 | 11,153 |
| Net assets | 27,502 | 20,257 |

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

(e) Derivative risk

The Manager may enter into derivatives transactions for investment purposes and for efficient portfolio management purposes. A relatively small market movement may have a potentially larger impact on derivatives than on the underlying assets, and the use of derivatives can therefore increase the volatility of the value of units in the Scheme. However, it is not anticipated that the use of derivatives will have a significant effect on the risk profile of the Scheme.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique that allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets.

Due to the level of investment in derivatives, the First State Diversified Growth Fund is considered to be a sophisticated Fund; for this reason, further numerical analysis has been provided in the form of a 'Value at Risk' (VaR) analysis, shown below.

It is important to note that VaR is calculated on an ex ante basis. This means that the calculations are based on the current portfolio holdings and not by reference to the volatility of the historical portfolio returns.

| | 01 August 2017 to 31 July 2018 |
|---|-----------------------------------|
| Absolute VaR Utilisation | % |
| Low | 2.95 |
| High | 14.44 |
| Average | 6.14 |
| Effective Portfolio Management | |
| Financial derivative instruments exposure as at 31 July 2018 | Value (£) |
| Exchange-traded derivatives | (352,986) |
| Forward foreign currency contracts | (97,992) |
| Interest rate swaps | 49,368 |
| Total financial derivative instruments exposure | (401,610) |

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

| | |
|--|------------------|
| Efficient portfolio management techniques as at 31 July 2018 | Value (£) |
| Underlying exposure obtained through efficient portfolio management techniques | (401,610) |

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Derivatives and other financial instruments (continued)

(e) Derivative risk (continued)

| Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2018 | Value (£) |
|---|-----------|
| BNP Paribas | (22,491) |
| Citi Bank | (2,368) |
| HSBC Bank | (171,247) |
| JP Morgan Securities | 47,501 |
| Bank of New York Mellon | 60,459 |
| UBS London | 39,522 |

The counterparty exposure represents the unrealised profit or loss on the derivative contract. It is therefore a different amount to the value of the sum of the notionals.

15. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £9,382 (31/07/17: £11,106) due at the year end.

As at 31 July 2018, Colonial First State Managed Infrastructure Limited, a related party of the ACD, owned 56.28% (31/07/17: 97.80%) of the net asset value of the Fund.

Material Shareholders

CFS Managed Property Trust and Pershing Nominees Limited held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 58.9% and 31.3% of the Fund's shares in issue respectively.

16. Share classes

The Fund has five share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|---|------|
| Share class B Accumulation | 0.65 |
| Share class B Hedged Accumulation (EUR share class) | 0.65 |
| Share class B Hedged Accumulation (USD share class) | 0.65 |
| Share class E Accumulation | 0.40 |
| Share class Z Accumulation | — |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 448 to 452.

The distributions per share class are given in the Distribution Tables on pages 466 to 467.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | Shares converted | 31 July 2018 Closing shares in issue |
|---|--|-----------|---------------|---------------------|---|
| Share class B Accumulation | 5,364,357 | 1,196,522 | (330,412) | (1,115,666) | 5,114,801 |
| Share class B Hedged Accumulation (EUR share class) | 6,933,350 | 23,000 | — | — | 6,956,350 |
| Share class B Hedged Accumulation (USD share class) | 7,893,650 | — | (4,255,784) | — | 3,637,866 |
| Share class E Accumulation | — | 1,487,974 | (357,122) | 1,299,190 | 2,430,042 |
| Share class Z Accumulation | 100,050 | 8,377,878 | (51,700) | — | 8,426,228 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

17. Fair value

| Valuation technique | 31 July 2018 | | 31 July 2017 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 10,925 | (559) | 14,243 | (265) |
| Level 2 | 14,674 | (421) | 3,432 | (177) |
| Level 3 | — | — | — | — |
| Total fair value | 25,599 | (980) | 17,675 | (442) |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
 Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Diversified Growth Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.5834 | – | 0.5834 | 0.9781 |
| Final | 0.8477 | – | 0.8477 | 1.1370 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.2126 | 0.3708 | 0.5834 | 0.9781 |
| Final | 0.6574 | 0.1903 | 0.8477 | 1.1370 |

Share class B Hedged Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.5272 | – | 0.5272 | 0.9364 |
| Final | 0.7811 | – | 0.7811 | 1.0799 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.0972 | 0.4300 | 0.5272 | 0.9364 |
| Final | 0.7811 | – | 0.7811 | 1.0799 |

Share class B Hedged Accumulation (USD share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 0.5505 | – | 0.5505 | 0.9367 |
| Final | 0.8306 | – | 0.8306 | 1.1189 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.5505 | – | 0.5505 | 0.9367 |
| Final | 0.8306 | – | 0.8306 | 1.1189 |

Share class E Accumulation*

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.5328 | – | 0.5328 | – |
| Final | 0.8970 | – | 0.8970 | – |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.1630 | 0.3698 | 0.5328 | – |
| Final | 0.5754 | 0.3216 | 0.8970 | – |

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class Z Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 0.8934 | — | 0.8934 | 1.2765 |
| Final | 1.1542 | — | 1.1542 | 1.4476 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.8934 | — | 0.8934 | 1.2765 |
| Final | 0.4132 | 0.7410 | 1.1542 | 1.4476 |

* Share class E Accumulation was launched on 4 September 2017 and, as such, there are no comparatives

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 46.42% of the dividend is received as franked investment income.

Interim – 52.67% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.91% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 69.12% of the dividend is received as franked investment income.

Final – 25.87% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 5.01% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

First State Asian Property Securities Fund

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve an investment return consistent with income and long-term capital growth.

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.

Risks and reward profile

| | ← Lower Risk | | | | Higher Risk → | | |
|--|---------------------------|---|---|---|----------------------------|---|---|
| | Potentially Lower Rewards | | | | Potentially Higher Rewards | | |
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Income (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Emerging market risk: emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

Property securities risk: the Fund invests in the shares of companies that are involved in property (like real estate investment trusts) rather than property itself. The value of these investments may fluctuate more than actual property.

Single-sector risk: investing in a single sector may be riskier than investing in a number of different sectors. Investing in a larger number of sectors helps spread risk.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Performance

The Fund rose 5.4% in sterling terms over the twelve months and has provided cumulative returns of 33.9% and 38.7% over three and five years respectively to 31 July 2018.

During this year, the most significant contributions came from Sumitomo Realty & Development and Wharf Real Estate Investment. Conversely, the most significant detractors were Hang Lung Properties and Hong Kong Land.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Portfolio changes

The largest purchases over the twelve months were Wharf Real Estate Investment, Activia Properties and Mitsubishi Estate Logistics REIT Investment. The Fund added to its existing holdings of Wharf Real Estate Investment as the stock ranks well amongst its peers and is well-positioned for a higher level of turnover rent. The Fund initiated a position in Activia Properties, a Japanese REIT in November 2017 that has exposure to Shibuya, the strongest Tokyo office sub-market. The Fund also initiated a position in Mitsubishi Estate Logistics REIT Investment at its IPO in August 2017 and added to the position on weakness in March 2018.

The largest disposals were Japan Rental Housing Investments REIT, Kenedix Retail and Hong Kong Land. These positions were sold on strong relative performance with proceeds used to invest in other names with better risk and return attributes.

Outlook

The Manager's overall strategy in Asia is to have a portfolio with a focus on asset portfolios and management teams that offer above-market earnings growth prospects whilst retaining lower operational and financial risk.

In Japan, the Fund holds a concentrated portfolio of Japanese REITs offering above-market earnings growth and/or low financial leverage. In addition, the Fund holds a few integrated real estate companies with prime Tokyo office holdings that will benefit from the strong Tokyo office cycle.

Whilst the Fund currently has minimal exposure to Singapore-based real estate investment trusts/companies, recent price falls are making them more compelling.

The Manager holds a positive view on the outlook of the Hong Kong and China retail sectors on resilient domestic spending and continuing tourism growth.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 1.9 | 1.8 | 5.4 | 33.9 | 38.7 | 109.1 | 106.4 |
| Benchmark return % | 3.2 | 3.1 | 6.0 | 37.2 | 39.5 | 130.9 | 123.1 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 5.4 | 4.5 | 21.5 | 5.7 | (2.0) |
| Benchmark return % | 6.0 | 2.2 | 26.6 | 1.5 | 0.2 |

Benchmark: FTSE EPRA/NAREIT Developed Asia Index.

Sector: IA Property.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|-------------------------------|-----------|---------------------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Sun Hung Kai Properties | 8.90 | Sun Hung Kai Properties | 8.94 |
| Mitsui Fudosan | 8.41 | Mitsui Fudosan | 8.52 |
| Sumitomo Realty & Development | 7.67 | Kenedix Office Investment REIT | 5.01 |
| Vicinity Centres | 5.43 | Westfield REIT | 5.00 |
| Mitsubishi Estate | 4.74 | Sumitomo Realty & Development | 4.79 |
| Wharf Real Estate Investment | 4.68 | Cheung Kong Property Holdings | 4.70 |
| Scentre | 4.62 | Mitsubishi Estate | 4.59 |
| Mapletree Commercial Trust | 4.51 | Vicinity Centres | 4.30 |
| Activia Properties | 4.43 | Japan Rental Housing Investments REIT | 4.19 |
| GLP J-REIT | 3.90 | National Storage REIT | 4.12 |

Types of shares

Income and Accumulation.

First State Asian Property Securities Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| JAPAN (39.39%*) | 4,222 | 36.56 |
| 151 Activia Properties** | 512 | 4.43 |
| 553 GLP J-REIT** | 450 | 3.90 |
| 72 Kenedix Realty Investment** | 331 | 2.86 |
| 260 Kenedix Residential Investment** | 293 | 2.54 |
| 41,401 Mitsubishi Estate | 547 | 4.74 |
| 53,508 Mitsui Fudosan | 971 | 8.41 |
| 106 Mitsui Fudosan Logistics Park** | 232 | 2.01 |
| 31,812 Sumitomo Realty & Development | 886 | 7.67 |
| AUSTRALIA (21.32%*) | 2,156 | 18.67 |
| 80,964 GPT** | 237 | 2.05 |
| 228,216 Mirvac** | 294 | 2.55 |
| 306,407 National Storage REIT** | 297 | 2.57 |
| 221,317 Scentre** | 533 | 4.62 |
| 71,493 Stockland** | 168 | 1.45 |
| 417,859 Vicinity Centres** | 627 | 5.43 |
| CHINA (1.70%*) | 56 | 0.48 |
| 20,000 China Resources Land | 56 | 0.48 |
| HONG KONG (29.99%*) | 3,758 | 32.55 |
| 22,000 China Overseas Land & Investment | 53 | 0.46 |
| 61,000 CK Asset Holdings | 356 | 3.08 |
| 224,000 Hang Lung Properties | 359 | 3.11 |
| 52,000 Hysan Development | 216 | 1.87 |
| 49,038 Link REIT** | 370 | 3.21 |
| 293,000 New World Development | 318 | 2.75 |
| 86,121 Sun Hung Kai Properties | 1,028 | 8.90 |
| 135,000 Swire Properties | 405 | 3.51 |
| 45,000 Wharf | 113 | 0.98 |
| 97,270 Wharf Real Estate Investment | 540 | 4.68 |
| SINGAPORE (6.84%*) | 1,170 | 10.13 |
| 34,200 City Developments | 192 | 1.66 |
| 201,850 Frasers Logistics & Industrial Trust** | 119 | 1.03 |
| 574,600 Mapletree Commercial Trust** | 521 | 4.51 |
| 185 Mitsubishi Estate Logistics REIT Investment** | 338 | 2.93 |
| Portfolio of investments | 11,362 | 98.39 |
| Net other assets | 186 | 1.61 |
| Total net assets | 11,548 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

** Real estate investment trust (REIT).

First State Asian Property Securities Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 178.14 | 171.12 | 141.30 |
| Return before operating charges* | 13.06 | 10.57 | 32.68 |
| Operating charges | (3.68) | (3.55) | (2.86) |
| Return after operating charges* | 9.38 | 7.02 | 29.82 |
| Distributions | (5.73) | (4.93) | (4.07) |
| Retained distributions on accumulation shares | 5.73 | 4.93 | 4.07 |
| Closing net asset value per share (p) | 187.52 | 178.14 | 171.12 |
| * after direct transaction costs of: | 0.16 | 0.33 | 0.26 |
| Performance | | | |
| Return after charges (%) | 5.26% | 4.10% | 21.10% |
| Other information | | | |
| Closing net asset value (£'000) | 2,265 | 2,388 | 2,955 |
| Closing number of shares | 1,208,086 | 1,340,358 | 1,726,897 |
| Operating charges | 2.03% | 2.02% | 2.02% |
| Direct transaction costs | 0.09% | 0.19% | 0.18% |
| Prices | | | |
| Highest share price | 191.34 | 184.93 | 173.19 |
| Lowest share price | 171.55 | 165.02 | 126.70 |

First State Asian Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class A Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 132.88 | 131.35 | 111.66 |
| Return before operating charges* | 9.92 | 8.07 | 25.41 |
| Operating charges | (3.38) | (2.78) | (2.52) |
| Return after operating charges* | 6.54 | 5.29 | 22.89 |
| Distributions | (4.47) | (3.76) | (3.20) |
| Closing net asset value per share (p) | 134.95 | 132.88 | 131.35 |
| * after direct transaction costs of: | 0.12 | 0.25 | 0.20 |
| Performance | | | |
| Return after charges (%) | 4.92% | 4.03% | 20.50% |
| Other information | | | |
| Closing net asset value (£'000) | 418 | 180 | 214 |
| Closing number of shares | 309,870 | 135,666 | 163,112 |
| Operating charges | 2.53% | 2.08% | 2.29% |
| Direct transaction costs | 0.09% | 0.19% | 0.18% |
| Prices | | | |
| Highest share price | 140.68 | 140.09 | 134.68 |
| Lowest share price | 125.43 | 126.56 | 99.93 |

First State Asian Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 195.62 | 187.09 | 153.95 |
| Return before operating charges* | 14.44 | 11.59 | 35.73 |
| Operating charges | (3.34) | (3.06) | (2.59) |
| Return after operating charges* | 11.10 | 8.53 | 33.14 |
| Distributions | (6.33) | (5.41) | (4.44) |
| Retained distributions on accumulation shares | 6.33 | 5.41 | 4.44 |
| Closing net asset value per share (p) | 206.72 | 195.62 | 187.09 |
| * after direct transaction costs of: | 0.18 | 0.37 | 0.28 |
| Performance | | | |
| Return after charges (%) | 5.67% | 4.56% | 21.53% |
| Other information | | | |
| Closing net asset value (£'000) | 7,797 | 7,332 | 6,601 |
| Closing number of shares | 3,771,729 | 3,748,157 | 3,528,011 |
| Operating charges | 1.68% | 1.59% | 1.66% |
| Direct transaction costs | 0.09% | 0.19% | 0.18% |
| Prices | | | |
| Highest share price | 210.69 | 202.86 | 189.35 |
| Lowest share price | 188.12 | 180.56 | 138.13 |

First State Asian Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class B Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 143.91 | 141.18 | 119.09 |
| Return before operating charges* | 10.54 | 8.68 | 27.22 |
| Operating charges | (2.39) | (1.89) | (1.72) |
| Return after operating charges* | 8.15 | 6.79 | 25.50 |
| Distributions | (4.61) | (4.06) | (3.41) |
| Closing net asset value per share (p) | 147.45 | 143.91 | 141.18 |
| * after direct transaction costs of: | 0.13 | 0.27 | 0.22 |
| Performance | | | |
| Return after charges (%) | 5.66% | 4.81% | 21.41% |
| Other information | | | |
| Closing net asset value (£'000) | 1,028 | 1,008 | 865 |
| Closing number of shares | 697,274 | 700,280 | 612,819 |
| Operating charges | 1.64% | 1.31% | 1.43% |
| Direct transaction costs | 0.09% | 0.19% | 0.18% |
| Prices | | | |
| Highest share price | 152.80 | 151.47 | 144.74 |
| Lowest share price | 136.45 | 136.39 | 106.85 |

First State Asian Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 134.44 | 136.97 | 135.56 |
| Return before operating charges* | 10.13 | 0.35 | 4.21 |
| Operating charges | (3.22) | (2.88) | (2.80) |
| Return after operating charges* | 6.91 | (2.53) | 1.41 |
| Distributions | (4.48) | (3.73) | (3.38) |
| Retained distributions on accumulation shares | 4.48 | 3.73 | 3.38 |
| Closing net asset value per share (c) | 141.35 | 134.44 | 136.97 |
| * after direct transaction costs of: | 0.12 | 0.26 | 0.23 |
| Performance | | | |
| Return after charges (%) | 5.14% | (1.85)% | 1.04% |
| Other information | | | |
| Closing net asset value (€'000) | 16 | 28 | 46 |
| Closing number of shares | 11,415 | 20,500 | 33,751 |
| Operating charges | 2.34% | 2.12% | 2.20% |
| Direct transaction costs | 0.09% | 0.19% | 0.18% |
| Prices | | | |
| Highest share price | 147.63 | 144.96 | 139.00 |
| Lowest share price | 131.41 | 130.41 | 111.82 |

First State Asian Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Income (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 103.19 | 108.14 | 109.96 |
| Return before operating charges* | 7.97 | 0.25 | 3.20 |
| Operating charges | (2.62) | (2.23) | (2.26) |
| Return after operating charges* | 5.35 | (1.98) | 0.94 |
| Distributions | (3.22) | (2.97) | (2.76) |
| Closing net asset value per share (c) | 105.32 | 103.19 | 108.14 |
| * after direct transaction costs of: | 0.10 | 0.20 | 0.19 |
| Performance | | | |
| Return after charges (%) | 5.18% | (1.83)% | 0.85% |
| Other information | | | |
| Closing net asset value (€'000) | 28 | 31 | 39 |
| Closing number of shares | 26,458 | 30,250 | 35,717 |
| Operating charges | 2.50% | 2.07% | 2.20% |
| Direct transaction costs | 0.09% | 0.19% | 0.18% |
| Prices | | | |
| Highest share price | 111.57 | 112.97 | 111.95 |
| Lowest share price | 99.80 | 102.58 | 89.42 |

First State Asian Property Securities Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|------------|-----------------------|------------|
| Income | | | | | |
| Net capital gains | 2 | | 411 | | 305 |
| Revenue | 3 | 395 | | 361 | |
| Expenses | 4 | (193) | | (182) | |
| Interest payable and similar charges | | (1) | | — | |
| Net revenue before taxation | | 201 | | 179 | |
| Taxation | 5 | (12) | | (25) | |
| Net revenue after taxation | | | 189 | | 154 |
| Total return before distributions | | | 600 | | 459 |
| Distributions | 6 | | (352) | | (307) |
| Change in net assets attributable to shareholders from investment activities | | | 248 | | 152 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|---------------|-----------------------|---------------|
| Opening net assets attributable to shareholders | | 10,960 | | 10,707 |
| Amounts receivable on issue of shares | 1,710 | | 2,267 | |
| Less: Amounts payable on cancellation of shares | (1,680) | | (2,439) | |
| | | 30 | | (172) |
| Dilution adjustment | | 1 | | 1 |
| Change in net assets attributable to shareholders from investment activities | | 248 | | 152 |
| Retained distribution on accumulation shares | | 309 | | 272 |
| Closing net assets attributable to shareholders | | 11,548 | | 10,960 |

Notes to the Financial Statements are on pages 479 to 483.

First State Asian Property Securities Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 11,362 | 10,877 |
| Current assets | | | |
| Debtors | 8 | 305 | 323 |
| Cash and bank balances | | 204 | 113 |
| Total assets | | 11,871 | 11,313 |
| Liabilities | | | |
| Creditors | | | |
| Distribution payable | | (22) | (19) |
| Other creditors | 9 | (301) | (334) |
| Total liabilities | | (323) | (353) |
| Net assets attributable to shareholders | | 11,548 | 10,960 |

Notes to the Financial Statements are on pages 479 to 483.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|----------------------------|-----------------------|-----------------------|
| Non-derivative securities | 409 | 298 |
| Currency gains | 5 | 7 |
| Custodial transaction fees | (3) | – |
| Net capital gains | 411 | 305 |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--------------------------------------|-----------------------|-----------------------|
| Overseas taxable revenue | – | 1 |
| Overseas non-taxable revenue | 131 | 122 |
| Property revenue from overseas REITs | 264 | 238 |
| Total revenue | 395 | 361 |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | 102 | 105 |
| ACD's periodic charge rebate | (6) | (1) |
| | 96 | 104 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 30 | 2 |
| Other expenses: | | |
| Audit fee | 9 | 10 |
| Registrar fees | 3 | 19 |
| Safe custody charges | 2 | 1 |
| Other expenses | 53 | 46 |
| | 67 | 76 |
| Total expenses | 193 | 182 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Irrecoverable overseas tax | 12 | 25 |
| Total taxation (note 5b) | 12 | 25 |
| (b) Factors affecting current tax charge for the year: | | |
| The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below: | | |
| Net revenue before taxation | 201 | 179 |
| Corporation tax of 20% (2017: 20%) | 40 | 36 |
| Effects of: | | |
| Overseas non-taxable revenue* | (25) | (24) |
| Movement in excess management expenses | (20) | (8) |
| Irrecoverable overseas tax | 12 | 25 |
| Overseas tax expensed | (1) | (4) |
| Prior year adjustment | 6 | — |
| Total tax charge for year (note 5a) | 12 | 25 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £22,196 (31/07/17: £30,555); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 165 | 140 |
| Final distribution | 188 | 166 |
| | 353 | 306 |
| Add: revenue deducted on cancellation of shares | 15 | 21 |
| Deduct: revenue received on issue of shares | (16) | (20) |
| Net distributions for the year | 352 | 307 |

Details of the distributions per share are set out in the Distribution Tables on pages 484 to 485.

7. Movement between net revenue and net distributions

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Net revenue after taxation | 189 | 154 |
| Expenses charged to capital | 193 | 182 |
| Tax relief on expenses charged to capital | (30) | (29) |
| Net distributions for the year | 352 | 307 |

Notes to the Financial Statements

(continued)

as at 31 July 2018

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Sales awaiting settlement | – | 244 |
| Amounts receivable for issue of shares | 240 | 41 |
| Accrued revenue | 65 | 38 |
| Total debtors | 305 | 323 |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | 233 | 245 |
| Amounts payable for cancellation of shares | 10 | 30 |
| Accrued expenses | 58 | 59 |
| Total other creditors | 301 | 334 |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|---|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 5,217 | 5,918 | 5,148 | 5,909 |
| Trades in the year before transaction costs | 5,217 | 5,918 | 5,148 | 5,909 |
| Commissions | | | | |
| Equities | 4 | 9 | (4) | (9) |
| Taxes | | | | |
| Equities | 2 | 2 | (1) | (1) |
| Total costs | 6 | 11 | (5) | (10) |
| Total net trades in the year after transaction costs | 5,223 | 5,929 | 5,143 | 5,899 |

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.07 | 0.15 | 0.07 | 0.15 |
| Taxes | | | | |
| Equities | 0.03 | 0.03 | 0.02 | 0.02 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|--------------------|--------------|--------------|
| | % | % |
| Commissions | 0.07 | 0.16 |
| Taxes | 0.02 | 0.03 |
| Total costs | 0.09 | 0.19 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.24% (31/07/17: 0.22%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £1,136,155 (31/07/17: £1,087,681).

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 1.77% (31/07/17: 1.03%) of the Fund's assets were interest-bearing.

As exposure to interest-rate risk is not significant, no additional numerical or sensitivity analysis is presented.

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| Currency | Net foreign currency assets | Net foreign currency assets |
|-------------------|-----------------------------|-----------------------------|
| | 31 July 2018 | 31 July 2017 |
| | Total | Total |
| | £'000 | £'000 |
| Australian dollar | 2,204 | 2,113 |
| Euro | 13 | 4 |
| Hong Kong dollar | 3,836 | 3,177 |
| Japanese yen | 4,363 | 4,352 |
| Singapore dollar | 841 | 1,014 |
| US dollar | — | 321 |
| | <u>11,257</u> | <u>10,981</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £562,826 (31/07/17: £549,011).

Notes to the Financial Statements

(continued)

as at 31 July 2018

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £8,763 (31/07/17: £8,632) due at the year end.

Material Shareholders

Nucleus Trustee Company Limited and NFS (Nominees) Limited held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 12.0% and 11.1% of the Fund's shares in issue respectively.

14. Share classes

The Fund has six share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|--|------|
| Share class A Accumulation | 1.50 |
| Share class A Income | 1.50 |
| Share class B Accumulation | 0.75 |
| Share class B Income | 0.75 |
| Share class A Accumulation (EUR share class) | 1.50 |
| Share class A Income (EUR share class) | 1.50 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 471 to 476.

The distributions per share class are given in the Distribution Tables on pages 484 to 485.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | Closing shares in issue |
|--|---|-----------|---------------|----------------------------------|----------------------------|
| Share class A Accumulation | 1,340,358 | 181,761 | (305,236) | (8,797) | 1,208,086 |
| Share class A Income | 135,666 | 206,124 | (31,395) | (525) | 309,870 |
| Share class B Accumulation | 3,748,157 | 454,957 | (439,392) | 8,007 | 3,771,729 |
| Share class B Income | 700,280 | 120,882 | (124,373) | 485 | 697,274 |
| Share class A Accumulation (EUR share class) | 20,500 | 482 | (9,567) | – | 11,415 |
| Share class A Income (EUR share class) | 30,250 | 24,818 | (28,610) | – | 26,458 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 11,362 | – | 10,877 | – |
| Level 2 | – | – | – | – |
| Level 3 | – | – | – | – |
| Total fair value | 11,362 | – | 10,877 | – |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Asian Property Securities Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 3.1563 | – | 3.1563 | 2.2389 |
| Final | 2.5696 | – | 2.5696 | 2.6917 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.5577 | 1.5986 | 3.1563 | 2.2389 |
| Final | 1.3595 | 1.2101 | 2.5696 | 2.6917 |

Share class A Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.3060 | – | 2.3060 | 1.7252 |
| Final | 2.1610 | – | 2.1610 | 2.0364 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.0762 | 1.2298 | 2.3060 | 1.7252 |
| Final | – | 2.1610 | 2.1610 | 2.0364 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.7460 | – | 2.7460 | 2.4605 |
| Final | 3.5791 | – | 3.5791 | 2.9457 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.6525 | 1.0935 | 2.7460 | 2.4605 |
| Final | 1.5774 | 2.0017 | 3.5791 | 2.9457 |

Share class B Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.4277 | – | 2.4277 | 1.8623 |
| Final | 2.1777 | – | 2.1777 | 2.1939 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.0030 | 1.4247 | 2.4277 | 1.8623 |
| Final | 0.8701 | 1.3076 | 2.1777 | 2.1939 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 1.9474 | — | 1.9474 | 1.7373 |
| Final | 2.5296 | — | 2.5296 | 1.9969 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.2114 | 0.7360 | 1.9474 | 1.7373 |
| Final | 1.1863 | 1.3433 | 2.5296 | 1.9969 |

Share class A Income (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 1.7979 | — | 1.7979 | 1.3897 |
| Final | 1.4189 | — | 1.4189 | 1.5794 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.6915 | 0.1064 | 1.7979 | 1.3897 |
| Final | 0.0804 | 1.3385 | 1.4189 | 1.5794 |

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 100.00% of the dividend is received as franked investment income.

Interim – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 100.00% of the dividend is received as franked investment income.

Final – 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Authorised Fund Manager's Report

for the year ended 31 July 2018

Investment Objective and Policy

The Fund aims to achieve an investment return consistent with income and long-term capital growth.

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.

Risks and reward profile

| | ← Lower Risk | | | | Higher Risk → | | |
|---|---------------------------|---|---|---|----------------------------|---|---|
| | Potentially Lower Rewards | | | | Potentially Higher Rewards | | |
| Share class A Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Income | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Hedged Accumulation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class A Income (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Income (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share class B Hedged Accumulation (EUR share class) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating of 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

Single-sector risk: investing in a single sector may be riskier than investing in a number of different sectors. Investing in a larger number of sectors helps spread risk.

Property securities risk: the Fund invests in the shares of companies that are involved in property (like real estate investment trusts) rather than property itself. The value of these investments may fluctuate more than actual property.

Currency risk: the Fund invests in assets that are denominated in other currencies; changes in exchange rates will affect the value of the Fund.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Performance

The Fund rose by 5% over the twelve months in sterling terms and has provided cumulative returns of 28.2% and 52% over three and five years respectively to 31 July 2018.

During this period, the most significant contributions came from Unite and Interxion. Conversely, the most significant detractors over the past twelve months were Kimco Realty Corporation and Vornado Realty Trust.

Portfolio Changes

Over the twelve months, the Fund's largest purchases were Prologis, Invitation Homes and Equity Residential. Prologis was purchased as the company's results in the 4th quarter of 2017 suggested that it is well-positioned to maintain strong growth. The Fund initiated a position in Invitation Homes due to attractive synergies from the announced merger with its competitor, Starwood Waypoint. Holdings in Equity Residential were increased as the Fund's research demonstrated that the stock was trading at a large discount and operating results were tracking in line to slightly better than expectations.

The largest sells were GGP, Vornado Realty Trust and CyrusOne. Holdings in US retail real estate investment trusts like GGP were affected by investor concerns over the challenging outlook for retailers, and the Fund opportunistically sold its shares on strength when it surged 15% upon Brookfield's takeover offer. The Fund's holdings in Vornado Realty Trust and CyrusOne were sold on strong relative performance with the proceeds used to invest in other names.

Outlook

Although US real estate investment trusts have experienced significant volatility this year and cash earnings growth has decelerated to more normal levels, UK real estate investment trusts trade at large discounts due to slowing economic conditions and political uncertainties.

Operating conditions for Australian real estate investment trusts remain healthy, particularly with regard to the industrial and office markets.

Within Asia, the overall strategy is to have a balanced portfolio with some quality defensive names and some with strong growth potential in the region.

Cumulative performance as at 31 July 2018

| Time period | 3 mths | 6 mths | 1 yr | 3 yrs | 5 yrs | 10 yrs | Since launch |
|--------------------|--------|--------|------|-------|-------|--------|--------------|
| Fund return % | 5.4 | 8.6 | 5.0 | 28.2 | 52.0 | 158.0 | 124.5 |
| Benchmark return % | 9.5 | 10.3 | 6.2 | 40.9 | 60.7 | 173.6 | 134.4 |

Discrete performance as at 31 July 2018

| Time period | 12 mths to 31/07/18 | 12 mths to 31/07/17 | 12 mths to 31/07/16 | 12 mths to 31/07/15 | 12 mths to 31/07/14 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund return % | 5.0 | (0.4) | 22.5 | 15.6 | 2.6 |
| Benchmark return % | 6.2 | (1.2) | 34.3 | 12.0 | 1.8 |

Benchmark: FTSE EPRA/NAREIT Developed Index.

Sector: IA Property.

Performance is based on share class B Accumulation, as this is considered to be the Fund's primary share class.

Performance data is calculated on a net basis by deducting fees incurred at Fund level (e.g. the management and administration fees) and other costs charged to the Fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis.

Past performance should not be used as a guide to future performance, which is not guaranteed.

Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2018

Ten largest holdings

| 31 July 2018 | | 31 July 2017 | |
|---------------------------|-----------|---------------------------|-----------|
| Stock name | % of Fund | Stock name | % of Fund |
| Prologis | 5.71 | Equinix | 6.33 |
| Simon Property | 5.10 | GGP | 6.14 |
| Invitation Homes | 4.74 | Simon Property | 5.79 |
| Equity Residential | 4.69 | Sun Hung Kai Properties | 4.85 |
| Unite | 4.48 | CyrusOne | 4.76 |
| Kilroy Realty | 4.18 | UDR | 4.59 |
| Sun Hung Kai Properties | 4.00 | Hudson Pacific Properties | 4.06 |
| Hudson Pacific Properties | 3.83 | National Storage | 4.06 |
| Equinix | 3.81 | Vornado Realty Trust | 4.03 |
| Host Hotels & Resorts | 3.29 | UNITE | 4.03 |

Types of shares

Income and Accumulation.

First State Global Property Securities Fund

Portfolio Statement

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| UNITED KINGDOM (7.47%*) | 16,962 | 6.09 |
| 165,627 Globalworth Real Estate Investments | 1,344 | 0.49 |
| 365,739 Grainger Trust** | 1,121 | 0.40 |
| 385,545 Hammerson** | 2,012 | 0.72 |
| 1,425,214 Unite** | 12,485 | 4.48 |
| UNITED STATES (53.94%*) | 141,285 | 50.70 |
| 151,451 American Campus Communities** | 4,764 | 1.71 |
| 350,997 American Homes 4 Rent** | 5,924 | 2.13 |
| 92,318 Camden Property Trust** | 6,515 | 2.34 |
| 75,540 CyrusOne** | 3,566 | 1.28 |
| 224,899 Duke Realty** | 4,991 | 1.79 |
| 31,750 Equinix** | 10,631 | 3.81 |
| 262,230 Equity Residential** | 13,078 | 4.69 |
| 118,945 Hilton Worldwide | 7,133 | 2.56 |
| 574,683 Host Hotels & Resorts** | 9,170 | 3.29 |
| 408,808 Hudson Pacific Properties** | 10,677 | 3.83 |
| 124,506 InterXion | 6,157 | 2.21 |
| 750,513 Invitation Homes** | 13,222 | 4.74 |
| 209,491 Kilroy Realty** | 11,649 | 4.18 |
| 317,867 Prologis** | 15,899 | 5.71 |
| 105,804 Simon Property** | 14,211 | 5.10 |
| 126,109 UDR** | 3,698 | 1.33 |
| CANADA (1.36%*) | 11,048 | 3.96 |
| 550,843 Dream Global Real Estate Investment Trust** | 4,493 | 1.61 |
| 451,054 RioCan Real Estate Investment Trust** | 6,555 | 2.35 |
| FINLAND (0.00%*) | 3,075 | 1.10 |
| 380,964 Kojamo | 3,075 | 1.10 |
| FRANCE (0.77%*) | — | — |
| GERMANY (0.58%*) | 1,875 | 0.67 |
| 21,815 LEG Immobilien | 1,875 | 0.67 |
| NETHERLANDS (2.77%*) | 6,599 | 2.37 |
| 23,325 NSI** | 692 | 0.25 |
| 745,738 Playa Hotels & Resorts | 5,907 | 2.12 |
| SPAIN (0.00%*) | 10,695 | 3.84 |
| 663,456 Inmobiliaria Colonial** | 5,453 | 1.96 |
| 935,023 NH Hotel | 5,242 | 1.88 |
| JAPAN (12.16%*) | 27,109 | 9.73 |
| 429 Activia Properties** | 1,453 | 0.52 |
| 5,448 GLP J-REIT** | 4,430 | 1.59 |
| 717 Hoshino Resorts REIT** | 2,793 | 1.00 |
| 524,601 Mitsubishi Estate | 6,929 | 2.49 |
| 380,645 Mitsui Fudosan | 6,910 | 2.48 |
| 165,000 Sumitomo Realty & Development | 4,594 | 1.65 |
| AUSTRALIA (9.52%*) | 18,670 | 6.70 |
| 4,183,843 Mirvac** | 5,382 | 1.93 |
| 6,284,304 National Storage** | 6,090 | 2.19 |
| 4,792,710 Vicinity Centres** | 7,198 | 2.58 |

First State Global Property Securities Fund

Portfolio Statement

(continued)

as at 31 July 2018

| Holdings | Market Value £'000 | Total Net Assets % |
|---|-----------------------|-----------------------|
| HONG KONG (6.70%*) | 26,482 | 9.50 |
| 4,742,000 Hang Lung Properties | 7,601 | 2.73 |
| 934,000 Sun Hung Kai Properties | 11,152 | 4.00 |
| 1,392,127 Wharf Real Estate Investment | 7,729 | 2.77 |
| INDIA (0.00%*) | 4,546 | 1.63 |
| 104,218 ADO Properties | 4,546 | 1.63 |
| SINGAPORE (4.37%*) | 5,661 | 2.03 |
| 3,096 Mitsubishi Estate Logistics REIT Investment** | 5,661 | 2.03 |
| DERIVATIVES (0.01%*) | (63) | (0.02) |
| Forward Currency Contracts | | |
| Australian Dollar | | |
| Sold AUD731 for GBP414 Settlement 15/08/2018 | — | — |
| Sold AUD931,114 for GBP521,764 Settlement 15/08/2018 | (6) | — |
| Canadian Dollar | | |
| Bought CAD414 for EUR270 Settlement 15/08/2018 | — | — |
| Bought CAD16,649 for GBP9,646 Settlement 15/08/2018 | — | — |
| Sold CAD542,280 for GBP311,876 Settlement 15/08/2018 | (6) | — |
| Sold CAD16,444 for GBP9,551 Settlement 15/08/2018 | — | — |
| Euro | | |
| Bought EUR13,404 for CAD20,616 Settlement 15/08/2018 | — | — |
| Bought EUR22,440 for AUD35,399 Settlement 15/08/2018 | — | — |
| Bought EUR20,229 for GBP17,900 Settlement 15/08/2018 | — | — |
| Bought EUR30,397 for HKD278,900 Settlement 15/08/2018 | — | — |
| Bought EUR56 for SGD89 Settlement 15/08/2018 | — | — |
| Bought EUR40,698 for JPY5,336,204 Settlement 15/08/2018 | — | — |
| Bought EUR183,942 for USD215,088 Settlement 15/08/2018 | — | — |
| Bought EUR1,107 for JPY145,488 Settlement 15/08/2018 | — | — |
| Bought EUR1,890 for GBP1,690 Settlement 15/08/2018 | — | — |
| Bought EUR3,346 for GBP2,989 Settlement 15/08/2018 | — | — |
| Bought EUR737 for HKD6,776 Settlement 15/08/2018 | — | — |
| Bought EUR1,910 for GBP1,702 Settlement 15/08/2018 | — | — |
| Bought EUR1,043 for GBP925 Settlement 15/08/2018 | — | — |
| Bought EUR426 for CAD650 Settlement 15/08/2018 | — | — |
| Bought EUR948 for HKD8,681 Settlement 15/08/2018 | — | — |
| Bought EUR7,460 for USD8,709 Settlement 15/08/2018 | — | — |
| Bought EUR5,045 for GBP4,498 Settlement 15/08/2018 | — | — |
| Bought EUR1,424 for GBP1,271 Settlement 15/08/2018 | — | — |
| Sold EUR714,722 for GBP632,413 Settlement 15/08/2018 | (5) | — |
| Sold EUR60,790 for GBP53,979 Settlement 15/08/2018 | — | — |
| Sold EUR22,500 for GBP19,953 Settlement 15/08/2018 | — | — |
| Sold EUR744 for GBP661 Settlement 15/08/2018 | — | — |
| Sold EUR9,456 for GBP8,396 Settlement 15/08/2018 | — | — |
| Hong Kong Dollar | | |
| Bought HKD154,957 for GBP15,191 Settlement 15/08/2018 | — | — |
| Sold HKD7,336,037 for GBP707,255 Settlement 15/08/2018 | (5) | — |
| Sold HKD212,486 for GBP20,629 Settlement 15/08/2018 | — | — |
| Sold HKD258,502 for GBP25,031 Settlement 15/08/2018 | — | — |

First State Global Property Securities Fund

Portfolio Statement

(continued)

as at 31 July 2018

| | Market Value £'000 | Total Net Assets % |
|--|--------------------------|--------------------------|
| Japanese Yen | | |
| Bought JPY3,174,176 for GBP21,750 Settlement 15/08/2018 | — | — |
| Bought JPY167,115 for EUR1,291 Settlement 15/08/2018 | — | — |
| Sold JPY140,360,465 for GBP946,968 Settlement 15/08/2018 | (9) | (0.01) |
| Singapore Dollar | | |
| Bought SGD2 for EUR2 Settlement 15/08/2018 | — | — |
| Sold SGD2,348 for GBP1,301 Settlement 15/08/2018 | — | — |
| Swedish Krona | | |
| Sold SEK for GBP Settlement 15/08/2018 | — | — |
| Swiss Franc | | |
| Sold CHF1 for GBP1 Settlement 15/08/2018 | — | — |
| US Dollar | | |
| Bought USD152,870 for GBP117,038 Settlement 15/08/2018 | (1) | — |
| Bought USD116,681 for GBP88,917 Settlement 15/08/2018 | — | — |
| Bought USD156,029 for GBP118,578 Settlement 15/08/2018 | — | — |
| Bought USD6,904 for EUR5,890 Settlement 15/08/2018 | — | — |
| Bought USD7,096 for EUR6,072 Settlement 15/08/2018 | — | — |
| Sold USD5,657,547 for GBP4,279,617 Settlement 15/08/2018 | (31) | (0.01) |
| Sold USD221,866 for GBP168,581 Settlement 15/08/2018 | — | — |
| Portfolio of investments | 273,944 | 98.30 |
| Net other assets | 4,730 | 1.70 |
| Total net assets | 278,674 | 100.00 |

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

* Comparative figures shown in brackets relate to 31 July 2017.

** Real estate investment trust (REIT).

First State Global Property Securities Fund

Comparative Table

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 201.55 | 203.57 | 167.53 |
| Return before operating charges* | 14.23 | 1.31 | 38.87 |
| Operating charges | (3.08) | (3.33) | (2.83) |
| Return after operating charges* | 11.15 | (2.02) | 36.04 |
| Distributions | (5.27) | (4.86) | (3.80) |
| Retained distributions on accumulation shares | 5.27 | 4.86 | 3.80 |
| Closing net asset value per share (p) | 212.70 | 201.55 | 203.57 |
| * after direct transaction costs of: | 0.27 | 0.54 | 0.81 |
| Performance | | | |
| Return after charges (%) | 5.53% | (0.99)% | 21.51% |
| Other information | | | |
| Closing net asset value (£'000) | 25,083 | 28,888 | 38,993 |
| Closing number of shares | 11,792,522 | 14,332,691 | 19,154,906 |
| Operating charges | 1.54% | 1.65% | 1.65% |
| Direct transaction costs | 0.14% | 0.27% | 0.47% |
| Prices | | | |
| Highest share price | 213.04 | 210.05 | 204.71 |
| Lowest share price | 184.17 | 188.91 | 154.53 |

First State Global Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class A Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 150.15 | 155.25 | 130.49 |
| Return before operating charges* | 10.45 | 0.92 | 29.96 |
| Operating charges | (2.25) | (2.32) | (2.24) |
| Return after operating charges* | 8.20 | (1.40) | 27.72 |
| Distributions | (3.93) | (3.70) | (2.96) |
| Closing net asset value per share (p) | 154.42 | 150.15 | 155.25 |
| * after direct transaction costs of: | 0.20 | 0.41 | 0.63 |
| Performance | | | |
| Return after charges (%) | 5.46% | (0.90)% | 21.24% |
| Other information | | | |
| Closing net asset value (£'000) | 2,253 | 3,437 | 3,127 |
| Closing number of shares | 1,459,030 | 2,289,047 | 2,014,218 |
| Operating charges | 1.52% | 1.52% | 1.69% |
| Direct transaction costs | 0.14% | 0.27% | 0.47% |
| Prices | | | |
| Highest share price | 156.65 | 159.71 | 157.82 |
| Lowest share price | 135.49 | 144.15 | 119.12 |

First State Global Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 213.57 | 214.34 | 175.04 |
| Return before operating charges* | 15.02 | 1.09 | 40.90 |
| Operating charges | (1.70) | (1.86) | (1.60) |
| Return after operating charges* | 13.32 | (0.77) | 39.30 |
| Distributions | (5.73) | (5.15) | (4.01) |
| Retained distributions on accumulation shares | 5.73 | 5.15 | 4.01 |
| Closing net asset value per share (p) | 226.89 | 213.57 | 214.34 |
| * after direct transaction costs of: | 0.29 | 0.58 | 0.85 |
| Performance | | | |
| Return after charges (%) | 6.24% | (0.36)% | 22.45% |
| Other information | | | |
| Closing net asset value (£'000) | 177,223 | 175,662 | 190,402 |
| Closing number of shares | 78,110,956 | 82,250,286 | 88,831,725 |
| Operating charges | 0.80% | 0.87% | 0.88% |
| Direct transaction costs | 0.14% | 0.27% | 0.47% |
| Prices | | | |
| Highest share price | 227.21 | 222.16 | 215.53 |
| Lowest share price | 195.82 | 199.33 | 161.58 |

First State Global Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Share class B Income | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 164.21 | 168.96 | 141.04 |
| Return before operating charges* | 11.27 | 0.89 | 32.60 |
| Operating charges | (1.32) | (1.59) | (1.46) |
| Return after operating charges* | 9.95 | (0.70) | 31.14 |
| Distributions | (4.34) | (4.05) | (3.22) |
| Closing net asset value per share (p) | 169.82 | 164.21 | 168.96 |
| * after direct transaction costs of: | 0.22 | 0.45 | 0.68 |
| Performance | | | |
| Return after charges (%) | 6.06% | (0.41)% | 22.08% |
| Other information | | | |
| Closing net asset value (£'000) | 37,733 | 33,810 | 25,963 |
| Closing number of shares | 22,220,068 | 20,589,704 | 15,366,187 |
| Operating charges | 0.81% | 0.95% | 1.00% |
| Direct transaction costs | 0.14% | 0.27% | 0.47% |
| Prices | | | |
| Highest share price | 172.21 | 174.23 | 171.77 |
| Lowest share price | 148.63 | 157.09 | 129.27 |

First State Global Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (p) | Final 31 July 2017 (p) | Final 31 July 2016 (p) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Hedged Accumulation | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 100.18 | 101.21 | 99.83 |
| Return before operating charges* | 5.99 | (0.19) | 2.19 |
| Operating charges | (0.95) | (0.84) | (0.81) |
| Return after operating charges* | 5.04 | (1.03) | 1.38 |
| Distributions | (2.74) | (2.46) | (1.94) |
| Retained distributions on accumulation shares | 2.74 | 2.46 | 1.94 |
| Closing net asset value per share (p) | 105.22 | 100.18 | 101.21 |
| * after direct transaction costs of: | 0.14 | 0.27 | 0.46 |
| Performance | | | |
| Return after charges (%) | 5.03% | (1.02)% | 1.38% |
| Other information | | | |
| Closing net asset value (£'000) | 8,027 | 68 | 5 |
| Closing number of shares | 7,628,905 | 67,999 | 4,501 |
| Operating charges | 0.94% | 0.85% | 0.84% |
| Direct transaction costs | 0.14% | 0.27% | 0.47% |
| Prices | | | |
| Highest share price | 105.73 | 102.48 | 101.75 |
| Lowest share price | 95.02 | 91.84 | 86.35 |

First State Global Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 179.87 | 192.49 | 189.36 |
| Return before operating charges* | 13.13 | (9.66) | 5.99 |
| Operating charges | (2.86) | (2.96) | (2.86) |
| Return after operating charges* | 10.27 | (12.62) | 3.13 |
| Distributions | (4.75) | (4.43) | (3.77) |
| Retained distributions on accumulation shares | 4.75 | 4.43 | 3.77 |
| Closing net asset value per share (c) | 190.14 | 179.87 | 192.49 |
| * after direct transaction costs of: | 0.25 | 0.50 | 0.86 |
| Performance | | | |
| Return after charges (%) | 5.71% | (6.56)% | 1.65% |
| Other information | | | |
| Closing net asset value (€'000) | 4,416 | 5,957 | 4,584 |
| Closing number of shares | 2,322,379 | 3,311,883 | 2,381,335 |
| Operating charges | 1.59% | 1.59% | 1.57% |
| Direct transaction costs | 0.14% | 0.27% | 0.47% |
| Prices | | | |
| Highest share price | 191.25 | 195.86 | 194.63 |
| Lowest share price | 165.87 | 175.39 | 158.75 |

First State Global Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class A Income (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 140.71 | 154.50 | 155.14 |
| Return before operating charges* | 10.10 | (7.94) | 4.78 |
| Operating charges | (2.14) | (2.38) | (2.32) |
| Return after operating charges* | 7.96 | (10.32) | 2.46 |
| Distributions | (3.64) | (3.47) | (3.10) |
| Closing net asset value per share (c) | 145.03 | 140.71 | 154.50 |
| * after direct transaction costs of: | 0.19 | 0.41 | 0.70 |
| Performance | | | |
| Return after charges (%) | 5.66% | (6.68)% | 1.59% |
| Other information | | | |
| Closing net asset value (€'000) | 752 | 187 | 7,877 |
| Closing number of shares | 518,336 | 132,962 | 5,098,377 |
| Operating charges | 1.53% | 1.56% | 1.56% |
| Direct transaction costs | 0.14% | 0.27% | 0.47% |
| Prices | | | |
| Highest share price | 147.71 | 155.49 | 158.85 |
| Lowest share price | 128.22 | 140.11 | 128.82 |

First State Global Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 159.45 | 169.54 | 165.50 |
| Return before operating charges* | 11.69 | (8.77) | 5.32 |
| Operating charges | (1.33) | (1.32) | (1.28) |
| Return after operating charges* | 10.36 | (10.09) | 4.04 |
| Distributions | (4.30) | (3.91) | (3.32) |
| Retained distributions on accumulation shares | 4.30 | 3.91 | 3.32 |
| Closing net asset value per share (c) | 169.81 | 159.45 | 169.54 |
| * after direct transaction costs of: | 0.22 | 0.45 | 0.75 |
| Performance | | | |
| Return after charges (%) | 6.50% | (5.95)% | 2.44% |
| Other information | | | |
| Closing net asset value (€'000) | 26,262 | 13,576 | 12,723 |
| Closing number of shares | 15,465,199 | 8,515,066 | 7,504,107 |
| Operating charges | 0.83% | 0.80% | 0.80% |
| Direct transaction costs | 0.14% | 0.27% | 0.47% |
| Prices | | | |
| Highest share price | 170.76 | 173.26 | 171.42 |
| Lowest share price | 147.75 | 154.74 | 139.34 |

First State Global Property Securities Fund

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|---|---------------------------|---------------------------|---------------------------|
| Share class B Income (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 106.10 | 114.85 | 127.65 |
| Return before operating charges* | 7.80 | (5.28) | (11.16) |
| Operating charges | (0.84) | (0.89) | (0.86) |
| Return after operating charges* | 6.96 | (6.17) | (12.02) |
| Distributions | (2.86) | (2.58) | (0.78) |
| Closing net asset value per share (c) | 110.20 | 106.10 | 114.85 |
| * after direct transaction costs of: | 0.15 | 0.30 | 0.56 |
| Performance | | | |
| Return after charges (%) | 6.56% | (5.37)% | (9.42)% |
| Other information | | | |
| Closing net asset value (€'000) | 14 | — | — |
| Closing number of shares | 13,156 | 51 | 50 |
| Operating charges | 0.79% | 0.80% | 0.74% |
| Direct transaction costs | 0.14% | 0.27% | 0.47% |
| Prices | | | |
| Highest share price | 112.22 | 116.61 | 131.01 |
| Lowest share price | 97.19 | 105.27 | 97.96 |

Net asset value of share class B Income (EUR share class) was less than EUR 1,000.

Comparative Table

(continued)

for the year ended 31 July 2018

Net Asset Value and Ongoing Charges Figure

| | Final 31 July 2018 (c) | Final 31 July 2017 (c) | Final 31 July 2016 (c) |
|--|---------------------------|---------------------------|---------------------------|
| Share class B Hedged Accumulation (EUR share class) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 102.17 | 104.39 | 100.00 |
| Return before operating charges* | 6.60 | (1.35) | 4.98 |
| Operating charges | (0.90) | (0.87) | (0.59) |
| Return after operating charges* | 5.70 | (2.22) | 4.39 |
| Distributions | (3.29) | (2.43) | (1.42) |
| Retained distributions on accumulation shares | 3.29 | 2.43 | 1.42 |
| Closing net asset value per share (c) | 107.87 | 102.17 | 104.39 |
| * after direct transaction costs of: | 0.14 | 0.27 | 0.71 |
| Performance | | | |
| Return after charges (%) | 5.58% | (2.13)% | 4.39% |
| Other information | | | |
| Closing net asset value (€'000) | 345 | 3,238 | 2,889 |
| Closing number of shares | 319,770 | 3,169,087 | 2,767,500 |
| Operating charges | 0.87% | 0.86% | 0.86% |
| Direct transaction costs | 0.14% | 0.27% | 0.47% |
| Prices | | | |
| Highest share price | 108.45 | 105.66 | 104.89 |
| Lowest share price | 97.20 | 94.44 | 87.56 |

First State Global Property Securities Fund

Statement of Total Return

for the year ended 31 July 2018

| | Notes | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|---|-------|-----------------------|---------------|-----------------------|----------------|
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 9,229 | | (5,515) |
| Revenue | 3 | 8,141 | | 8,229 | |
| Expenses | 4 | (2,347) | | (2,732) | |
| Interest payable and similar charges | | (15) | | (7) | |
| Net revenue before taxation | | 5,779 | | 5,490 | |
| Taxation | 5 | (623) | | (1,065) | |
| Net revenue after taxation | | | 5,156 | | 4,425 |
| Total return before distributions | | | 14,385 | | (1,090) |
| Distributions | 6 | | (7,034) | | (6,611) |
| Change in net assets attributable to shareholders from investment activities | | | 7,351 | | (7,701) |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

| | 31 July 2018 £'000 | £'000 | 31 July 2017 £'000 | £'000 |
|--|-----------------------|----------------|-----------------------|----------------|
| Opening net assets attributable to shareholders | | 262,390 | | 282,161 |
| Amounts receivable on issue of shares | 74,212 | | 62,949 | |
| Less: Amounts payable on cancellation of shares | (71,564) | | (80,826) | |
| | | 2,648 | | (17,877) |
| Dilution adjustment | | 139 | | 121 |
| Change in net assets attributable to shareholders from investment activities | | 7,351 | | (7,701) |
| Retained distribution on accumulation shares | | 6,146 | | 5,686 |
| Closing net assets attributable to shareholders | | 278,674 | | 262,390 |

Notes to the Financial Statements are on pages 504 to 509.

First State Global Property Securities Fund

Balance Sheet

as at 31 July 2018

| | Notes | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 274,007 | 261,477 |
| Current assets | | | |
| Debtors | 8 | 3,415 | 829 |
| Cash and bank balances | | 5,397 | 1,643 |
| Total assets | | 282,819 | 263,949 |
| Liabilities | | | |
| Investment liabilities | | (63) | (6) |
| Provision for liabilities | | (116) | (67) |
| Creditors | | | |
| Distribution payable | | (514) | (465) |
| Other creditors | 9 | (3,452) | (1,021) |
| Total liabilities | | (4,145) | (1,559) |
| Net assets attributable to shareholders | | 278,674 | 262,390 |

Notes to the Financial Statements are on pages 504 to 509.

Notes to the Financial Statements

as at 31 July 2018

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Non-derivative securities | 9,490 | (5,314) |
| Forward foreign exchange currency contracts | (65) | 92 |
| Currency losses | (187) | (293) |
| Custodial transaction fees | (9) | – |
| Net capital gains/(losses) | <u>9,229</u> | <u>(5,515)</u> |

3. Revenue

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|--|-----------------------|-----------------------|
| Overseas taxable revenue | – | 57 |
| Overseas non-taxable revenue | 1,244 | 923 |
| Property revenue from UK REITs – PID | 512 | 661 |
| Property revenue from UK REITs – non-PID | 116 | 333 |
| Property revenue from overseas REITs | 6,266 | 6,254 |
| Currency hedge gains | 2 | – |
| Interest from bank deposits | 1 | 1 |
| Total revenue | <u>8,141</u> | <u>8,229</u> |

4. Expenses

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them: | | |
| ACD's periodic charge | <u>2,209</u> | <u>2,396</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | <u>30</u> | <u>41</u> |
| Other expenses: | | |
| Audit fee | 10 | 11 |
| Registrar fees | 37 | 218 |
| Safe custody charges | 8 | 10 |
| Other expenses | <u>53</u> | <u>56</u> |
| | <u>108</u> | <u>295</u> |
| Total expenses | <u>2,347</u> | <u>2,732</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

5. Taxation

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|------------------------------------|-----------------------|-----------------------|
| (a) Analysis of charge in year: | | |
| Corporation tax | 879 | 750 |
| Deferred taxation | 49 | – |
| Overseas tax relief | – | (722) |
| Irrecoverable overseas tax | 530 | 1,008 |
| (Less)/add: Double taxation relief | (835) | 29 |
| Total taxation (note 5b) | 623 | 1,065 |

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2017: 20%). The differences are explained below:

| | | |
|--|-------|-------|
| Net revenue before taxation | 5,779 | 5,490 |
| Corporation tax of 20% (2017: 20%) | 1,156 | 1,098 |
| Effects of: | | |
| Overseas non-taxable revenue* | (272) | (185) |
| Double taxation relief | (713) | (789) |
| Irrecoverable overseas tax | 530 | 1,008 |
| Property revenue from UK REITs – non-PID | (78) | (67) |
| Total tax charge for year (note 5a) | 623 | 1,065 |

OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

* As an authorised OEIC, these items are not subject to corporation tax.

(c) Deferred taxation:

| | | |
|---|------|-------|
| Provision at the start of the year | 67 | 38 |
| Deferred tax charge in profit and loss account for the year (note 5a) | 49 | 29 |
| Provision at the end of the year | 116 | 67 |
| Provision consists of: | | |
| Revenue taxable in different periods | 132 | 207 |
| Double tax relief | (16) | (140) |
| Provision at the end of the year | 116 | 67 |

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

| | 31 July 2018 £'000 | 31 July 2017 £'000 |
|---|-----------------------|-----------------------|
| Interim distribution | 3,684 | 3,310 |
| Final distribution | 3,484 | 3,208 |
| | 7,168 | 6,518 |
| Add: revenue deducted on cancellation of shares | 472 | 453 |
| Deduct: revenue received on issue of shares | (606) | (360) |
| Net distributions for the year | 7,034 | 6,611 |

Details of the distributions per share are set out in the Distribution Tables on pages 510 to 512.

Notes to the Financial Statements

(continued)

as at 31 July 2018

7. Movement between net revenue and net distributions

| | 31 July 2018 | 31 July 2017 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Net revenue after taxation | 5,156 | 4,425 |
| Expenses charged to capital | 2,347 | 2,732 |
| Tax relief on expenses charged to capital | (469) | (546) |
| Net distributions for the year | <u>7,034</u> | <u>6,611</u> |

8. Debtors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Sales awaiting settlement | 1,410 | – |
| Amounts receivable for issue of shares | 1,122 | 53 |
| Accrued revenue | 831 | 657 |
| Foreign currency contracts awaiting settlement | 7 | – |
| Overseas tax recoverable | 45 | 119 |
| Total debtors | <u>3,415</u> | <u>829</u> |

9. Other creditors

| | 31 July 2018 | 31 July 2017 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Purchases awaiting settlement | 1,958 | – |
| Amounts payable for cancellation of shares | 1,182 | 586 |
| Accrued expenses | 262 | 407 |
| Corporation tax | 43 | 28 |
| Foreign currency contracts awaiting settlement | 7 | – |
| Total other creditors | <u>3,452</u> | <u>1,021</u> |

10. Portfolio transaction costs

Analysis of total trade costs:

| | Purchases | | Sales | |
|--|----------------|----------------|----------------|----------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | £'000 | £'000 | £'000 | £'000 |
| Equities | 218,280 | 207,637 | 215,028 | 215,106 |
| Trades in the year before transaction costs | <u>218,280</u> | <u>207,637</u> | <u>215,028</u> | <u>215,106</u> |
| Commissions | | | | |
| Equities | 142 | 344 | (160) | (344) |
| Taxes | | | | |
| Equities | 40 | 39 | (15) | (18) |
| Total costs | <u>182</u> | <u>383</u> | <u>(175)</u> | <u>(362)</u> |
| Total net trades in the year after transaction costs | <u>218,462</u> | <u>208,020</u> | <u>214,853</u> | <u>214,744</u> |

Notes to the Financial Statements

(continued)

as at 31 July 2018

10. Portfolio transaction costs (continued)

Total transaction cost expressed as a percentage of asset type cost:

| | Purchases | | Sales | |
|--------------------|--------------|--------------|--------------|--------------|
| | 31 July 2018 | 31 July 2017 | 31 July 2018 | 31 July 2017 |
| | % | % | % | % |
| Commissions | | | | |
| Equities | 0.07 | 0.17 | 0.07 | 0.16 |
| Taxes | | | | |
| Equities | 0.02 | 0.02 | 0.01 | 0.01 |

Total transaction cost expressed as a percentage of average net asset value:

| | 31 July 2018 | 31 July 2017 |
|--------------------|--------------|--------------|
| | % | % |
| Commissions | 0.12 | 0.25 |
| Taxes | 0.02 | 0.02 |
| Total costs | 0.14 | 0.27 |

Average portfolio dealing spread

The average portfolio dealing spread at the Balance Sheet date was 0.15% (31/07/17: 0.12%).

11. Contingent liabilities and commitments

As at 31 July 2018, the Fund had no contingent liabilities (31/07/17: £nil) and no commitments (31/07/17: £nil).

12. Derivatives and other financial instruments

(a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of £27,400,715 (31/07/17: £26,143,601).

Notes to the Financial Statements

(continued)

as at 31 July 2018

12. Derivatives and other financial instruments (continued)

(b) Interest-rate risk

The Fund does not invest in either fixed-rate or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2018, 1.94% (31/07/17: 0.63%) of the Fund's assets were interest-bearing.

As exposure to interest-rate risk is not significant, no additional numerical or sensitivity analysis is presented.

(c) Analysis of the Fund's currency exposure

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2018, the Fund had the following net currency exposure (excluding sterling):

| | Net foreign currency assets 31 July 2018 | Net foreign currency assets 31 July 2017 |
|-------------------|---|---|
| | Total | Total |
| Currency | £'000 | £'000 |
| Australian dollar | 18,662 | 25,369 |
| Canadian dollar | 10,810 | 3,620 |
| Euro | 22,478 | 7,993 |
| Hong Kong dollar | 25,719 | 17,574 |
| Japanese yen | 31,872 | 32,125 |
| Singapore dollar | 44 | 11,567 |
| US dollar | 142,916 | 144,838 |
| Total | <u>252,501</u> | <u>243,086</u> |

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of £12,625,066 (31/07/17: £12,154,303).

Effective Portfolio Management

Financial derivative instruments exposure as at 31 July 2018

Forward foreign currency contracts (hedging)

Total financial derivative instruments exposure

Value (£)

(63,159)

(63,159)

Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2018

Bank of New York Mellon

Value (£)

(63,159)

13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, as summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £194,081 (31/07/17: £191,781) due at the year end.

Material Shareholders

FNZ (UK) Nominees Limited held material shareholdings in the Fund during the year to 31 July 2018, and at the year end held 18.2% of the Fund's shares in issue.

Notes to the Financial Statements

(continued)

as at 31 July 2018

14. Share classes

The Fund has ten share classes in issue.

The ACD's periodic charge on each share class is as follows:

| | % |
|---|------|
| Share class A Accumulation | 1.50 |
| Share class A Income | 1.50 |
| Share class B Accumulation | 0.75 |
| Share class B Income | 0.75 |
| Share class B Hedged Accumulation | 0.75 |
| Share class A Accumulation (EUR) | 1.50 |
| Share class A Income (EUR) | 1.50 |
| Share class B Accumulation (EUR) | 0.75 |
| Share class B Income (EUR) | 0.75 |
| Share class B Hedged Accumulation (EUR) | 0.75 |

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 492 to 501.

The distributions per share class are given in the Distribution Tables on pages 510 to 512.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

| | 1 August 2017 Opening shares in issue | Creations | Cancellations | 31 July 2018 Shares converted | Closing shares in issue |
|---|---|------------|---------------|----------------------------------|----------------------------|
| Share class A Accumulation | 14,332,691 | 2,412,337 | (4,873,559) | (78,947) | 11,792,522 |
| Share class A Income | 2,289,047 | 2,699,016 | (3,524,033) | (5,000) | 1,459,030 |
| Share class B Accumulation | 82,250,286 | 17,023,760 | (21,207,089) | 43,999 | 78,110,956 |
| Share class B Income | 20,589,704 | 3,631,126 | (2,048,694) | 47,932 | 22,220,068 |
| Share class B Hedged Accumulation | 67,999 | 7,890,189 | (323,716) | (5,567) | 7,628,905 |
| Share class A Accumulation (EUR) | 3,311,883 | 47,396 | (1,036,900) | – | 2,322,379 |
| Share class A Income (EUR) | 132,962 | 3,556,220 | (3,170,846) | – | 518,336 |
| Share class B Accumulation (EUR) | 8,515,066 | 7,568,154 | (618,021) | – | 15,465,199 |
| Share class B Income (EUR) | 51 | 13,295 | (190) | – | 13,156 |
| Share class B Hedged Accumulation (EUR) | 3,169,087 | 71,717 | (2,921,034) | – | 319,770 |

15. Fair value

| | 31 July 2018 Assets £'000 | Liabilities £'000 | 31 July 2017 Assets £'000 | Liabilities £'000 |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Valuation technique | | | | |
| Level 1 | 274,007 | – | 261,436 | – |
| Level 2 | – | (63) | 41 | (6) |
| Level 3 | – | – | – | – |
| Total fair value | 274,007 | (63) | 261,477 | (6) |

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

First State Global Property Securities Fund

Distribution Tables

for the year ended 31 July 2018

Distribution in pence and cents per share

Group 1 Interim – Shares purchased prior to 1 August 2017

Final – Shares purchased prior to 1 February 2018

Group 2 Interim – Shares purchased between 1 August 2017 and 31 January 2018

Final – Shares purchased between 1 February 2018 and 31 July 2018

Share class A Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.5992 | – | 2.5992 | 2.4200 |
| Final | 2.6701 | – | 2.6701 | 2.4396 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.3671 | 1.2321 | 2.5992 | 2.4200 |
| Final | 0.5171 | 2.1530 | 2.6701 | 2.4396 |

Share class A Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 1.9395 | – | 1.9395 | 1.8599 |
| Final | 1.9877 | – | 1.9877 | 1.8435 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.0307 | 0.9088 | 1.9395 | 1.8599 |
| Final | 0.6425 | 1.3452 | 1.9877 | 1.8435 |

Share class B Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.8929 | – | 2.8929 | 2.5399 |
| Final | 2.8321 | – | 2.8321 | 2.6061 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.1965 | 1.6964 | 2.8929 | 2.5399 |
| Final | 1.2889 | 1.5432 | 2.8321 | 2.6061 |

Share class B Income

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 2.1934 | – | 2.1934 | 2.0020 |
| Final | 2.1422 | – | 2.1422 | 2.0434 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 1.1807 | 1.0127 | 2.1934 | 2.0020 |
| Final | 1.1223 | 1.0199 | 2.1422 | 2.0434 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class B Hedged Accumulation

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (p) | (p) | (p) | (p) |
| Interim | 1.4521 | — | 1.4521 | 1.2290 |
| Final | 1.2905 | — | 1.2905 | 1.2275 |
| Group 2 | (p) | (p) | (p) | (p) |
| Interim | 0.4937 | 0.9584 | 1.4521 | 1.2290 |
| Final | 0.7130 | 0.5775 | 1.2905 | 1.2275 |

Share class A Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 2.3422 | — | 2.3422 | 2.2387 |
| Final | 2.4077 | — | 2.4077 | 2.1935 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.6254 | 0.7168 | 2.3422 | 2.2387 |
| Final | 1.1681 | 1.2396 | 2.4077 | 2.1935 |

Share class A Income (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 1.8265 | — | 1.8265 | 1.8635 |
| Final | 1.8134 | — | 1.8134 | 1.6031 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.4354 | 0.3911 | 1.8265 | 1.8635 |
| Final | — | 1.8134 | 1.8134 | 1.6031 |

Share class B Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 2.2024 | — | 2.2024 | 1.9556 |
| Final | 2.0982 | — | 2.0982 | 1.9547 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.2456 | 0.9568 | 2.2024 | 1.9556 |
| Final | 1.6720 | 0.4262 | 2.0982 | 1.9547 |

Distribution Tables

(continued)

for the year ended 31 July 2018

Share class B Income (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 1.4701 | — | 1.4701 | 1.1918 |
| Final | 1.3944 | — | 1.3944 | 1.3850 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 1.4501 | 0.0200 | 1.4701 | 1.1918 |
| Final | 1.0267 | 0.3677 | 1.3944 | 1.3850 |

Share class B Hedged Accumulation (EUR share class)

| | Net revenue | Equalisation | Distributions paid to/payable 30/09/2018 | Distributions paid 30/09/2017 |
|---------|----------------|--------------|--|-------------------------------------|
| Group 1 | (c) | (c) | (c) | (c) |
| Interim | 1.4806 | — | 1.4806 | 1.1868 |
| Final | 1.8087 | — | 1.8087 | 1.2467 |
| Group 2 | (c) | (c) | (c) | (c) |
| Interim | 0.9531 | 0.5275 | 1.4806 | 1.1868 |
| Final | 0.8504 | 0.9583 | 1.8087 | 1.2467 |

Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim – 26.45% of the dividend is received as franked investment income.

Interim – 19.51% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim – 54.04% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final – 34.92% of the dividend is received as franked investment income.

Final – 24.45% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final – 40.63% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

Corporate Directory

The Company

First State Investments ICVC

Registered office:

Finsbury Circus House, 15 Finsbury Circus
London EC2M 7EB

Principal place of business:

23 St Andrew Square
Edinburgh EH2 1BB

Authorised Corporate Director (ACD)

First State Investments (UK) Limited

Registered office:

Finsbury Circus House, 15 Finsbury Circus
London EC2M 7EB

Head office:

23 St Andrew Square
Edinburgh EH2 1BB

Authorised and regulated by the Financial Conduct Authority.

Dealing address:

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PO Box 12089
Brentwood
Essex CM14 9NH

Correspondence address:

First State Investments (UK) Limited
PO Box 12089
Brentwood
Essex CM14 9NH

Contact details:

Telephone: 0800 587 4141 and +44 131 525 8870
Email: enquiries@firststate.co.uk
Website: www.firststateinvestments.com

Directors of the ACD:

C Turpin
A Hilderly
V Kubitscheck
F Johnson
R Wastcoat

Investment Manager

First State Investment Management (UK) Limited

Registered office:

23 St Andrew Square
Edinburgh EH2 1BB

Authorised and regulated by the Financial Conduct Authority.

Investment Advisers

Colonial First State Asset Management (Australia) Limited

Registered office:

Level 29, 52 Martin Place
Sydney NSW 2000

First State Investments (Singapore)

Registered office:

38 Beach Road
06-11 South Beach Tower
Singapore 189767

First State Investments (Hong Kong) Limited

Registered office:

Level 25, One Exchange Square
Central, Hong Kong

Depository

The Bank of New York Mellon (International) Limited

Registered office:

One Canada Square
London E14 5AL

Corporate Directory

Custodian

The Bank of New York Mellon (International) Limited

Registered office:

One Canada Square

London E14 5AL

Administrator

The Bank of New York Mellon (International) Limited

Registered office:

One Canada Square

London E14 5AL

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:

Capital House

2 Festival Square

Edinburgh

EH3 9SU

Legal Advisers

Simmons & Simmons LLP

Registered office:

Citypoint

One Ropemaker Street

London EC2Y 9SS

Independent Auditors

PricewaterhouseCoopers LLP

Registered office:

Level 4

Atria One

144 Morrison Street

Edinburgh EH3 8EX

Issued by First State Investments (UK) Limited.

Authorised and regulated by the Financial Conduct Authority and a member of IA.

Registered No. 2294743 England and Wales.

Registered office Finsbury Circus House, 15 Finsbury Circus, London EC2M 7EB.

Entered on the FCA Register, registration number 143359.

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